

1 AN ACT relating to student financial aid.

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

3 ➔Section 1. KRS 164.767 is amended to read as follows:

4 (1) No loan guarantee shall be approved, nor any loan, grant, scholarship, recognition
5 award, work-study reimbursement, or other form of financial aid shall be disbursed,
6 under programs authorized by KRS 164.740 to 164.790~~[164.785]~~, to any student
7 who is an inmate or who is incarcerated in a penal institution unless funds have first
8 been provided to all other eligible students who have applied in accordance with the
9 administrative regulations of the authority.

10 (2) The Department of Corrections and any person or organization responsible for the
11 supervision or operation of a penal institution shall cooperate with the authority and
12 participating institutions in providing information to them to identify applicants
13 who are inmates at or incarcerated in a penal institution.

14 **(3) No person shall be eligible for any program authorized under KRS 164.740 to**
15 **164.790 who:**

16 **(a) Is a violent offender as defined in KRS 439.3401; or**

17 **(b) Has been convicted of a criminal offense against a victim who is a minor as**
18 **defined in KRS 17.500.**

19 **(4) A person shall not be eligible for any program authorized under KRS 164.740 to**
20 **164.790 while incarcerated in a penal institution for a conviction of:**

21 **(a) Aggravated trafficking in a controlled substance under KRS 218A.142;**

22 **(b) A second or subsequent offense of trafficking in a controlled substance**
23 **under KRS 218A.1412 or 218A.1413; or**

24 **(c) Importing heroin, carfentanil, fentanyl, or fentanyl derivatives under**
25 **218A.1410.**

26 **(5) The Kentucky Higher Education Assistance Authority shall promulgate**
27 **administrative regulations in accordance with KRS Chapter 13A to implement**

1 *the requirements of this section.*

2 ➔Section 2. KRS 164.7874 is amended to read as follows:

3 As used in KRS 164.7871 to 164.7885:

- 4 (1) "Academic term" means a semester or other time period specified in an
5 administrative regulation promulgated by the authority;
- 6 (2) "Academic year" means a period consisting of at least the minimum school term, as
7 defined in KRS 158.070;
- 8 (3) "ACT score" means the composite score achieved on the American College Test at
9 a national test site on a national test date or the college admissions examination
10 administered statewide under KRS 158.6453(5)(b)5. if the exam is the ACT, or an
11 equivalent score, as determined by the authority, on the SAT administered by the
12 College Board, Inc.;
- 13 (4) "Authority" means the Kentucky Higher Education Assistance Authority;
- 14 (5) "Award period" means the fall and spring consecutive academic terms within one
15 (1) academic year;
- 16 (6) "Council" means the Council on Postsecondary Education created under KRS
17 164.011;
- 18 (7) "Eligible high school student" means any person who:
- 19 (a) Is a citizen, national, or permanent resident of the United States and Kentucky
20 resident;
- 21 (b) Was enrolled after July 1, 1998:
- 22 1. In a Kentucky high school for at least one hundred forty (140) days of
23 the minimum school term unless exempted by the authority's executive
24 director upon documentation of extreme hardship, while meeting the
25 KEES curriculum requirements, and was enrolled in a Kentucky high
26 school at the end of the academic year;
- 27 2. In a Kentucky high school for the fall academic term of the senior year

- 1 and who:
- 2 a. Was enrolled during the entire academic term;
- 3 b. Completed the high school's graduation requirements during the
- 4 fall academic term; and
- 5 c. Was not enrolled in a secondary school during any other academic
- 6 term of that academic year; or
- 7 3. In the Gatton Academy of Mathematics and Science in Kentucky, the
- 8 Craft Academy for Excellence in Science and Mathematics, or in high
- 9 school at a model and practice school under KRS 164.380 while meeting
- 10 the Kentucky educational excellence scholarship curriculum
- 11 requirements; **and**
- 12 (c) Has a grade point average of 2.5 or above at the end of any academic year
- 13 beginning after July 1, 1998, or at the end of the fall academic term for a
- 14 student eligible under paragraph (b) 2. of this subsection~~;~~ **and**
- 15 ~~(d) Is not a convicted felon~~;
- 16 (8) "Eligible postsecondary student" means a citizen, national, or permanent resident of
- 17 the United States and Kentucky resident, as determined by the participating
- 18 institution in accordance with criteria established by the council for the purposes of
- 19 admission and tuition assessment, who:
- 20 (a) Earned a KEES award;
- 21 (b) Has the required postsecondary GPA and credit hours required under KRS
- 22 164.7881;
- 23 (c) Has remaining semesters of eligibility under KRS 164.7881; **and**
- 24 (d) Is enrolled in a participating institution as a part-time or full-time student~~;~~
- 25 **and**
- 26 ~~(e) Is not a convicted felon~~;
- 27 (9) "Full-time student" means a student enrolled in a postsecondary program of study

