

1 AN ACT relating to the Kentucky tuition grant program.

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

3 ➔Section 1. KRS 164.785 is amended to read as follows:

4 (1) The State of Kentucky shall grant an amount as provided in KRS 164.780 and this
5 section to any applicant who meets the following qualifications:

6 (a) Is a Kentucky resident as defined by the Kentucky Council on Postsecondary
7 Education; and

8 (b) 1. Has been accepted by or is enrolled as a full-time student in a program
9 of study leading to a postsecondary degree at a Kentucky independent
10 college or university ~~that~~^{which} is accredited by a regional accrediting
11 association recognized by the United States Department of Education
12 and whose institutional programs are not composed solely of sectarian
13 instruction;

14 2. Has been accepted by or is enrolled as a full-time student in a program
15 of study leading to a postsecondary degree at an out-of-state
16 postsecondary education institution licensed by the Council on
17 Postsecondary Education to operate in Kentucky ~~that~~^{which} is
18 accredited by a regional accrediting association recognized by the United
19 States Department of Education and whose institutional programs are
20 not composed solely of sectarian instruction; or

21 3. Has been accepted or is enrolled as a student in a comprehensive
22 transition and postsecondary program at an institution described in
23 subparagraph 1. of this paragraph. For purposes of this section, a student
24 enrolled in a comprehensive transition and postsecondary program shall
25 be considered a part-time student, and the grant amount shall be adjusted
26 accordingly by the Kentucky Higher Education Assistance Authority.

27 An otherwise eligible student having a disability defined by Title II of the

1 Americans with Disabilities Act (42 U.S.C. secs. 12131 et seq.), certified by a
2 licensed physician to be unable to attend the eligible program of study full-
3 time because of the disability may also qualify under this paragraph; and

4 (c) Has not previously attended college or university more than the maximum
5 number of academic terms established by the authority in administrative
6 regulations.

7 (2) The amount of the tuition grant to be paid to a student each semester, or appropriate
8 academic term, shall be determined by the Kentucky Higher Education Assistance
9 Authority.

10 (3) The maximum amount shall not exceed fifty percent (50%) of the average state
11 appropriation per full-time equivalent student enrolled in all public institutions of
12 higher education. Such tuition grants are to be calculated annually by the Kentucky
13 Higher Education Assistance Authority.

14 (4) The need of each applicant shall be determined by acceptable need analysis such as
15 use of the free application for federal student aid in conjunction with Part E of the
16 federal act, 20 U.S.C. secs. 1087kk through 1087vv, and such other analyses as the
17 authority may determine, subject to the approval by the United States Secretary of
18 Education.

19 (5) An adjustment shall be made in the tuition grant of any student awarded a
20 scholarship from any other source provided the combination of grants and awards
21 exceeds the calculated need of the student.

22 ~~{(6) Accepted or enrolled students qualifying under the provisions of subsection (1)(b)~~
23 ~~of this section prior to the 2011-2012 academic year shall be under those provisions~~
24 ~~and continue under those provisions until June 30, 2014.~~

25 ~~(7) Beginning with the 2011-2012 academic year, and each year thereafter:~~

26 ~~(a) Any Kentucky independent college or university whose institutional programs~~
27 ~~are not composed solely of sectarian instruction shall be accredited by the~~

1 ~~Southern Association of Colleges and Schools to remain an eligible institution~~
2 ~~in which a student may enroll and receive a Kentucky tuition grant;~~

3 ~~(b) Programs or campuses of any out of state postsecondary education institution~~
4 ~~that is licensed by the Council on Postsecondary Education to operate in~~
5 ~~Kentucky and whose institutional programs are not composed solely of~~
6 ~~sectarian instruction shall be accredited by the Southern Association of~~
7 ~~Colleges and Schools in order to qualify as an eligible institution in which a~~
8 ~~student may enroll and receive a Kentucky tuition grant, except as provided in~~
9 ~~paragraph (c) of this subsection; and~~

10 ~~(c) Programs or campuses of any out of state postsecondary education institution~~
11 ~~that is licensed by the Council on Postsecondary Education to operate in~~
12 ~~Kentucky and whose institutional programs are not composed solely of~~
13 ~~sectarian instruction, but in which accreditation by the Southern Association~~
14 ~~of Colleges and Schools is not an option, shall be reviewed and approved by~~
15 ~~the Council on Postsecondary Education based on accreditation criteria that~~
16 ~~mirrors Southern Association of Colleges and Schools accreditation criteria in~~
17 ~~order to qualify as an eligible institution in which a student may enroll and~~
18 ~~receive a Kentucky tuition grant. All costs associated with the institutional~~
19 ~~reviews shall be the responsibility of the institution seeking approval by the~~
20 ~~council. The Council on Postsecondary Education shall promulgate~~
21 ~~administrative regulations in accordance with KRS Chapter 13A to carry out~~
22 ~~the provisions of this paragraph.]~~

