

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

11 KAR 16:010. Early Childhood Development Scholarship Program applicant selection process.

RELATES TO: KRS 164.518

STATUTORY AUTHORITY: KRS 164.518(3), 164.748(4)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 164.518(3) requires the authority to promulgate administrative regulations for administration of the Early Childhood Development Scholarship Program. This administrative regulation establishes the applicant selection process for the Early Childhood Development Scholarship Program.

Section 1. Eligibility of Applicants.

(1) Initial eligibility. To qualify for an Early Childhood Development Scholarship, an applicant shall:

(a) Be:

1. A citizen, national, or permanent resident of the United States;
2. A Kentucky resident as determined by the participating educational institution in accordance with criteria established in 13 KAR Chapter 2 by the Council on Postsecondary Education for the purposes of admission and tuition assessment;
3. A high school graduate or a General Educational Development (GED) recipient;
4. Unless the applicant is seeking scholarship renewal and has registered for a capstone semester:
 - a. Employed at least twenty (20) hours per week in a participating early childhood facility;
 - b. Employed to provide training at least twelve (12) times per year in early childhood development by a participating early childhood facility approved by the Office of Inspector General of the Cabinet for Health and Family Services to offer the training; or
 - c. Employed at least twenty (20) hours per week, providing direct instruction to children as a preschool associate teacher or as a teaching assistant in a public preschool program by a participating early childhood facility;
5.

~~[a.] Enrolled in the scholarship program curriculum at a participating educational institution; [Except as provided in clause b of this subparagraph, enrolled in no more than nine (9) credit hours, or the equivalent under a trimester or quarter system, per academic term in the scholarship program curriculum at a participating educational institution;]~~

~~[b.] [An applicant who is enrolled in the final semester of study before earning an ECAC-approved early childhood credential, associate degree, or bachelor's degree may be enrolled in a capstone course requiring full-time enrollment, but shall not receive an award amount for more than nine (9) credit hours of enrollment;]~~
6. Pursuing an ECAC-approved:
 - a. Early childhood credential;
 - b. Associate degree; ~~[or]~~
 - c. Bachelor's degree; ~~[or]~~
 - d. Master's degree.
7. Ineligible to receive professional development funds from another education program; and

8. Maintaining satisfactory academic progress as determined by the participating institution;
- (b) Satisfy all financial obligations to the authority under any program administered by the authority pursuant to KRS 164.740 to 164.785, except that ineligibility for this reason may be waived by the executive director of the authority, at the recommendation of a designated staff review committee, for cause; and
- (c) Not be:
 1. In default on any loan under Title IV of the federal act, codified as 20 U.S.C. 1070 to 1099, unless eligibility has been reinstated;
 2. Liable for any amounts that exceed annual or aggregate limits on any loan under Title IV of the federal act, codified as 20 U.S.C. 1070 to 1099; and
 3. Liable for overpayment of any grant or loan under Title IV of the federal act, codified as 20 U.S.C. 1070 to 1099.
- (2) Renewal eligibility. Persons seeking additional early childhood development scholarships shall:
 - (a) Meet the eligibility requirements of subsection (1) of this section; and
 - (b) Be making satisfactory academic progress toward the completion of the ECAC-approved early childhood credential as determined by the participating institution.
- (3) Appeal of determination.
 - (a) A student denied a scholarship for a reason other than lack of funds may appeal the determination by the ECAC.
 - (b) A student shall submit a written statement of appeal to the ECAC within fifteen (15) calendar days after the date of notification of denial.
 - (c) If a student appeals a scholarship denial, the ECAC shall ensure that:
 1. A hearing officer or committee appointed by ECAC shall consider the student's appeal and make a decision on the issues involved; and
 2. The student's due process rights, including the right to present information in support of his claim of eligibility and the right to be represented by legal counsel, are protected.
- (4) Commitment of service. A scholarship applicant shall commit that he or she shall subsequently render service:
 - (a) For six (6) months at a participating early childhood facility upon obtaining the child development associate certificate, paid for in part by a scholarship;
 - (b) For one (1) year at a participating early childhood facility upon obtaining the early childhood credential of an associate degree or the Kentucky Early Childhood Development Director's Certificate, paid for in part by a scholarship; or
 - (c) For six (6) months at a participating early childhood facility and one (1) additional year at an early childhood facility located in Kentucky upon obtaining the early childhood credential of a baccalaureate degree, paid for in part by a scholarship.