- 1 that meets the full-time student requirements of the participating institution in
2 which the student is enrolled;
- 3 (10) "Grade point average" or "GPA" means the grade point average earned by an
4 eligible student and reported by the high school or participating institution in which
5 the student was enrolled based on a scale of 4.0 or its equivalent if the high school
6 or participating institution that the student attends does not use the 4.0 grade scale;
- 7 (11) "High school" means any Kentucky public high school, the Gatton Academy of
8 Mathematics and Science in Kentucky, the Craft Academy for Excellence in
9 Science and Mathematics, a high school of a model and practice school under KRS
10 164.380, and any private, parochial, or church school located in Kentucky that has
11 been certified by the Kentucky Board of Education as voluntarily complying with
12 curriculum, certification, and textbook standards established by the Kentucky Board
13 of Education under KRS 156.160;
- 14 (12) "KEES" or "Kentucky educational excellence scholarship" means a scholarship
15 provided under KRS 164.7871 to 164.7885;
- 16 (13) "KEES award" means:
- 17 (a) For an eligible high school student, the sum of the KEES base amount for
18 each academic year of high school plus any KEES supplemental amount, as
19 adjusted pursuant to KRS 164.7881; and
- 20 (b) For a student eligible under KRS 164.7879(3)(e), the KEES supplemental
21 amount as adjusted pursuant to KRS 164.7881;
- 22 (14) "KEES award maximum" means the sum of the KEES base amount earned in each
23 academic year of high school plus any KEES supplemental amount earned;
- 24 (15) "KEES base amount" or "base amount" means the amount earned by an eligible
25 high school student based on the student's GPA pursuant to KRS 164.7879;
- 26 (16) "KEES curriculum" means five (5) courses of study, except for students who meet
27 the criteria of subsection (7)(b)2. of this section, in an academic year as determined

- 1 in accordance with an administrative regulation promulgated by the authority;
- 2 (17) "KEES supplemental amount" means the amount earned by an eligible student
3 based on the student's ACT score pursuant to KRS 164.7879;
- 4 (18) "KEES trust fund" means the Wallace G. Wilkinson Kentucky educational
5 excellence scholarship trust fund;
- 6 (19) "On track to graduate" means the number of cumulative credit hours earned as
7 compared to the number of hours determined by the postsecondary education
8 institution as necessary to complete a bachelor's degree by the end of eight (8)
9 academic terms or ten (10) academic terms if a student is enrolled in an
10 undergraduate program that requires five (5) years of study;
- 11 (20) "Participating institution" means an "institution" as defined in KRS 164.001 that is
12 eligible to participate in the federal Pell Grant program, executes a contract with the
13 authority on terms the authority deems necessary or appropriate for the
14 administration of its programs, and:
- 15 (a) 1. Is publicly operated;
- 16 2. Is licensed by the Commonwealth of Kentucky and has operated for at
17 least ten (10) years, offers an associate or baccalaureate degree program
18 of study not comprised solely of sectarian instruction, and admits as
19 regular students only high school graduates, recipients of a High School
20 Equivalency Diploma, or students transferring from another accredited
21 degree granting institution; or
- 22 3. Is designated by the authority as an approved out-of-state institution that
23 offers a degree program in a field of study that is not offered at any
24 institution in the Commonwealth; and
- 25 (b) Continues to commit financial resources to student financial assistance
26 programs; and
- 27 (21) "Part-time student" means a student enrolled in a postsecondary program of study

1 who does not meet the full-time student requirements of the participating institution
 2 in which the student is enrolled and who is enrolled for at least six (6) credit hours,
 3 or the equivalent for an institution that does not use credit hours.

