

1 AN ACT relating to the development of a skilled workforce, making an  
2 appropriation therefor, and declaring an emergency.

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

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

6 *(1) The General Assembly hereby establishes the Work Ready Kentucky Scholarship*  
7 *Program to ensure all Kentuckians who have not yet earned a postsecondary*  
8 *degree have affordable access to an industry-recognized degree, certificate, or*  
9 *credential.*

10 *(2) For purposes of this section:*

11 *(a) "Academic term" means a semester or other time period specified in an*  
12 *administrative regulation promulgated by the authority;*

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

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

15 *(d) "Eligible program of study" means a program approved by the authority*  
16 *that leads to an associate's degree, industry-recognized certificate,*  
17 *credential, or diploma in one of Kentucky's top five (5) high-demand*  
18 *workforce sectors identified in an administrative regulation promulgated by*  
19 *the authority in consultation with the Kentucky Workforce Innovation*  
20 *Board and the Education and Workforce Development Cabinet; and*

21 *(e) "Participating institution" means an "institution" as defined in KRS*  
22 *164.001 that actively participates in the federal Pell Grant program,*  
23 *executes a contract with the authority on terms the authority deems*  
24 *necessary or appropriate for the administration of its programs, and is a:*

25 *1. Kentucky Community and Technical College System institution;*

26 *2. Four (4) year Kentucky public college or university; or*

27 *3. Four (4) year independent, nonprofit Kentucky college or university*

1                   that is accredited by the Southern Association of Colleges and Schools  
2                   and is licensed by the Council on Postsecondary Education.

3 (3) The Kentucky Higher Education Assistance Authority shall administer the Work  
4 Ready Kentucky Scholarship Program and shall promulgate administrative  
5 regulations in accordance with KRS Chapter 13A as may be needed for the  
6 administration of the program, including a periodic timeframe for identifying  
7 high-demand workforce sectors.

8 (4) To be eligible for a Work Ready Kentucky Scholarship, a student shall:  
9                   (a) Be a citizen or permanent resident of the United States;  
10                  (b) Be a Kentucky resident as determined by the participating institution in  
11                  accordance with criteria established by the Council on Postsecondary  
12                  Education for the purposes of admission and tuition assessment;  
13                  (c) Have earned a high school diploma or a General Educational Development  
14                  (GED) diploma;  
15                  (d) Not have earned an associate's degree or higher level postsecondary degree;  
16                  (e) Complete the Free Application for Federal Student Aid for the academic  
17                  year in which the scholarship is made;  
18                  (f) Complete and submit a Work Ready Kentucky Scholarship application to  
19                  the authority by a deadline established by the authority;  
20                  (g) Enroll in an eligible program of study on at least a half-time basis at a  
21                  participating institution; and  
22                  (h) Not be in default on any obligation to the authority under any program  
23                  administered by the authority, except that ineligibility for this reason may be  
24                  waived by the authority for cause.

25 (5) Beginning with the 2017-2018 academic year, the authority may award a Work  
26 Ready Kentucky Scholarship each academic term to any person who meets the  
27 requirements of this section to the extent funds are available for that purpose.

1       *The authority shall establish a process for prorating award amounts for students*  
2       *attending less than full time.*

3       *(6) To the extent funds are available, the Work Ready Kentucky Scholarship amount*  
4       *awarded to an eligible student for an academic term shall be the lesser of:*

5       *(a) The amount remaining after subtracting the student's federal and state*  
6       *grants and scholarships from the institution's published tuition and*  
7       *mandatory fees amount that is used for the purpose of packaging federal*  
8       *student aid. Work study and student loan funds shall not be included in the*  
9       *calculation; or*

10       *(b) The in-state tuition and mandatory fees amount for full-time enrollment at*  
11       *the Kentucky Community and Technical College System.*

12       *(7) The Work Ready Kentucky Scholarship amount may be applied to an eligible*  
13       *student's cost of attendance that is used by the participating institution for the*  
14       *purpose of packaging federal student aid.*

15       *(8) (a) A student shall have at least a 2.0 grade point average each academic term*  
16       *to retain eligibility for the Work Ready Kentucky Scholarship in a*  
17       *subsequent academic term.*

18       *(b) If a student interrupts enrollment during the academic term due to a serious*  
19       *and extended illness or injury of the student, the death or serious and*  
20       *extended illness or injury of an immediate family member of the student,*  
21       *natural disasters that would render a student unable to attend classes, or*  
22       *military deployment, and the participating institution does not certify a*  
23       *grade point average for that student at the end of that academic term, the*  
24       *student shall retain eligibility for the academic term in which he or she*  
25       *resumes enrollment.*

26       *(c) A student who does not meet the grade point average requirement may*  
27       *regain eligibility for a subsequent academic term upon establishing at least*

1           a 2.0 cumulative grade point average, as certified by the participating  
2           institution.

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

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

5           (b) Obtaining an associate's degree.

6 (10) The authority shall annually provide a report to the secretary of the Education  
7 and Workforce Development Cabinet that includes the following:

8           (a) The total amount disbursed in Work Ready Kentucky Scholarship funds;

9           (b) The number of students served by the Work Ready Kentucky Scholarship  
10           Program; and

11           (c) The number of degrees, credits, certificates, and credentials earned by  
12           students receiving the Work Ready Kentucky Scholarship.

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

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

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

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

26           ➔Section 2. Whereas the scholarship program created in this Act will begin with  
27 the 2017-2018 academic year to provide immediate assistance to Kentucky students, an

- 1 emergency is declared to exist, and this Act takes effect upon its passage and approval by
- 2 the Governor or upon its otherwise becoming a law.