

1 AN ACT relating to financial incentives to reduce teacher shortages and making an
2 appropriation therefor.

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

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

6 *(1) The General Assembly hereby establishes the Student Teacher Stipend Program*
7 *to reduce financial barriers to students in completing educator preparation*
8 *programs and entering the educator workforce.*

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

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

11 *(b) "Approved educator preparation program" means a program approved by*
12 *the Education Professional Standards Board for the preparation of teachers*
13 *and other professional school personnel;*

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

15 *(d) "Eligible student" means a student who:*

16 *1. Is a citizen or permanent resident of the United States;*

17 *2. Is a Kentucky resident as determined by the participating institution in*
18 *accordance with criteria established by the Council on Postsecondary*
19 *Education for the purposes of admission and tuition assessment;*

20 *3. Is enrolled in an approved educator preparation program at a*
21 *participating institution;*

22 *4. Is approved for student teaching by the participating institution;*

23 *5. Has not previously received a student teacher stipend under this*
24 *section; and*

25 *6. Meets any other criteria established in administrative regulation by the*
26 *authority;*

27 *(e) "Participating institution" means a Kentucky college or university that*

1 offers an approved educator preparation program and executes an
2 agreement with the authority on terms the authority deems necessary or
3 appropriate for the administration of the Student Teacher Stipend Program;
4 and

5 (f) "Student teacher" has the same meaning as in KRS 161.010.

6 (3) The Kentucky Higher Education Assistance Authority shall administer the
7 Student Teacher Stipend Program and shall promulgate administrative
8 regulations in accordance with KRS Chapter 13A as may be needed for
9 administration of the program.

10 (4) (a) Beginning with the 2024-2025 academic year, to the extent funds are
11 available, the authority may award a student teacher stipend of eight
12 thousand dollars (\$8,000) to an eligible student during the academic term in
13 which the student is a student teacher.

14 (b) If funds are not sufficient to fully award all eligible students, awards shall
15 be determined in accordance with administrative regulations promulgated
16 by the authority.

17 (5) For each academic term, by the deadline established by the authority, a
18 participating institution shall submit to the authority a report of all eligible
19 students for that academic term. The authority shall disburse stipend funds to the
20 participating institution to distribute to eligible students.

21 (6) If an eligible student receives a stipend under this section but does not complete
22 the participating institution's student teaching requirements, the student may be
23 liable for all or partial repayment of the stipend, in accordance with
24 administrative regulations promulgated by the authority.

25 (7) Funds awarded to an eligible student under this section shall not be considered
26 student financial aid in the year the funds are received.

27 (8) (a) The Student Teacher Stipend Program fund is hereby created as a trust

1 fund in the State Treasury to be administered by the authority for the
2 purpose of providing student teacher stipends as described in this section.

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

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

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

13 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
14 READ AS FOLLOWS:

15 (1) The Teacher Recruitment Student Loan Forgiveness Program is hereby
16 established to encourage and assist individuals in becoming certified teachers in
17 Kentucky public schools.

18 (2) For purposes of this section:

19 (a) "Authority" means the Kentucky Higher Education Assistance Authority;

20 (b) "Eligible student loan" means a federal or private student loan obtained by
21 a student while pursuing an undergraduate program of study prior to
22 becoming a certified teacher;

23 (c) "Eligible teacher" means a public school teacher who:

24 1. Is a Kentucky resident, as determined by the authority, using the
25 criteria established by the Council on Postsecondary Education for the
26 purposes of postsecondary admission and tuition assessment;

27 2. Is a citizen of the United States; and

1 3. Has not completed a year of qualified employment prior to the 2023-
2 2024 school year;

3 (d) "Qualified employment" means satisfying a one (1) year teacher's contract
4 with a local school district with the majority of the classroom time assigned
5 to teaching; and

6 (e) "Total student loan balance" means the total principal and accrued interest
7 amount of eligible student loans held by an eligible teacher.

8 (3) The program shall be administered by the Kentucky Higher Education Assistance
9 Authority and all costs associated with the program, including the reimbursement
10 of any expenses incurred by the authority in its administration of the program,
11 shall be funded by state appropriations and other funds held in the trust fund
12 created in subsection (6) of this section.

13 (4) To the extent funds are available, the authority shall provide on behalf of eligible
14 teachers a one-time repayment of eligible student loans in the amount of twenty
15 percent (20%) of the total student loan balance up to a maximum of ten thousand
16 dollars (\$10,000) for completing two (2) consecutive years of qualified
17 employment beginning with the 2023-2024 school year and thereafter.

18 (5) The authority shall promulgate administrative regulations in accordance with
19 KRS Chapter 13A as may be needed for the administration of the program.

20 (6) (a) The Teacher Recruitment Student Loan Forgiveness Program fund is
21 hereby created as a trust fund in the State Treasury to be administered by
22 the authority for the purpose of providing loan repayment as described in
23 this section.

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

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

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

7 ➔Section 3. There is hereby appropriated General Fund moneys in the amount of
8 \$10,000,000 in fiscal year 2023-2024 to the Student Teacher Stipend Program fund for
9 the awarding of teacher stipends described in Section 1 of this Act. Notwithstanding KRS
10 45.229, these funds shall not lapse and shall carry forward to be used solely for the
11 purposes for which the funds were appropriated.

12 ➔Section 4. There is hereby appropriated General Fund moneys in the amount of
13 \$5,000,000 in fiscal year 2023-2024 to the Teacher Recruitment Student Loan
14 Forgiveness Program fund for the repayment of student loans described in Section 2 of
15 this Act. Notwithstanding KRS 45.229, these funds shall not lapse and shall carry
16 forward to be used solely for the purposes for which the funds were appropriated.