

11 KAR 19:010. Coal County Scholarship Program for pharmacy students.

RELATES TO: KRS 164.740, 164.7890

STATUTORY AUTHORITY: KRS 164.744(2), 164.748(4), 164.753(3), 164.7890(9)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 164.744(2) authorizes the authority to provide scholarships. KRS 164.748(4) and 164.753(3) require the authority to promulgate administrative regulations pertaining to the awarding of scholarships as provided in KRS 164.740 to 164.7891. KRS 164.7890(9) requires the authority to promulgate administrative regulations establishing the terms and conditions for the award, cancellation, and repayment of coal county scholarships for pharmacy students. This administrative regulation establishes the eligibility, application, and disbursement requirements for scholarships provided under the program.

Section 1. Definitions. (1) "Authority" is defined by KRS 164.740(1).

(2) "Coal-producing county" is defined by KRS 164.7890(2).

(3) "Default" means the status of an obligation under this program that has entered repayment and upon which no payment has been made for a cumulative period of 180 days following the repayment begin date for the obligation.

(4) "Eligible student" means any individual who satisfies the requirements set forth in KRS 164.7890(3) and (5).

(5) "Full-time practice" means providing services as a pharmacist in a coal-producing county for a minimum of 2,000 hours per calendar year.

(6) "Home County" means the county of permanent home residence of the student at the time in which the application is made, as determined by a preponderance of evidence such as a student's permanent address, parent's mailing address, parent's tax returns, location of high school of graduation and additional criteria as needed for a determination of residency status in accordance with 13 KAR 2:045.

(7) "Qualified service" is defined in KRS 164.7890(3)(c).

Section 2. Eligibility of Applicants and Selection Process. (1) Applicants shall complete the Coal County Scholarship Program for Pharmacy Students Application as required by 11 KAR 4:080, Section 1(7), according to its instructions. The applicant shall ensure that the completed application is received by the authority on or before May 1, or the next regular business day if May 1 falls on a weekend or holiday, preceding the academic year for which the award is requested.

(2) Eligibility of renewal applicants. A person who previously received a loan or scholarship pursuant to KRS 164.7890 shall be eligible to apply for and be considered for a renewal coal county scholarship if, at the time of application and disbursement, the renewal applicant has made satisfactory progress toward completion of the eligible program of study in accordance with the standards prescribed by the participating institution.

(3) Recipients shall be selected from among eligible applicants in the following order:

(a) Renewal applicants whose home counties are coal-producing counties; and

(b) Initial applicants whose home counties are coal-producing counties.

(4) If there are more applicants within a category listed in subsection (3) of this section than there are funds available, the applications in each category shall be ranked to receive available funds by date of receipt of application.

Section 3. Entrance Counseling. (1) Each participating institution shall conduct entrance counseling for each scholarship recipient prior to requesting scholarship funds from the Authority on the recipient's behalf.

(2) The counseling shall be provided through either in-person sessions or by electronic or written means with the recipient's acknowledgement of receipt thereof.

(3) The following topics shall be covered through the counseling:

(a) The recipient's obligation to repay the scholarship if the recipient fails to provide qualified service as required under the program;

(b) The consequences of defaulting on any repayment obligation imposed under this program;

(c) The recipient's obligation to repay the scholarship even if the recipient is not satisfied with the quality of education received, does not complete the program of study, or does not find employment in the appropriate field or service area after graduation; and

(d) The importance of contacting the authority to advise of any change with respect to the recipient's name, address, enrollment status, or other contact information.

Section 4. Disbursements. (1) Each disbursement of a coal county scholarship shall be evidenced by a promissory note, prescribed by the authority, in which the scholarship recipient shall agree to repay the scholarship funds or render qualified pharmacy service in lieu thereof.

(2) Within thirty (30) days following receipt by the authority of the original signed promissory note for the student awarded a coal county scholarship, the authority shall send to the institution a roster containing the recipient's name and Social Security number.

(3) The participating institution shall verify the student's full-time enrollment in a Pharm D. program and completion of entrance counseling on the roster and return it to the authority.

(4) Upon receipt of the institution's completed roster, the authority shall disburse funds to the institution on behalf of all eligible students to receive the scholarship by electronic funds transfer.

(5) Disbursement of a coal county scholarship shall be made at the beginning of each fall and spring term.

(6) The participating institution shall be responsible for proper delivery of the funds. Upon the receipt of funds, the participating institution shall immediately credit the recipient's account and notify the recipient in writing that it has so credited that account, and deliver to the recipient any remaining scholarship proceeds.

(7) The participating institution shall retain record of the date funds were either credited to the student's account or disbursed to the student, the name of a recipient for whom funds are being returned, the amount being returned, and the reason funds are being returned.

(8) If a recipient withdraws or is expelled prior to the first day of classes of the period of enrollment for which the scholarship is awarded, the institution shall return the proceeds to the authority.

