

BOARDS AND COMMISSIONS

Board of Nursing

(Amendment)

201 KAR 20:390. Nursing Incentive Scholarship Fund.

RELATES TO: KRS 314.011, 314.025, 314.026, 314.027

STATUTORY AUTHORITY: KRS 314.026(1), 314.131(1)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 314.025 through 314.027 authorize the Kentucky Nursing Incentive Scholarship Fund for Kentucky residents. KRS 314.026(1) requires the Board of Nursing to promulgate administrative regulations to implement and administer the scholarship fund. This administrative regulation implements the Kentucky Nursing Incentive Scholarship Fund Program and establishes the requirements relating to the program.

Section 1. Definitions.

(1) "Academic year" means:

(a) For a registered nursing or graduate nursing program, a twelve (12) month period beginning with a fall session; and

(b) For a practical nursing program, the completion of the required program.

(2) "Board" is defined by KRS 314.011(1).

(3) "Graduate nursing education" means the pursuit of a master's degree, post-master's certificate, or doctoral degree.

(4) "Kentucky resident" is defined by 13 KAR 2:045, Section 1(10).

(5) "Program of nursing" means a prelicensure, BSN completion, graduate nursing program.

(6) "Successful academic progression" means, except during the last academic year preceding graduation:

(a) For a prelicensure or BSN completion nursing program, the completion of a minimum of twelve (12) credit hours per academic year of published requirements for the program of nursing and maintenance of a minimum grade point average which would allow continuation in a program of nursing; or

(b) For a graduate nursing program, the completion of a minimum of nine (9) credit hours per academic year of published requirements for the program of nursing and maintenance of a minimum grade point average which would allow continuation in the graduate program.

Section 2. Application.

(1) To be eligible for a nursing incentive scholarship, an applicant shall:

(a) Be a Kentucky resident; and

(b) Have been accepted for admission to a program of nursing.

(2) An applicant shall submit:

(a) A completed Nursing Incentive Scholarship Fund Application ~~{form for agency receipt}~~ on or before June 8;

(b) A copy of the Student Aid Report from the Free Application for Federal Student Aid (FAFSA) for the current year, if requesting preference for financial need;

(c) A copy of the program of nursing acceptance letter verifying initial enrollment;

(d) For newly enrolled nursing applicants an official transcript from the last academic institution in which the applicant was enrolled for verification of GPA or copy of a GED; and

(e) For applicants enrolled in a program of nursing, a copy of an official transcript to verify continued enrollment.

Section 3. Criteria for Awards. The board shall consider the following criteria in evaluating an application and shall award points as follows:

- (1) Preference categories as specified in KRS 314.025(2):
 - (a) Licensed practical nurses, fifteen (15)~~twenty (20)~~ points;
 - (b) Registered nurses pursuing a bachelor's degree or graduate nursing education, fifteen (15)~~twenty (20)~~ points;~~and~~
 - (c) Prelicensure nursing students will be awarded ten (10) points;
 - (d) Financially-needy Kentucky residents, up to thirty-five (35) points. Financial need shall be determined by the estimated Federal Expected Family Contribution (EFC) as calculated by the annual FAFSA and points will be awarded based on need-based aid eligibility as follows:
 1. EFC of \$0 to \$5000, thirty-five (35) points;
 2. EFC of \$5001 to \$10,000, thirty (30) points; and
 3. EFC of \$10,001 to \$20,000, twenty-five (25) points.
- (2) Potential for academic success, as follows: high school, vocational school, college, or university grade point average for whichever institution the applicant most recently attended:
 - (a) Three and five-tenths (3.5) to four (4.0), twenty-five (25) points;
 - (b) Three (3) to three and four-tenths (3.4), twenty (20) points; and
 - (c) Two and five-tenths (2.5) to two and nine-tenths (2.9), fifteen (15) points;
- (3) Potential for academic success when GED is earned in place of a high school diploma:
 - (a) A GED score of 601 to 800, twenty-five (25) points;
 - (b) A GED score of 501 to 600, twenty (20) points; and
 - (c) A GED score of 401 to 500, fifteen (15) points.

Section 4. Amount of Award.

- (1) The board shall be notified by the board's fiscal officer as to the current fund balance prior to making an award.
- (2)
 - (a) The board shall first make awards to those recipients who:
 1. Received an award in the previous year; and
 2. Remain eligible to receive an award pursuant to Section 6 of this administrative regulation in the current year.
 - (b) If funds remain available after the awards are made pursuant to paragraph (a) of this subsection, the board shall make an award to other eligible applicants.