4 ➔Section 3. KRS 164.7884 is amended to read as follows:

5 (1) As used in this section:

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

7 (b) "Apprentice" has the same meaning as in KRS 343.010;

8 (c) "Eligible student" means an eligible high school student who has graduated
 9 from high school or a student eligible under KRS 164.7879(3)(e);

10 **(d) "Proprietary school" means a school as defined in KRS 165A.310(10)(a) to**
 11 **(d) that:**

12 **1. Is licensed by the Kentucky Commission on Proprietary Education,**
 13 **the Kentucky Board of Barbering, the Kentucky Board of**
 14 **Cosmetology, the Kentucky Board of Nursing, or the Kentucky Board**
 15 **of Embalmers and Funeral Directors;**

16 **2. Has operated for at least five (5) years;**

17 **3. Has its headquarters or main campus physically located in Kentucky;**

18 **and**

19 **4. Is not eligible to participate in the federal Pell Grant program;**

20 **(e) "Qualified proprietary school program" means a program offered by a**
 21 **proprietary school that is in one (1) of Kentucky's top five (5) high-demand**
 22 **work sectors as determined by the Kentucky Workforce Investment Board;**

23 ~~(f)~~~~(d)~~ "Qualified workforce training program" means a program that is in one
 24 (1) of Kentucky's top five (5) high-demand work sectors as determined by the
 25 Kentucky Workforce Investment Board;

26 ~~(g)~~~~(e)~~ "Registered apprenticeship program" means an apprenticeship program
 27 that:

- 1 1. Is established in accordance with the requirements of KRS Chapter 343;
- 2 2. Requires a minimum of two thousand (2,000) hours of on-the-job work
- 3 experience;
- 4 3. Requires a minimum of one hundred forty-four (144) hours of related
- 5 instruction for each year of the apprenticeship; and
- 6 4. Is approved by the Education and Workforce Development Cabinet;
- 7 ~~(h)(f)~~ "Related instruction" has the same meaning as in KRS 343.010; and
- 8 ~~(i)(g)~~ "Sponsor" has the same meaning as in KRS 343.010.
- 9 (2) Notwithstanding KRS 164.7881, an eligible student who earned a KEES award
- 10 shall be eligible for a Kentucky educational excellence scholarship if the student
- 11 meets the requirements of this section and is:
 - 12 (a) An apprentice in a registered apprenticeship program;~~or~~
 - 13 (b) Enrolled in a qualified workforce training program that has a current
 - 14 articulation agreement for postsecondary credit hours with a participating
 - 15 institution; or
 - 16 (c) *Enrolled in a qualified proprietary school program.*
- 17 (3) (a) Beginning with the 2018-2019 academic year, an eligible student enrolled in a
- 18 registered apprenticeship program or, for the academic year beginning July 1,
- 19 2020, an eligible student enrolled in a qualified workforce training program
- 20 *or, for the academic year beginning July 1, 2022, an eligible student*
- 21 *enrolled in a qualified proprietary school program* may receive
- 22 reimbursement of tuition, books, required tools, and other approved expenses
- 23 required for participation in the program, upon certification by the sponsor or
- 24 *school* and approval by the authority.
- 25 (b) The reimbursement amount an eligible student may receive in an academic
- 26 year shall not exceed the student's KEES award maximum.
- 27 (c) The total reimbursement amount an eligible student may receive under this

1 section shall not exceed the student's KEES award maximum multiplied by
2 four (4).

3 (4) Eligibility for a KEES scholarship under this section shall terminate upon the earlier
4 of:

5 (a) The expiration of five (5) years following the eligible student's graduation
6 from high school or receiving a High School Equivalency Diploma, except as
7 provided in KRS 164.7881(5); or

8 (b) The eligible student's successful completion of the registered apprenticeship
9 program, ~~for~~ qualified workforce training program, or qualified proprietary
10 school program.

11 (5) The authority shall promulgate administrative regulations establishing the
12 procedures for making awards under this section in consultation with the Kentucky
13 Education and Workforce Development Cabinet and the Kentucky Economic
14 Development Cabinet.