Section 2. Application.

- (1) Prior to the beginning of each academic term, a person seeking an early childhood development scholarship shall obtain an Early Childhood Development Scholarship Application set forth in 11 KAR 4:080, Section 1(4)(b), from the KHEAA Web site, http://www.kheaa.com/prog_ecds.html. The applicant shall complete the online application.
- (2) The applicant shall:
 - (a) Print the employer verification page from the completed application;
 - (b) Have this page certified by an authorized representative of the participating early childhood facility; and
 - (c) Submit the certified page to the professional development counselor on or before:

1. July 15, or the next regular business day if July 15 falls on a weekend or holiday, preceding the fall academic term for which the scholarship is requested;
2. November 15, or the next regular business day if November 15 falls on a weekend or holiday, preceding the spring academic term for which the scholarship is requested; or
3. April 15, or the next regular business day if April 15 falls on a weekend or holiday, preceding the summer academic term for which the scholarship is requested.

(3) The applicant shall also complete and submit to the United States Department of Education the Free Application for Federal Student Aid ("FAFSA") set forth in 11 KAR 4:080, Section 1(4)(a). This application shall be completed either in paper format or electronically via the Internet.

Section 3. Selection Process.

- (1) The professional development counselor shall verify the application information and determine the eligibility of the applicant.
- (2) The professional development counselor shall recommend scholarship awards for eligible applicants in the following order until funds are depleted:
 - (a) First, scholarships shall be awarded to eligible renewal applicants, ranked in order of the date and time the application is submitted.
 - (b) Next, scholarships shall be awarded to eligible new applicants, ranked in order of the date and time the application is received by the professional development counselor.
- (3) The professional development counselor shall forward to the ECAC the applications of those persons recommended to receive a scholarship and ensure that the applications are received by the ECAC no later than:
 - (a) July 22, or the next regular business day if July 22 falls on a weekend or holiday, preceding the fall academic term for which the scholarship is requested;
 - (b) November 22, or the next regular business day if November 22 falls on a weekend or holiday, preceding the spring academic term for which the scholarship is requested; or
 - (c) April 22, or the next regular business day if April 22 falls on a weekend or holiday, preceding the summer academic term for which the scholarship is requested.
- (4) The employer signature page shall be received by the ECAC no later than August 1, December 1, and May 1 of the appropriate semester.
- (5) ECAC shall certify the eligibility determination of approved applicants.

Section 4.

(1) Award amount. The scholarship amount awarded to an eligible applicant for an academic term shall be the amount of tuition actually charged for the academic term by the participating educational institution that the scholarship recipient will be attending based on the recipient's enrollment status, but shall not exceed the maximum award amount.~~;~~

~~[(a)] [The amount of tuition charged for enrollment in nine (9) credit hours; and]~~

~~[(b)] [The award maximum.]~~

(2) Award maximum. The maximum scholarship amount awarded to an eligible applicant for an award year shall be up to the tuition and mandatory fees at the participating institution in which the recipient is enrolled for the number of hours enrolled not to exceed the undergraduate tuition and mandatory fees at the highest priced in-state public participating institution.~~[be \$1,800].~~

(27 Ky.R. 1365; 1822; 2110; eff. 2-5-2001; 3318; 28 Ky.R. 414; 551; eff. 9-5-2001; 30 Ky.R. 1578; 2010; eff. 3-18-2004; 32 Ky.R. 1312; 1606; eff. 3-31-2006; 33 Ky.R. 185; 715;

eff. 10-6-2006; 3232; 3592; eff. 7-6-2007; 34 Ky.R. 1773; 2079; eff. 4-4-2008; 40 Ky.R. 90; eff. 9-9-2013; Crt eff. 9-28-2018; 48 Ky.R. 1205; eff. 4-5-2022.)

WES CORNETT, Chair

APPROVED BY AGENCY: August 26, 2021

FILED WITH LRC: September 14, 2021 at 12:13 p.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall be held on Tuesday, November 23, 2021, 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 November 30, 2021. 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. Diana L. Barber, General Counsel, Kentucky Higher Education Assistance Authority, P.O. Box 798, Frankfort, Kentucky 40602-0798, phone (502) 696-7298, fax (502) 696-7293, email dbarber@kheaa.com.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact Person: Rebecca Gilpatrick

(1) Provide a brief summary of:

(a) What this administrative regulation does:

This administrative regulation establishes the applicant selection process for the Early Childhood Development Scholarship program as authorized by KRS 164.518(3).