23 ➔Section 2. KRS 164.740 is amended to read as follows:

24 As used in KRS 164.740 to 164.7891, the terms listed below shall have the following
25 meanings:

- 26 (1) "Authority" means the Kentucky Higher Education Assistance Authority;
27 (2) "Board" means the board of directors of the Kentucky Higher Education Assistance

- 1 Authority;
- 2 (3) "Comprehensive transition and postsecondary program" means a program approved
3 by the United States Department of Education as defined in 34 C.F.R. secs. 668.230
4 to 668.233;
- 5 (4) "Eligible institution" means, unless otherwise specified in this chapter, any
6 educational institution or class of institutions designated as an institution of higher
7 education pursuant to section 102 of the federal act, 20 U.S.C. sec. 1002, as eligible
8 to participate in, and that actively participates in, the Federal Pell Grant Program or,
9 for purposes of insured student loans, is defined as an eligible institution pursuant to
10 section 435 of the federal act, 20 U.S.C. sec. 1085, provided that no right of
11 participation shall be deemed vested pursuant to this subsection in any institution,
12 including, but not by way of limitation, any college, school of nursing, vocational
13 school, or business school;
- 14 (5) "Eligible lender" means any entity described as eligible pursuant to the federal act to
15 make or originate insured student loans, provided that no right of participation shall
16 be deemed vested hereby in any lender;
- 17 (6) "Eligible student" means any student enrolled or accepted for enrollment at a
18 participating institution, meeting the criteria established by the federal act and this
19 chapter for the various authority administered programs;
- 20 (7) "Endorser" means a person who signs a student loan promissory note as an
21 accommodation party, in the manner of KRS 355.3-419, and is secondarily liable
22 for payment on such note;
- 23 (8) "Federal act" means the Higher Education Act of 1965, Pub. L. 89-329, as
24 amended;
- 25 (9) "Grant" means a gift of money, tuition discount, waiver of tuition and fees, or other
26 monetary award that requires neither employment nor repayment, except under
27 conditions prescribed by the board, and is based on demonstrated financial need and

- 1 such other terms and conditions as the board may prescribe;
- 2 (10) "Honorary scholarship" means a certificate of merit or achievement or other
3 appropriate document which may be issued by the board to students in recognition
4 of superior academic ability or achievement or a special talent;
- 5 (11) "Insured student loan" means a loan to an eligible borrower, who is qualified under
6 the federal act, on which the payment of principal and interest is insured as
7 evidenced by a loan guarantee issued by the authority and reinsured by the secretary
8 under the federal act;
- 9 (12) "Loan" means an advance of money, to be used exclusively for payment of
10 educational expenses, evidenced by a promissory note or similar instrument
11 requiring repayment under specified conditions;
- 12 (13) "Loan guarantee" means the certificate, document, or endorsement issued by the
13 authority as evidence of insurance of a loan as to both principal and interest and of
14 reinsurance by the secretary under the federal act;
- 15 (14) "Participating institution" means any eligible institution, to the extent that it offers
16 an eligible program of study, having a contract in force with the authority, if
17 required by the authority, on such terms as the authority may deem necessary or
18 appropriate to the administration of its programs;
- 19 (15) "Participating lender" means any eligible lender, including the authority and the
20 Kentucky Higher Education Student Loan Corporation, which has in force a
21 contract with the authority providing for loan guarantee to be issued by the authority
22 under the federal act and this chapter;
- 23 (16) "Penal institution" means any penitentiary, detention facility, adult correctional
24 facility, jail, or other similar institution operated by the state, local, or federal
25 government or by private business;
- 26 (17) "Recognition award" means an advance of money to or on behalf of a student in
27 recognition of superior academic ability, achievement or special talent;

- 1 (18) "Regional accrediting association" means the Middle States~~[Association of~~
2 ~~Colleges and Schools,]~~ Commission on Higher Education; New England~~[~~
3 ~~Association of Schools and Colleges,]~~ Commission on~~[Institutions of]~~ Higher
4 Education;~~[North Central Association of Colleges and Schools,]~~ Higher Learning
5 Commission; Northwest~~[Association of Schools and Colleges,]~~ Commission on
6 Colleges ***and Universities***; Southern Association of Colleges and Schools,
7 Commission on Colleges; or Western Association of Schools and Colleges,~~[~~
8 ~~Accrediting Commission for]~~ Senior ***College and University Commission***~~[Colleges~~
9 ~~and Universities];~~
- 10 (19) "Scholarship" means a gift of money to provide an incentive for fulfillment of a
11 particular public purpose which may be based on any combination of financial need,
12 superior academic ability, achievement, a special talent, or special condition serving
13 a public purpose and such other terms and conditions as the board may prescribe;
- 14 (20) "Secretary" means the United States Secretary of Education; and
- 15 (21) "Work study" means an award of money disbursed by the board at specified
16 intervals to students, or as reimbursement to employers of students, who provide
17 needed services for a specified number of hours in a capacity approved by the
18 board.