

KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY
Division of Student and Administrative Services
(Amendment)

11 KAR 15:110. Scholarships for Registered Apprenticeship and Qualified Workforce Training programs.

RELATES TO: KRS 164.7871-164.7885

STATUTORY AUTHORITY: KRS 164.744(2), 164.748(4), 164.753(3), 164.7884, 164.7894

NECESSITY, FUNCTION, AND CONFORMITY: KRS 164.7884(5) requires the authority to promulgate administrative regulations establishing the procedures for making awards to KEES-eligible students participating in a registered apprenticeship or qualified workforce training program.

Section 1. Eligibility.

- (1) A student who has earned a KEES award and who is enrolled in a registered apprenticeship program is eligible to request reimbursement for post-secondary expenses beginning with the 2018-2019 academic year.
- (2) A student who has earned a KEES award and who is enrolled in a qualified workforce training program is eligible to request reimbursement for post-secondary expenses for the academic year beginning July 1, 2020.
- (3) Reimbursement shall be made only for approved expenses as provided in KRS 164.7884(3)(a).

Section 2. Election Process.

- (1) By August 1 prior to the start of the academic year, a student enrolled in a registered apprenticeship or qualified workforce training program shall submit to KHEAA their funding pathway choice, either traditional or reimbursement, for postsecondary KEES use.
- (2) If a student chooses the traditional KEES funding pathway, funds shall be paid to the student's postsecondary institution upon KHEAA's receipt of enrollment verification from the institution. Funds shall not be paid directly to the student by KHEAA.
- (3) If a student chooses the registered apprenticeship or qualified workforce training reimbursement pathway, funds shall be paid directly to the student upon KHEAA's receipt of both a reimbursement request and proof of purchase by the student.
- (4) Any student who fails to make an election by August 1 shall automatically be placed in the traditional KEES funding pathway.

Section 3. Reimbursement Process.

- (1) Upon receipt of a student's election to participate in the registered apprenticeship or qualified workforce training reimbursement pathway, KHEAA shall provide written confirmation to the student detailing the reimbursement process.
- (2) In order to be eligible for reimbursement, the student must:
 - (a) Purchase items required for participation in the registered apprenticeship or qualified workforce training program;
 - (b) Complete and submit to KHEAA a reimbursement request; and
 - (c) Submit to KHEAA supporting documentation, including an itemized dated receipt.
- (3) Upon receipt of the required documentation and approval of the reimbursement request, KHEAA shall provide reimbursement of the approved expenses directly to the student in the form of a paper check.
- (4) In addition to reimbursable purchases, a student may request a travel allowance of up to \$250 per semester to cover commuting costs incurred during participation in the

registered apprenticeship or qualified workforce training program.

(5) The total reimbursement amount per year shall not exceed the student's KEES award maximum.

(6) Eligibility for reimbursement ends the earlier of:

(a) Five (5) years following the student's date of high school graduation or GED receipt;

(b) The student's successful completion of a registered apprenticeship or qualified workforce training program; or

(c) Receipt of reimbursement for four (4) academic years.

Section 4. Conversion of Funding Pathway. A student may elect to change their funding pathway one (1) time after making their initial election.

(1) The change request must be submitted to KHEAA in writing.

(2) The change shall become effective at the beginning of the next academic year following KHEAA's receipt and approval of the request.

(3) The KEES award maximum for a student transitioning from the traditional KEES pathway to the registered apprenticeship or qualified workforce training pathway shall be based on the student's postsecondary renewal amount for the last academic year completed in the traditional pathway.

CATHE DYKSTRA, Chair

APPROVED BY AGENCY: March 9, 2023

FILED WITH LRC: June 13, 2023 at 12:15 p.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall be held on August 29, 2023, at 10:00 a.m. Eastern Time at 100 Airport Road, Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify this agency in writing by 5 workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. 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 August 31, 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: Miles F. Justice, General Counsel, Kentucky Higher Education Assistance Authority, P.O. Box 798, Frankfort, Kentucky 40602-0798, phone (502) 696-7309, Fax: 502) 696-7293, email mjustice@kheaa.com.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact Person: Rebecca Gilpatrick, Director of Student Financial Aid

(1) Provide a brief summary of:

(a) What this administrative regulation does:

The Authority is required to promulgate administrative regulations pertaining to Kentucky Educational Excellence Scholarship (KEES) program, including establishing procedures for making awards for scholarships for students participating in registered apprenticeship programs. This regulation establishes those procedures.