Section 5. Procedure for Disbursement of Awards.

- (1) Disbursement of funds shall be made directly to the recipient.
- (2) Disbursement shall be made annually.
- (3) Each educational institution in which a student receiving a nursing incentive scholarship award is enrolled shall certify to the board no later than thirty (30) days from the beginning of each semester, that the recipient:
 - (a) Has enrolled; and
 - (b) Is in good standing in the nursing program.

Section 6. Continuing Eligibility Criteria.

- (1) A recipient of a nursing incentive scholarship shall be eligible to continue to receive an award if the recipient:
 - (a) Maintains successful academic progression through the program; and
 - (b) Submits to the board a completed Nursing Incentive Scholarship Fund Application ~~[form for agency receipt]~~ on or before June 8.

- (2) The educational institution shall immediately notify the board of a change in a recipient's enrollment status.
- (3) An award recipient in a practical nursing program shall not be eligible for further awards from the Nursing Incentive Scholarship Fund while enrolled in that program.

Section 7. Disbursement Contract.

- (1) Prior to disbursement of initial funds, the recipient shall sign a Nursing Incentive Scholarship Fund Contract.
- (2) The recipient shall sign a Nursing Incentive Scholarship Fund Promissory Note for each year in which funds are disbursed.

Section 8. Repayment and Deferral.

- (1) A recipient shall immediately become liable to the board to pay the sum of all scholarships received and the accrued interest on the scholarships if the recipient fails to complete the:
 - (a) Nursing program in which he or she is enrolled within the time specified by the program of nursing; or
 - (b) Required employment as specified in the contract.
- (2) Written notification of demand for repayment shall be sent by the board to the scholarship recipient's last known address and shall be effective upon mailing.
 - (a) The board may agree to accept repayment in installments in accordance with a schedule established by the board.
 - (b) Payments shall first be applied to interest and then to principal on the earliest unpaid contracts.
- (3) Repayment may be deferred in the case of disability, major illness, or accident that prevents a recipient from completing a program of nursing or being employed as a nurse in Kentucky.
- (4) A student enrolled in a program of nursing may defer repayment if the student fails to achieve successful academic progression.
 - (a) This deferment shall apply for one (1) academic year.
 - (b) If the student fails to achieve successful academic progression after that time, repayment shall be due.
 - (c) If the student achieves successful academic progression within the allotted time, he or she may apply for a continuation award pursuant to Section 6 of this administrative regulation.
- (5)
 - (a) If a deferment is requested, the recipient shall submit the request to the board on a Nursing Incentive Scholarship Fund Request for Deferral form.
 - (b) If the request for deferment is submitted pursuant to subsection (3) of this section, the Nursing Incentive Scholarship Fund Request for Deferral form shall be accompanied by a statement by a physician, advanced practice registered nurse, or physician's assistant.
- (6) If a recipient fails to pass the licensure examination within two (2) years of graduation, the sum of all nursing incentive scholarships received by the recipient, and the accrued interest, shall become due and payable.
- (7) If a court of competent jurisdiction determines that the recipient has defaulted and the funds are due and owing to the board, then the provisions of 201 KAR 20:370, Section 1(5), shall apply.
- (8) An individual who has defaulted on a scholarship shall not be eligible to receive another scholarship until the defaulted scholarship has been repaid.
- (9) The board may utilize the services of a third party for collection of sums owed pursuant to a Nursing Incentive Scholarship Fund Contract and Nursing Incentive Scholarship Fund Promissory Note, including reasonable attorney fees.

(10) After the board refers a debt to a third party for collection, a recipient shall not be eligible for deferment or to otherwise cure the recipient's breach, other than through payment of all sums owed to the board.

Section 9. Verification.

(1) Verification of employment as a nurse in Kentucky pursuant to the contract shall be submitted to the board when the recipient's employment commitment begins and when it is completed. A termination of employment prior to completion shall be reported to the board within thirty (30) days by the employer and the recipient.

(2) A recipient shall notify the board immediately of a change of name or address or enrollment status in school.

Section 10. Incorporation by Reference.

(1) The following ~~forms~~ are incorporated by reference:

- (a) "Nursing Incentive Scholarship Fund Application", ~~12/22/12/01~~;
- (b) "Nursing Incentive Scholarship Fund Request for Deferral", 10/96;
- (c) "Nursing Incentive Scholarship Fund Contract", 10/13; and
- (d) "Nursing Incentive Scholarship Fund Promissory Note", 10/13.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Board of Nursing, 312 Whittington Parkway, Suite 300, Louisville, Kentucky 40222, Monday through Friday, 8:30 a.m. to 4:30 p.m. This material is also available on the board's Web site at <https://kbn.ky.gov/General/Pages/Document-Library.aspx>.

