

**COUNCIL ON POSTSECONDARY EDUCATION**  
**(New Administrative Regulation)**

**13 KAR 5:020. Healthcare program incentives.**

RELATES TO: KRS 164.0401, 164.0402, 164.0404

STATUTORY AUTHORITY: KRS 164.0402, 164.0404

NECESSITY, FUNCTION, AND CONFORMITY: KRS 164.0402 requires the Council on Postsecondary Education to promulgate administrative regulations to administer the Kentucky healthcare workforce investment fund. KRS 164.0404 requires the Council to set forth the requirements to provide healthcare program incentives to reward performance and excellence among Kentucky's healthcare programs. This administrative regulation establishes the Kentucky Healthcare Program Incentives, established in KRS 164.0402, designed to reward performance and excellence among the Commonwealth's healthcare programs.

**Section 1. Definitions.**

- (1) "Council" is defined by KRS 164.001(8).
- (2) "Dedicated funds" is defined by KRS 164.0401(2).
- (3) "Eligible postsecondary institution" means an institution licensed by the Council or the Commission on Proprietary Education to operate in Kentucky that offers a healthcare program.
- (4) "Fund" means the healthcare workforce investment fund as established by KRS 164.0402.
- (5) "Grantor" is defined by KRS 164.0401.
- (6) "Healthcare partner" is defined KRS 164.0401(5).
- (7) "Healthcare program" is defined in KRS 164.0401(6).
- (8) "Incentives" means healthcare program incentives as established by KRS 164.0404.
- (9) "Kentucky resident" is defined by KRS 164.020(8).
- (10) "Match" means monies from the fund provided to the institution on a dollar-for-dollar basis, subject to funds availability, to the healthcare partner's contribution pursuant to KRS 164.0404(1).
- (11) "Steering committee" means the healthcare workforce investment steering committee established by the Council for the purpose of advising on issues related to healthcare training scholarships, including determining funding allocations, defining partnership proposal criteria, and making awards. The steering committee shall be comprised of a minimum of nine (9) members who have experience in healthcare programs, healthcare workforce, state government, and a minimum of one (1) member of the Council on Postsecondary Education. On making selections to the committee, and to the extent possible, the Council shall ensure equal representation of the experiences listed, and diversity in geography, healthcare program discipline, and size of healthcare workforce provider.

**Section 2. Healthcare Incentive Proposals without Dedicated Funds.** To be eligible to receive funding, an incentive proposal without dedicated funds shall include:

- (1) The name of the requesting healthcare programs certified by the signature of their respective chief executive officer and a designated point of contact with contact information;
- (2) A narrative explaining how the healthcare program intends to use requested funds to support the performance and excellence in its production of specific eligible healthcare credentials solely through funding the areas outlined in KRS 164.0404;
- (3) Certification that the healthcare program is offered by an eligible postsecondary institution or a Kentucky public high school or secondary career and technical center

- offering a healthcare vocational program in Kentucky;
- (4) The total proposed budget for the incentive funds requested;
  - (5) Discussion of how the healthcare credentials aligns with Kentucky's high-demand workforce sectors identified by the Kentucky Workforce Innovation Board and the Education and Labor Cabinet. If not aligned, the healthcare program shall provide other verifiable proof of workforce demand for the healthcare credentials;
  - (6) An explanation of the program's past five (5) years of data on student retention and graduation rates and current efforts to retain and graduate students in applicable healthcare credentials;
  - (7) An explanation on how the program increased the average annual degree production in the credential over the past five (5) years;
  - (8) A description of what career development or job placement programs are offered by the program;
  - (9) An explanation as to what learning experiences in simulated or clinical settings are offered by the program;
  - (10) A description of what learning experiences are offered by the program to middle or high school students, if any;
  - (11) Any relative data and analysis addressing the factors set forth in KRS 164.0404; and
  - (12) An explanation of how the program shall meet any other criteria determined by the steering committee.

Section 3. Incentive Proposals with Dedicated Funds. To be eligible to receive funding, an incentive proposal with dedicated funds shall include:

- (1) The criteria established in Section 2 of this administrative regulation;
- (2) A statement of assurances that the healthcare program shall not violate any of the requirements set forth by KRS 164.0404; and
- (3) An explanation of how the program shall meet any criteria established by the grantor healthcare partner as part of their contribution of dedicated funds.

Section 4. Evaluation Process.

- (1) The steering committee shall review and rank each healthcare program proposal on the extent to which it meets the priorities set forth in Sections 2 and 3 of this administrative regulation, as applicable. The steering committee may engage with a grantor healthcare partner in evaluating incentive proposals with grantor criteria if required by the dedicated funds.
- (2) Once the proposals are evaluated and ranked, the steering committee shall consider the distribution of funds to avoid a concentration in a small number of programs before determining award distributions.
- (3) Once awards distributions are finalized by the steering committee, the Council shall notify the designated points of contact.

Section 5. Incentive Awards.

- (1) Upon award, the Council shall enter into a contract with the healthcare program to distribute the funds. The contract shall include the requirements of KRS 164.0404 and any reporting requirements set forth by the Council.
- (2) Once the contract is finalized, the Council shall disburse from the fund moneys deposited by the healthcare partner and the matching funds appropriated by the General Assembly to the healthcare program.

*MADISON SILVERT, Chair*  
*STERLING CRAYTON, Attorney*

APPROVED BY AGENCY: June 29, 2023

FILED WITH LRC: June 30, 2023 at 1 p.m.

**PUBLIC HEARING AND COMMENT PERIOD:** A public hearing on this administrative regulation shall be held on September 21, 2023 at 10:00 a.m. EST at the Council on Postsecondary Education, 100 Airport Road, Second Floor, Frankfort, Kentucky 40601 in Conference Room A. Individuals interested in being heard at this hearing shall notify this agency in writing five workdays prior to the hearing of their intent to attend. If no notification to attend the hearing is received by that date, the hearing may be cancelled. 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 until September 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:** Sterling Crayton, Attorney, Council on Postsecondary Education, 100 Airport Road, Second Floor, Frankfort, Kentucky 40601, phone 502.573.1555, email [sterling.crayton@ky.gov](mailto:sterling.crayton@ky.gov).