

1 AN ACT relating to teachers and making an appropriation therefor.

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

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

5 *(1) For the purposes of this section:*

6 *(a) "Eligible district" means a public school district located within a federally*
7 *designated promise zone;*

8 *(b) "STEM teacher" means a public school teacher who is certified to teach*
9 *science, technology, engineering, or math; and*

10 *(c) "Year of qualified employment" means satisfying a one (1) year teaching*
11 *contract with a district with the majority of the classroom time teaching*
12 *science, technology, engineering, mathematics, or any combination thereof.*

13 *(2) It is the intent of the General Assembly to establish a student loan forgiveness*
14 *program for individuals who are employed as STEM teachers in federally*
15 *designated promise zones. The loan forgiveness program shall be administered by*
16 *the Kentucky Higher Education Assistance Authority, and all costs associated*
17 *with the program, including the reimbursement of any expenses incurred by the*
18 *authority in its administration of the program, shall be funded by state*
19 *appropriations and other funds held in the STEM teacher promise zone*
20 *scholarship fund.*

21 *(3) To the extent funds are available, the authority shall provide eligible individuals*
22 *repayment of loans within the Federal Family Education Loan Program or the*
23 *William D Ford Federal Direct Loan Program up to a maximum of twenty-five*
24 *percent (25%) of the loan balance principal and accrued interest for a maximum*
25 *of ten thousand dollars (\$10,000) for each year of qualified employment with*
26 *eligible districts beginning on or after July 1, 2021.*

27 *(4) The total amount of loan repayment shall not exceed forty thousand dollars*

1 (\$40,000) for a maximum of four (4) years of qualifying employment with eligible
2 districts.

3 (5) An individual shall be eligible for the loan repayment if he or she:

4 (a) Is a Kentucky resident, as determined by the authority using the criteria
5 established by the Council on Postsecondary Education for the purposes of
6 postsecondary admission and tuition assessment;

7 (b) Is a citizen of the United States; and

8 (c) Is a STEM teacher.

9 (6) The authority shall promulgate administrative regulations in accordance with
10 KRS Chapter 13A as may be needed for the administration of the loan
11 forgiveness program.

12 (7) (a) The STEM teacher promise zone scholarship fund is hereby created as a
13 trust fund in the State Treasury to be administered by the authority for the
14 purpose of providing loan repayment as described in this section.

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

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

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