(b) The necessity of this administrative regulation:

The Authority is required to promulgate administrative regulations pertaining to Kentucky Educational Excellence Scholarship (KEES) program, including establishing procedures for making awards for scholarships to students participating in registered apprenticeship programs. This regulation is necessary to establish those procedures consistent with the statute.

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

This administrative regulation conforms to the content of the authorizing statute by establishing procedures for KEES awards to students participating in registered apprenticeship programs required by the statute.

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

This administrative regulation will assist with the effective administration of the statutes by establishing procedures applicable to the scholarship program for students participating in registered apprenticeship programs.

(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:

This amendment will change the existing administrative regulation by allowing students participating in qualified workforce training programs to request reimbursement for actual expenses incurred in these programs to the extent of their earned KEES awards.

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

This amendment to the administrative regulation is necessary in order to bring the regulation into alignment with KRS 164.7884.

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

This amendment conforms to the content of the authorizing statutes by ensuring that all post-secondary programs eligible for reimbursement under the KEES program statute are identified as eligible within the regulation.

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

This amendment will assist in the effective administration of the statutes by ensuring that the list of KEES reimbursement-eligible programs included in the regulation is complete and accurate.

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

Students participating in qualified workforce training programs who have earned KEES awards will be affected by this amendment to the administrative regulation.

(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:

In order to comply with this amendment, students will need to be enrolled in qualified workforce training program, have earned a KEES award, and elect reimbursement of expenses incurred while participating in the program.

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

There will be no cost to students participating in qualified workforce training programs in order to comply with this amendment.

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

As a result of compliance with this amendment, otherwise eligible students will receive reimbursement for expenses incurred while participating in a qualified workforce training program to the extent of their earned KEES award.

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

(a) Initially:

There will be no cost to implement this amended administrative regulation.

(b) On a continuing basis:

Same as (5)(a) above.

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

The KEES program is funded through net lottery revenues transferred in accordance with KRS 154A.130.

(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:

The administrative regulation does not establish any fees, nor does this administrative regulation directly or indirectly increase any fees.

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

The administrative regulation does not establish any fees or directly or indirectly increase any fees.

(9) TIERING: Is tiering applied?

No. Tiering was not applied to the amendment of this administrative regulation. The concept is not applicable to this amendment of this administrative regulation. The administrative regulation is intended to provide equal opportunity to participate within parameters, and consequently does not inherently result in disproportionate impacts on certain classes of regulated entities or address a particular problem to which certain regulated entities do not contribute. Disparate treatment of any person or entity affected by this administrative regulation could raise questions of arbitrary action on the part of the agency. The "equal protection" and "due process" clauses of the

Fourteenth Amendment of the U.S. Constitution may be implicated as well as Sections 2 and 3 of the Kentucky Constitution. The regulation provides equal treatment and opportunity for all applicants and recipients.

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?

No answer provided.

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

KRS 164.7874, 164.7877(3), 164.7879(1), (2), (3), 164.7881(4)(a), (c), (6), 164.7884.

(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?

This regulation will not generate any revenue.

(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?

This regulation will not generate any revenue.

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

No additional costs are associated with this regulation.

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

No additional costs are associated with this regulation.

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.

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

The regulated entities - KEES award recipients participating in qualified workforce training programs - will incur no cost savings as a result of this regulation during the first full year in which it is in effect since there are no costs incurred by those regulated entities.

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

Same as 4a above.

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

The regulated entities - KEES award recipients participating in qualified workforce training programs - will incur no costs for the first year in which this administrative

regulation is in effect.

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

Same as 4c above.

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 on the Authority or regulated entities.