15 ➔Section 4. KRS 164.7879 is amended to read as follows:

16 (1) Kentucky educational excellence scholarship awards shall be based upon an
17 established base scholarship amount and an eligible high school student's grade
18 point average. The base scholarship amount for students attaining a grade point
19 average of at least 2.5 for the 1998-1999 academic year shall be as follows:

	GPA	Amount	GPA	Amount
20				
21	2.50	\$125.00	3.30	\$325.00
22	2.60	\$150.00	3.40	\$350.00
23	2.70	\$175.00	3.50	\$375.00
24	2.75	\$187.00	3.60	\$400.00
25	2.80	\$200.00	3.70	\$425.00
26	2.90	\$225.00	3.75	\$437.00
27	3.00	\$250.00	3.80	\$450.00

1	3.10	\$275.00	3.90	\$475.00
2	3.20	\$300.00	4.00	\$500.00
3	3.25	\$312.00		

4 The authority shall review the base amount of the Kentucky educational excellence
 5 scholarship each academic year and may promulgate an administrative regulation to
 6 make adjustments after considering the availability of funds.

7 (2) (a) The authority shall commit to provide to each eligible high school student the
 8 base amount of the Kentucky educational excellence scholarship for each
 9 academic year of high school study in the Kentucky educational excellence
 10 scholarship curriculum that the high school student has attained at least a 2.5
 11 grade point average. The award shall be based upon the eligible high school
 12 student's grade point average at the close of each academic year. An award
 13 attributable to a past academic year shall not be increased after the award has
 14 been earned by an eligible high school student, regardless of any subsequent
 15 increases made to the base amount of the Kentucky educational excellence
 16 scholarship through the promulgation of an administrative regulation by the
 17 authority.

18 (b) Notwithstanding the definitions of "eligible high school student" and "high
 19 school" in KRS 164.7874, any high school student who maintains Kentucky
 20 residency and completes the academic courses that are required for a
 21 Kentucky educational excellence scholarship while participating in an
 22 approved educational high school foreign exchange program or participating
 23 in the United States Congressional Page School may apply his or her grade
 24 point average for that academic year toward the base as described in paragraph
 25 (a) of this subsection. The grade point average shall be reported by the
 26 student's Kentucky home high school, based on an official transcript from the
 27 school that the student attended during the out-of-state educational experience.

1 The authority shall promulgate administrative regulations that describe the
2 approval process for the educational exchange programs that qualify under
3 this paragraph. The provisions in this paragraph shall likewise apply to any
4 Kentucky high school student who participated in an approved educational
5 exchange program or in a Congressional Page School since the 1998-99
6 school year and maintained his or her Kentucky residency throughout.

7 (c) 1. Notwithstanding the definitions of "eligible high school student" and
8 "high school" in KRS 164.7874 and the requirement that a student
9 graduate from a Kentucky high school, a high school student who
10 completes the KEES curriculum while attending an accredited out-of-
11 state high school or Department of Defense school may apply the grade
12 point average for any applicable academic year toward the base as
13 described in paragraph (a) of this subsection and shall also qualify for a
14 supplemental award under subsection (3) of this section when:

15 a. His or her custodial parent or guardian is in active service of the
16 Armed Forces of the United States;~~and~~

17 b. ~~The custodial parent or guardian maintained Kentucky as the~~
18 ~~home of record at the time the~~ student attended an accredited out-
19 of-state high school or a Department of Defense school ***as a result***
20 ***of the custodial parent's or guardian's military transfer outside***
21 ***of Kentucky; and***

22 ***c. The student earned a KEES base amount at a Kentucky high***
23 ***school prior to the custodial parent's or guardian's military***
24 ***transfer outside of Kentucky.***

25 2. The student or parent shall arrange for the out-of-state school to report
26 the student's grade point average each academic year and the student's
27 highest ACT score to the authority as required under KRS 164.7885.

1 The authority shall promulgate administrative regulations implementing
2 the requirements in this paragraph, including:

3 a. The documentation that the parent shall submit to the authority
4 establishing the student's eligibility for the scholarship; and

5 b. The assurances that an out- of state institution shall submit to the
6 authority for submission of the student grade point average.

7 3. The provisions in this paragraph shall apply to the 2001-2002 school
8 year and thereafter.