(b) The necessity of this administrative regulation:

This administrative regulation is necessary to set forth the application selection process for the Early Childhood Development Scholarship program.

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

KRS 164.518(3) requires the authority to promulgate administrative regulations pertaining to the Early Childhood Development Scholarship program.

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

This administrative regulation assists in the effective administration of the statutes by establishing the applicant selection process for the Early Childhood Development Scholarship program.

(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 will change the existing administrative regulation by eliminating the per semester enrollment cap of nine (9) hours. Further, this amendment will change the existing administrative regulation will by allowing recipients to pursue a master's degree using scholarship funds. Finally, the amendment will change this existing administrative regulation by increasing the maximum award amount to the amount assessed as tuition and fees for the number of ours the recipient is enrolled at a participating institution up to the full-time undergraduate tuition and fees rate at the highest cost participating public institution in the Commonwealth.

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

The amendment to this administrative regulation is necessary in order to expend the recent grant funds award to the Cabinet for Health and Family Services (CHFS) under the American Rescue Plan. These funds can best be utilized by increasing both the number of permissible hours and the maximum award amount for participating recipients. KHEAA has been requested to make these changes jointly by CHFS and the Kentucky Governor's Office of Early Childhood (KYCOEC).

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

The authorizing statutes require the Authority to promulgate administrative regulations establishing terms and conditions for the administration of the Early Childhood Development Scholarship program. The amendment to this administrative regulation conforms to the content of those statutes by expanding both the permissible credential types that may be pursued by a recipient as well as the number of semester hours in which a recipient may be registered. Further, the amendment to this administrative regulation conforms to the context of the authorizing statutes by increasing the maximum award amount.

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

The authorizing statutes require the Authority to promulgate administrative regulations establishing terms and conditions in order to administer the Early Childhood Development Scholarship program. The amendment to this administrative regulation enhances the administration thereof by enhancing the scholarship program to permit both post-baccalaureate education and full-time enrollment as well as establishing an increased maximum award amount.

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

Applicants for the Early Childhood Development Scholarship will be positively impacted by the amendment to this administrative regulation in that they will now be eligible to pursue a post-baccalaureate degree with scholarship award funds, enroll in more hours each semester and receive a larger award. (4) Provide an assessment of how the above group or groups 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 in order to comply with this administrative regulation or amendment: No action will be required of those individuals impacted by this regulation in order to comply therewith.

(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:

No answer provided.

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

No cost will be imposed on those individuals impacted by this regulation in compliance therewith.

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

Those individuals who meet the eligibility criteria for this program and apply therefore will be considered for scholarship awards. (5) Provide an estimate of how much it will cost to implement this administrative regulation:

(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 associated with this amendment.

(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:

Funding for the Early Childhood Development Scholarship Program was previously provided through a combination of money designated to the Commonwealth from the master settlement agreement signed on November 22, 1998, between the participating tobacco manufacturers and the forty (40) settling states and related federal legislation, as provided in 2000 Ky. Acts ch. 549, Part XI and civil penalties. However, in Fiscal Year 2019, the Kentucky General Assembly redirected the tobacco settlement funds to

other state initiatives. Since that time, KHEAA has been able to keep the program going by spending down the funds that continued from year to year. All available funding would have been exhausted during the current year had the CHFS received a \$30.0 million grant under the American Rescue Plan. This grant will provide the funding for the enhanced ECDS program for a period of three (3) years, from 2022 to 2024.

(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:

No increase in fees will be necessary. Increased funding will be required and is being provided through the American Rescue Plan as described in (6) above. (8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not establish any fees or directly or indirectly increase any fees.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees:

No answer provided.

(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 ON STATE AND LOCAL GOVERNMENT 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? This administrative regulation will impact the Finance and Administration Cabinet, Kentucky Higher Education Assistance Authority. 2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. 164.518(3), 164.748(4). 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. The administrative regulation will result in no additional expenditures by or revenues to the Authority during the first full year of its effectiveness. The administrative regulation will result in no additional expenditures by or revenues to the Authority during the first full year of its effectiveness. Although additional funds will be expended for the program, these will be provided by the Cabinet for Health and Family Services through a \$30.0 million grant under the American Rescue Plan. 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 costs are associated with this regulation. d. How much will it cost to administer this program for subsequent years? No 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: