The following bill was reported to the House from the Senate and ordered to be printed.
AN ACT relating to the Work Ready Kentucky Scholarship and making an
appropriation therefor.

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

⇒ SECTION 1. A NEW SECTION OF KRS 164.740 TO 164.7891 IS CREATED
TO READ AS FOLLOWS:

(1) The General Assembly hereby establishes the Work Ready Kentucky Scholarship
Program to ensure that all Kentuckians who have not yet earned a postsecondary
degree have affordable access to an industry-recognized certificate, diploma, or
associate of applied science degree.

(2) For purposes of this section:

(a) "Academic term" means a fall, spring, or summer academic term or other
time period specified in an administrative regulation promulgated by the
authority;

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

(c) "Approved dual credit course" means a dual credit course developed in
accordance with KRS 164.098 that is a career and technical education
course within a career pathway approved by the Kentucky Department of
Education that leads to an industry-recognized credential;

(d) "Dual credit tuition rate ceiling" means the same as defined in 164.786;

(e) "Eligible institution" means an institution defined in KRS 164.001 that:

1. Actively participates in the federal Pell Grant program;

2. Executes a contract with the authority on terms the authority deems
necessary or appropriate for the administration of its programs;

3. Charges no more than the dual credit tuition rate ceiling per credit
hour, including any additional fees, for any dual credit course it offers
to any Kentucky public or nonpublic high school student; and

4. Is a:
a. Kentucky Community and Technical College System institution;

b. Kentucky public university; or

c. College, university, or vocational-technical school that is accredited by a recognized regional or national accrediting body and licensed to operate at a site in Kentucky.

(f) "Eligible program of study" means a program approved by the authority that leads to an industry-recognized certificate, diploma, or associate of applied science degree in one (1) of Kentucky's top five (5) high-demand workforce sectors identified by the Kentucky Workforce Innovation Board and the Education and Workforce Development Cabinet;

(g) "Fees" means mandatory fees charged by an eligible institution for enrollment in a course, including but not limited to online course fees, lab fees, and administrative fees. "Fees" does not include tools, books, or other instructional materials that may be required for a course; and

(h) "Tuition" means the in-state tuition charged to all students as a condition of enrollment in an eligible institution.

(3) In consultation with the Education and Workforce Development Cabinet, the Kentucky Department of Education, and the Council on Postsecondary Education, the Kentucky Higher Education Assistance Authority shall administer the Work Ready Kentucky Scholarship Program and promulgate administrative regulations in accordance with KRS Chapter 13A as may be needed for the administration of the scholarship.

(4) An eligible high school student shall:

(a) Be a Kentucky resident;

(b) Be enrolled in a Kentucky high school;

(c) Be enrolled, or accepted for enrollment, in an approved dual credit course at an eligible institution; and
(d) Complete and submit a Work Ready Kentucky Scholarship dual credit
application to the authority.

(5) An eligible workforce student shall:

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

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

(c) Have earned a high school diploma or a High School Equivalency Diploma
or be enrolled in a High School Equivalency Diploma program;

(d) Not have earned an associate's degree or higher level postsecondary degree;

(e) Complete the Free Application for Federal Student Aid for the academic
year in which the scholarship is awarded;

(f) Complete and submit a Work Ready Kentucky Scholarship application to
the authority;

(g) Enroll in an eligible program of study at an eligible institution;

(h) Not be enrolled in an ineligible degree program, such as a bachelor or
unapproved associate program, at any postsecondary institution;

(i) Following the first academic term scholarship funds are received, achieve
and maintain satisfactory academic progress as determined by the eligible
institution; and

(j) Not be in default on any program under Title IV of the federal act or any
obligation to the authority under any program administered by the authority
under KRS 164.740 to 164.7891 or 164.7894, except that ineligibility for this
reason may be waived by the authority for cause.

(6) (a) Beginning with the 2019-2020 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.

(b) The scholarship amount awarded to an eligible workforce student for an
academic term shall be the amount remaining after subtracting the
student's federal and state grants and scholarships from the maximum
scholarship amount. The maximum scholarship amount shall be the per
credit hour in-state tuition rate at the Kentucky Community and Technical
College System multiplied by the number of credit hours in which the
student is enrolled and the fees charged to the student. The authority shall
promulgate an administrative regulation in accordance with KRS Chapter
13A to specify the maximum amount to be awarded for fees, except that for
the 2019-2020 academic year the amount awarded for fees shall not exceed
four hundred dollars ($400).

(c) The scholarship award for an eligible high school student shall be limited to
two (2) approved dual credit courses per academic year. The scholarship
amount awarded shall be equal to the amount charged by an eligible
institution for an approved dual credit course, in accordance with
subsection (2)(e)3. of this section.

(7) An eligible workforce student's eligibility for the scholarship shall terminate
upon the earlier of:

(a) Receiving the scholarship for four (4) academic terms;

(b) Receiving the scholarship for a total of sixty (60) credit hours; or

(c) Obtaining an associate's degree.

(8) The authority shall annually provide a report on the Work Ready Kentucky
Scholarship Program, prepared in collaboration with the Office for Education
and Workforce Statistics, to the secretary of the Education and Workforce
Development Cabinet that includes the following:

(a) By academic term, academic year, institution, and workforce sector, the
1. Students served by the scholarship and the total amount disbursed;

and

2. Credits, certificates, diplomas, and associate of applied science degrees earned by students receiving the scholarship.

(9) The authority shall report Work Ready Kentucky Scholarship program data to the Office for Education and Workforce Statistics for analysis of the program's success in meeting the goal of increasing skilled workforce participation rates.

(10) (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 as 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.

Section 2. The General Assembly confirms Executive Order 2018-571, dated July 11, 2018, to the extent not otherwise confirmed or superseded by this Act.
President of Senate

Speaker-House of Representatives

Attest: [Signature]
Chief Clerk of Senate

Approved: [Signature]
Governor

Date: 26 MARCH 2019

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