

164A.708 Prepaid tuition contracts entered into before and after April 25, 2006 -- Obligations of the Commonwealth.

- (1) (a) All prepaid tuition contracts in existence on April 25, 2006, shall be supported by the full faith and credit of the Commonwealth.
- (b) If the report of the actuary submitted under KRS 164A.704(7) reflects that there will be a real liability expected to accrue for contracts in existence on April 25, 2006, during the next biennium, the secretary of the Finance and Administration Cabinet shall include in the budget request for the cabinet an appropriation to the board in an amount necessary to meet the real liability in each fiscal year of the biennium, and the General Assembly shall appropriate the necessary funds to meet the liability.
- (2) (a) New contracts entered into after April 25, 2006, for a tuition plan approved by the board shall contain actuarially sound premiums sufficient to prevent their contribution to a program fund deficit.
- (b) Payments received from contracts entered into after April 25, 2006, shall be maintained separately from contracts in existence on April 25, 2006.
- (c) The Commonwealth shall have no obligation to support contracts entered into after April 25, 2006, with appropriations if a shortfall occurs.

Effective: April 25, 2006

History: Created 2006 Ky. Acts ch. 252, Pt. XXXI, sec. 2, effective April 25, 2006.