

AN ACT relating to postsecondary financial aid and making an appropriation therefor.

*Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) It is the intent of the General Assembly to establish the Work Ready Kentucky Scholarship Program to ensure all Kentucky students have affordable access to obtaining a postsecondary degree and Kentucky has a skilled, competitive workforce.

(2) For purposes of this section:

(a) "Academic term" means the fall or spring academic semester;

(b) "Academic year" means July 1 through June 30 of each year;

(c) "Authority" means the Kentucky Higher Education Assistance Authority;

(d) "KCTCS" means the Kentucky Community and Technical College System;

and

(e) "Tuition" means the in-state tuition and mandatory fees amount charged to all students as a condition of enrollment in KCTCS.

(3) The Kentucky Higher Education Assistance Authority shall administer the Work Ready Kentucky Scholarship Program and shall promulgate administrative regulations in accordance with KRS Chapter 13A as may be needed for the administration of the program.

(4) To be eligible for a Work Ready Kentucky Scholarship, a student shall:

(a) Be a citizen or permanent resident of the United States;

(b) Be a Kentucky resident as determined by KCTCS in accordance with criteria established by the Council on Postsecondary Education for the purposes of admission and tuition assessment;

(c) Complete and submit a Work Ready Kentucky Scholarship application to

the authority during the senior year of high school;

(d) Complete the Free Application for Federal Student Aid by February 1 prior to the academic year in which the scholarship is awarded;

(e) 1. Enroll in KCTCS:

a. In the fall academic term immediately following high school graduation, except a student graduating in December may enroll in the spring academic term immediately following graduation;

or

b. Prior to the student's nineteenth birthday after obtaining a General Educational Development (GED) diploma; and

2. Maintain enrollment each subsequent academic term;

(f) Enroll in at least twelve (12) credit hours for the academic term; and

(g) Not be in default on any obligation to the authority under any program administered by the authority under KRS 164.740 to 164.7891, except that ineligibility for this reason may be waived by the authority for cause.

(5) The Work Ready Kentucky Scholarship amount awarded to a student for an academic term shall be the amount remaining after subtracting the student's federal and state grants and scholarships from the tuition amount charged to the student. Work study and student loan funds shall not be included in the calculation.

(6) A student who receives a Work Ready Kentucky Scholarship for an academic term shall achieve a 2.0 grade point average to receive the scholarship for the next academic term. A student who does not meet the grade point average requirement may regain eligibility in a subsequent semester upon establishing at least a 2.0 cumulative grade point average, as certified by KCTCS.

(7) The requirement that a student maintain enrollment in KCTCS shall be waived by the authority upon KCTCS granting a leave of absence to the student. A leave

of absence may be granted for reasons including but not limited to a serious and extended illness or injury of the student, the death or serious and extended illness or injury of an immediate family member of the student, natural disasters that would render a student unable to attend classes, or military deployment. The sum of all approved leaves of absence shall not exceed six (6) months.

(8) A student's eligibility for the scholarship shall terminate upon the earlier of:

(a) Receiving the scholarship for six (6) academic semesters;

(b) Obtaining an associate's degree; or

(c) Four (4) academic years following the student's high school graduation.

(9) Beginning with the 2016-2017 academic year, the authority shall award a Work Ready Kentucky Scholarship each academic term to any person who meets the requirements of this section to the extent funds are available for that purpose. The authority shall promulgate an administrative regulation providing the process for making adjustments to scholarship award amounts after considering the availability of funds.

(10) Beginning with the 2016-2017 academic year, KCTCS shall submit information each academic term to the authority required for the administration of the scholarship program as determined by the authority.

(11) (a) The Work Ready Kentucky Scholarship fund is hereby created as a trust fund in the State Treasury to be administered by the authority for the purpose of providing scholarships described in this section.

(b) The trust fund shall consist of state general fund appropriations, gifts and grants from public and private sources, and federal funds. All moneys included in the fund shall be appropriated for the purposes set forth in this section.

(c) Any unallotted or unencumbered balances in the trust fund shall be invested as provided in KRS 42.500(9). Income earned from the investments shall be

credited to the trust fund.

(d) Notwithstanding KRS 45.229, any fund balance at the close of the fiscal year shall not lapse but shall be carried forward to the next fiscal year and continuously appropriated only for the purposes specified in this section.