

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2018 REGULAR SESSION**

**MEASURE**

2018 BR NUMBER **0507**

**SENATE** BILL NUMBER **231**

RESOLUTION NUMBER \_\_\_\_\_

AMENDMENT NUMBER \_\_\_\_\_

**SUBJECT/TITLE** **An ACT relating to the Work Ready Kentucky Scholarship and making an appropriation therefor.**

**SPONSOR** **Senator Wilson**

**NOTE SUMMARY**

FISCAL ANALYSIS:  IMPACT     NO IMPACT     INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT:  STATE     LOCAL     FEDERAL

BUDGET UNIT(S) IMPACT: \_\_\_\_\_

FUND(S) IMPACT:  GENERAL  ROAD  FEDERAL  RESTRICTED AGENCY \_\_\_\_\_  OTHER

**FISCAL SUMMARY**

<b>FISCAL ESTIMATES</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>ANNUAL IMPACT AT FULL IMPLEMENTATION</b>
<b>REVENUES</b>				
<b>EXPENDITURES</b>				
<b>NET EFFECT</b>				

( ) indicates a decrease/negative

**MEASURE’S PURPOSE:** This measure confirms Executive Order No. 2017-434, which established the Work Ready Kentucky Scholarship Program (WRKS) to be administered by the Kentucky Higher Education Assistance Authority (KHEAA). KHEAA is required to collaborate with the Education and Workforce Development Cabinet (EWDC) and provide to EWDC an annual report, in collaboration with the Kentucky Center for Education and Workforce Statistics (KCEWS) that by academic term/year and workforce sector, includes: students served, amounts disbursed, and credentials earned. The WRKS trust fund is established with an annual continuation clause for General Fund appropriations, public/private gifts and grants, and federal fund resources.

**PROVISIONS/MECHANICS:** Section 1 creates a new Section of KRS 164.740 to KRS 164.7891 to establish the WRKS; defines terms; requires KHEAA to administer the WRKS in consultation with EWDC and promulgate administrative regulations pursuant to KRS Chapter 13A; and requires specific student eligibility components, including: citizenship, Kentucky residency, high school diploma/equivalency, no postsecondary associate/higher level degree, Free Application for Federal Student Aid (FAFSA) completion, WRKS application, eligible

program enrollment, minimum three (3) credit hour enrollment per academic term, and no student obligation defaults.

Requires WRKS program award definitions, such as academic term cost of attendance, which is program tuition amount multiplied by the credit hours plus student fees, less student federal and state grants and scholarships; excludes work study and student loan funds from the calculation; includes student enrollment interruption contingencies, such as serious/extended illness/injury, natural disasters, military deployment, lack of institutional grade certification, and minimum eligibility of 2.0 grade point average with subsequent eligibility resumption requirements.

Requires WRKS program termination conditions, which include for each student: four (4) academic term equivalent limitation, thirty-two (32) credit limit, associate degree attainment, non-enrollment for more than two (2) academic terms, failure to earn at least three (3) hours in two (2) consecutive academic terms, and the end of six (6) academic terms, excluding summer terms.

Requires WRKS program reporting information by academic term/year and workforce sector to the EWDC, in collaboration with the KCEWS, which includes students served, amounts disbursed, and credentials earned. Establishes the WRKS trust fund with an annual continuation clause for state general fund appropriations, public/private gifts and grants, and federal fund resources.

Section 2 confirms Executive Order No. 2017-434 to the extent not otherwise confirmed as superseded by this Act.

**FISCAL EXPLANATION:** The confirmation of Executive Order No. 2017-434 has no fiscal impact upon current budgeted resources of the Work Ready Kentucky Scholarship Program, due to sufficient scholarship resources appropriated for the current 2018-2020 fiscal biennium.

**DATA SOURCE(S):** LRC Office of Budget Review

**PREPARER:** Joe L. Lancaster, Jr. **NOTE NUMBER:** 164 **REVIEW:** JAB **DATE:** 3/16/2018