(9)(a) If a recipient subsequently refuses to repay the scholarship on grounds that the student was unaware of or did not receive delivery of the scholarship proceeds from the school, upon written request from the authority, the institution shall promptly provide documentary evidence to the authority that the recipient received or had funds credited to the student's account and was notified of this transaction.

(b) The school shall otherwise reimburse the authority for any amount of the scholarship that is unenforceable absent that documentary evidence.

(c) The obligation of the school to provide the documentary evidence specified in paragraph (a) of this subsection shall continue until the recipient's obligations for repayment of the scholarship is paid in full or otherwise discharged.

Section 5. Refunds. (1) If a student fails to enroll, withdraws, is expelled from the institution, or otherwise fails to complete the program on or after the student's first day of class of the pe-

riod of enrollment or changes enrollment status, the Authority shall be due a refund of monies paid to the institution on behalf of that student or a repayment of cash disbursements made to the student for educational expenses.

(2) If the student received financial assistance administered by the authority, the refund and repayment shall be due to the authority for its financial assistance programs in accordance with this section.

(3) The institution shall adopt and implement a fair and equitable refund policy for financial assistance administered by the authority which shall be:

(a) A clear and conspicuous written statement;

(b) Made available to a prospective student, prior to the earlier of the student's enrollment or the execution of the student's enrollment agreement, and to currently-enrolled students;

(c) Consistently administered by the institution; and

(d) Made available to the authority upon request.

(4) The institution's refund policy for financial assistance administered by the authority shall either:

(a) Use the same methods and formulas for determining the amount of a refund as the institution uses for determining the return of federal financial assistance funds; or

(b) Be a separate and distinct policy adopted by the institution that is based upon:

1. The requirements of applicable state law; or

2. The specific refund standards established by the institution's nationally-recognized accrediting agency.

(5) The amount of the refund shall be determined in accordance with the educational institution's refund policy relative to financial assistance funds, except as provided in subsection (7) of this section.

(6) If the institution determines that a refund of financial assistance is due in accordance with its policy, the institution shall allocate to the financial assistance programs administered by the authority the refund and repayment prior to allocating the refund to institutional or private sources of financial assistance.

(7)(a) If a coal county scholarship recipient officially or unofficially withdraws from or is expelled by an institution before the first day of classes of the award period, the award shall constitute an over award and a full refund and repayment of the coal county scholarship shall be required, notwithstanding any institutional policy to the contrary.

(b) If the institution is unable to document the student's last date of attendance, any coal county scholarship disbursement for that award period shall be subject to full refund.

(c) If a coal county scholarship recipient's enrollment is terminated with no assessment of tuition and fees by the institution, the full coal county scholarship shall be subject to:

1. Cancellation, if not yet disbursed; or

2. Refund if the coal county scholarship has already been disbursed.

(8)(a) The institution shall remit to the authority the amount of funds allocated from the refund amount to the financial assistance programs administered by the authority as soon as possible but no later than thirty (30) days after the end of the term in which the student ceased to be enrolled.

(b) Refunds by the institution transmitted to the authority shall be accompanied by:

1. The student's name and Social Security Number;

2. The reason for the refund;

3. The date of enrollment status change; and

4. The semester and year.

(c) Failure of the institution to make restitution if required shall, without precluding other remedies, be cause for limitation, suspension, or termination of the participation of the institu-

tion in accordance with 11 KAR 4:020.

Section 6. Notification Requirements. (1) A scholarship recipient shall notify the authority in writing within thirty (30) days of:

- (a) Cessation of full-time enrollment in a pharmacy program;
- (b) Certification to practice pharmacy in the Commonwealth of Kentucky;
- (c) Failure to obtain certification to practice pharmacy in the Commonwealth of Kentucky;
- (d) Employment in a qualified service position;
- (e) Cessation of employment in a qualified service position;
- (f) Failure, within 180 days following certification to practice pharmacy in the Commonwealth of Kentucky, to obtain employment in full-time practice in a coal-producing county within the Commonwealth of Kentucky as a certified pharmacist for a majority of the calendar year; or
- (g) Change of name, permanent home address, or place of employment.

(2) The school of pharmacy shall notify the authority in writing within thirty (30) days of learning that a Coal County Scholarship Program for Pharmacy Students award recipient ceases to be enrolled on a full-time basis in the school of pharmacy.

Section 7. Records. (1) A participating institution shall maintain complete and accurate records pertaining to the eligibility, enrollment, and progress of each student receiving aid under this program and the disbursement of funds and institutional charges necessary to audit the disposition of these funds.

(2) The institution's records shall be maintained for at least three (3) years after the student ceases to be enrolled at the institution. (37 Ky.R. 1923; 2150; eff. 4-1-2011; 41 Ky.R. 1130; 1504; eff. 2-6-2015; Crt eff. 9-28-2018.)