

KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY
Division of Student Financial Aid
(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 shall be eligible to request reimbursement for approved 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 shall be eligible to request reimbursement for approved post-secondary expenses for the academic year beginning July 1, 2020.
- (3) A student who has earned a KEES award and who is enrolled in an approved workforce solution training program shall be eligible to request reimbursement for approved post-secondary expenses for the academic year beginning July 1, 2023.
- (4) A student who has earned a KEES award and who is enrolled in a qualified proprietary school program shall be eligible to request reimbursement for approved post-secondary expenses for the academic year beginning July 1, 2023.
- (5) A student who has earned a KEES award and who is enrolled in an eligible college of art and design shall be eligible to request reimbursement for approved post-secondary expenses for the academic year beginning July 1, 2023.
- (6) ~~(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, approved workforce solutions training program, qualified proprietary school program, or eligible college of art and design 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 pursuant to KRS 164.7874 to 164.7883 and KRS 164.7885 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 for approved expenses 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) To be eligible for reimbursement, the student shall:

(a) Purchase items required for participation in the registered apprenticeship, ~~for~~ ~~qualified workforce training program,~~ approved workforce solutions training program, qualified proprietary school program, or eligible college of art and design;

(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, ~~for~~ ~~qualified workforce training program,~~ approved workforce solutions training program, qualified proprietary school program, or eligible college of art and design.

(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, ~~for~~ ~~qualified workforce training program,~~ approved workforce solutions training program, qualified proprietary school program, or eligible college of art and design 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 shall 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 ~~reimbursement~~ ~~[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.

JOHN DOUGHERTY, JR, Chair

APPROVED BY AGENCY: March 7, 2024

FILED WITH LRC: March 21, 2024 at 2:10 p.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall be held on Tuesday, June 25, 2024, 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 five (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 attends 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 June 30, 2024. 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: Hon. 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

(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 an approved workforce solutions training program, a qualified proprietary school program, or while enrolled in an eligible college of art and design 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 an approved workforce solutions training program, a qualified proprietary school program, or while enrolled in an eligible college of art and design qualified workforce training program 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 an approved workforce solutions training program, a qualified proprietary school program, or in an eligible college of art and design 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 an approved workforce solutions training program, a qualified proprietary school program, or in an eligible college of art and design qualified workforce training program 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 an approved workforce solutions training program, a qualified proprietary school program, or in an eligible college of art and design 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?

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 IMPACT STATEMENT

(1) Identify each state statute, 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)

(2) Identify the promulgating agency and any other affected state units, parts, or divisions:

Finance and Administration Cabinet, Kentucky Higher Education Assistance Authority

(a) Estimate the following for the first year:

Expenditures:The amendment to this administrative regulation will have no impact on the expenditures of the Authority.

Revenues:The amendment to this administrative regulation will generate no revenue for the Authority.

Cost Savings:There will be no cost savings for the Authority as a result of the amendment to this administrative regulation.

(b) How will expenditures, revenues, or cost savings differ in subsequent years?

There will be no impact on the expenditures, revenues, or cost savings during subsequent years.

(3) Identify affected local entities (for example: cities, counties, fire departments, school districts):

KEES earners who choose to enroll in an approved workforce solutions training program, qualified proprietary school program or eligible college of art and design will be able to utilize their awards by requesting reimbursement for expenses incurred during their participation in these programs.

(a) Estimate the following for the first year:

Expenditures:No expenditures will be required by the impacted individuals as a result of the amendment to this administrative regulation.

Revenues:No revenues will be generated as a result of the amendment to this administrative regulation.

Cost Savings:No cost savings will be realized as a result of this regulation.

(b) How will expenditures, revenues, or cost savings differ in subsequent years?

There will be no impact on the expenditures, revenues, or cost savings during subsequent years.

(4) Identify additional regulated entities not listed in questions (2) or (3):

Not applicable

(a) Estimate the following for the first year:

Expenditures:N/A

Revenues:N/A

Cost Savings:N/A

(b) How will expenditures, revenues, or cost savings differ in subsequent years?

Not applicable.

(5) Provide a narrative to explain the:

(a) Fiscal impact of this administrative regulation:

Although the amendment to this administrative regulation expands the list of eligible programs for reimbursement for expenses incurred in participating in non-traditional post-secondary programs, the KEES awards have already been earned by those students and funds earmarked for those awards. The amendment does not create new award eligibility. Thus, there will be no net fiscal impact to the Authority as a result of this amendment.

(b) Methodology and resources used to determine the fiscal impact:

As noted, there is no fiscal impact on any of the affected entities as this regulation simply expands the list of acceptable programs for KEES awards that have already been earned by high school students.

(6) Explain:

(a) Whether this administrative regulation will have an overall negative or adverse major economic impact to the entities identified in questions (2) - (4). (\$500,000 or more, in aggregate)

As set forth in 5(a) above, no additional expenditure beyond that already contemplated will be required as a result of this amendment to the administrative regulation. Accordingly, there will be no overall negative or adverse major economic impact to the identified entities.

(b) The methodology and resources used to reach this conclusion:

Again, as discussed above, no new awards are being provided as a result of this amendment, so the new fiscal impact will be neutral.