AUDRIA DENKER, President

APPROVED BY AGENCY: January 30, 2023

FILED WITH LRC: February 10, 2023 at 10:45 a.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall be held on April 24, 2023 at 10:00 a.m. at Kentucky Board of Nursing, 312 Whittington Parkway, Ste 300, Louisville, Kentucky 40222. Individuals interested in being heard at this hearing shall notify this agency in writing by April 17, 2023, five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing was received by that date, the hearing may be cancelled. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through April 30, 2023. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Jeffrey R. Prather, General Counsel, Kentucky Board of Nursing, 312 Whittington Parkway, Suite 300, Louisville, Kentucky 40222, (502) 338-2851, email Jeffrey.Prather@ky.gov or submit a comment at: <https://secure.kentucky.gov/formservices/Nursing/PendReg>.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact Person: Jeffrey Prather

(1) Provide a brief summary of:

(a) What this administrative regulation does:

It sets application processes, award criteria, required terms, deferral requirements, and remedies in the event of breach by an award recipient for a Kentucky Nursing Incentive Scholarship (NISF).

(b) The necessity of this administrative regulation:

It is required by statute.

(c) How this administrative regulation conforms to the content of the authorizing statutes:

By setting processes and standards for NISF applications, awards, required terms, deferral requirements and remedies in the event of breach by an award participant.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:

By setting the processes and criteria applicable to awards, the terms required of recipients, and the procedures and standards applicable to deferral as well as breach by an award recipient.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation:

The amendment awards points to encourage new prelicensure students when ranking students. The application is also updated to conform with the online application process.

(b) The necessity of the amendment to this administrative regulation:

It is required by statute.

(c) How the amendment conforms to the content of the authorizing statutes:

The modifications provide greater opportunities for LPN and RN students who have financial need but no background in healthcare.

(d) How the amendment will assist in the effective administration of the statutes:

By providing a ranking system for NISF prelicensure students and expediting the application process.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:

The number of Kentucky Nursing Incentive Scholarships awarded each year depends upon funding levels: (a) FY22, 149; (b) FY21, 97 (c) FY20, 148; (d) FY19, 165; (d) FY18, 196.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment:

The actions required of scholarship applicants and recipients are not changed by the amendment.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3):

The amendment does not alter the cost imposed upon award recipients. The only cost to scholarship recipients occur in instances of breach or default, and the amendment does not alter such costs.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3):

Compliant scholarship applicants may be eligible for scholarship funds.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially:

The amendment will not alter the cost of implementation and enforcement of the regulation. Last fiscal year, the operating costs of the regulation was approximately eleven thousand dollars (\$11,000) and the personnel costs were twenty-one thousand dollars (\$21,000).

(b) On a continuing basis:

Unknown.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation:

Restricted funds under KRS 314.027.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment:

None necessary.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees:

It does not.

(9) TIERING: Is tiering applied?

None. Tiering is applied equally.

FISCAL NOTE

(1) What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation?

Board of Nursing.

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation.

KRS 314.026 and 314.131.

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year?

None.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years?

None.

(c) How much will it cost to administer this program for the first year?

Last fiscal year, the operating costs of the regulation was approximately eleven thousand dollars (\$11,000) and the personnel costs were twenty-one thousand dollars (\$21,000).

(d) How much will it cost to administer this program for subsequent years?

The amendment will not alter the cost of implementation and enforcement of the regulation in subsequent years.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation:

(4) Estimate the effect of this administrative regulation on the expenditures and cost savings of regulated entities for the first full year the administrative regulation is to be in effect.

None.

(a) How much cost savings will this administrative regulation generate for the regulated entities for the first year?

The costs will not change.

(b) How much cost savings will this administrative regulation generate for the regulated entities for subsequent years?

The cost will not change.

(c) How much will it cost the regulated entities for the first year?

None.

(d) How much will it cost the regulated entities for subsequent years?

None.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Cost Savings (+/-):

Expenditures (+/-):

Other Explanation:

(5) Explain whether this administrative regulation will have a major economic impact, as defined below.

"Major economic impact" means an overall negative or adverse economic impact from an administrative regulation of five hundred thousand dollars (\$500,000) or more on state or local government or regulated entities, in aggregate, as determined by the promulgating administrative bodies. [KRS 13A.010(13)] This administrative regulation will not have a major economic impact.