9 (d) Beginning with the 2013-2014 academic year, a student who meets the
10 Kentucky core academic standards for high school graduation established in
11 administrative regulation and graduates after completing three (3) years of
12 high school shall receive a Kentucky educational excellence scholarship
13 award equivalent to completing high school in four (4) years. The award shall
14 be determined by dividing the total actual KEES scholarship earned under
15 subsection (1) of this section by three (3) and multiplying that number by four
16 (4). The resulting number shall be the annual award the student is eligible for
17 under subsection (1) of this section.

18 (3) (a) The authority shall commit to provide to each eligible high school student
19 graduating from high school before June 30, 1999, and achieving a score of at
20 least 15 on the American College Test, a supplemental award for the award
21 period beginning in the fall of 1999, based on the eligible high school
22 student's highest ACT score attained by the date of graduation from high
23 school. The amount of the supplemental award shall be determined as follows:

ACT Score	Annual Bonus	ACT Score	Annual Bonus
15	\$21	22	\$171
16	\$43	23	\$193

1	17	\$64	24	\$214
2	18	\$86	25	\$236
3	19	\$107	26	\$257
4	20	\$129	27	\$279
5	21	\$150	28 or above	\$300

6 Subsequent supplemental awards for eligible high school students graduating
7 before June 30, 1999, shall be determined in accordance with the provisions
8 of paragraph (b) of this subsection.

9 (b) The authority shall commit to provide to each eligible high school student
10 upon achievement after June 30, 1999, of an ACT score of at least 15 on the
11 American College Test a supplemental award based on the eligible high
12 school student's highest ACT score attained by the date of graduation from
13 high school. The amount of the supplemental award shall be determined as
14 follows:

15	ACT		ACT	
16	Score	Amount	Score	Amount
17	15	\$36	22	\$286
18	16	\$71	23	\$321
19	17	\$107	24	\$357
20	18	\$143	25	\$393
21	19	\$179	26	\$428
22	20	\$214	27	\$464
23	21	\$250	28 and above	\$500

24 The authority shall review the base amount of the supplemental award
25 beginning with the 2001-2002 academic year and each academic year
26 thereafter and may promulgate an administrative regulation to make
27 adjustments after considering the availability of funds.

- 1 (c) Beginning with the 2008-2009 academic year, the authority shall commit to
2 provide a supplemental award for achievement on examinations for Advanced
3 Placement or International Baccalaureate as defined in KRS 164.002 to an
4 eligible high school student whose family was eligible for free or reduced-
5 price lunch for any year during high school enrollment.
- 6 1. The supplemental award for AP examination scores are as follows:
7 a. Two hundred dollars (\$200) for each score of three (3);
8 b. Two hundred fifty dollars (\$250) for each score of four (4); and
9 c. Three hundred dollars (\$300) for each score of five (5).
- 10 2. The supplemental award for IB examination scores are as follows:
11 a. Two hundred dollars (\$200) for each score of five (5);
12 b. Two hundred fifty dollars (\$250) for each score of six (6); and
13 c. Three hundred dollars (\$300) for each score of seven (7).
- 14 (d) Beginning with the 2013-2014 academic year, the authority shall commit to
15 provide a supplemental award for achievement on examinations for
16 Cambridge Advanced International as defined in KRS 164.002 to an eligible
17 high school student whose family was eligible for free or reduced-priced lunch
18 for any year during high school enrollment. The supplemental award for
19 Cambridge Advanced International examination scores are as follows:
20 1. Two hundred dollars (\$200) for each score of "e";
21 2. Two hundred fifty dollars (\$250) for each score of "c" or "d"; and
22 3. Three hundred dollars (\$300) for each score of "a*", "a", or "b".
- 23 (e) The authority shall promulgate administrative regulations establishing the
24 eligibility criteria and procedures for making a supplemental award to
25 Kentucky residents who are citizens, nationals, or permanent residents of the
26 United States and who graduate from a nonpublic secondary school not
27 certified by the Kentucky Board of Education and Kentucky residents who are

1 citizens, nationals, or permanent residents of the United States and who obtain
2 a High School Equivalency Diploma within five (5) years of their high school
3 graduating class, and students under subsection (2)(c) of this section who do
4 not attend an accredited high school.