

BOARDS AND COMMISSIONS

Board of Nursing

(Amended at ARRS Committee)

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 twelve (12) month period beginning with a fall session.
- (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) "Initial year award" means the first Nursing Incentive Scholarship Fund award received by an individual.
- (5) "Kentucky resident" is defined by 13 KAR 2:045, Section 1(10).
- (6) "Program of nursing" means a prelicensure, BSN completion, or graduate program of nursing.
- (7) "Subsequent year award" means any Nursing Incentive Scholarship Fund award other than an initial year award.

Section 2. Application.

- (1) To be eligible for a nursing incentive scholarship, an applicant shall:
 - (a) Be a Kentucky resident;
 - (b) Have been accepted for admission to a program of nursing; and
 - (c)
 1. Have attained a sufficient point ranking pursuant to Section 3 of this administrative regulation for initial year award eligibility; or
 2. Have met the requirements in Section 4 of this administrative regulation for subsequent year award eligibility.
- (2) An applicant shall submit:
 - (a) A completed Nursing Incentive Scholarship Fund Application on or before May 1;
 - (b) For initial year award applicants, a copy of the Free Application for Federal Student Aid (FAFSA) Submission Summary for the current year, listing the applicant's Student Aid Index calculation, if requesting preference for financial need;
 - (c) A copy of the program of nursing acceptance letter verifying initial enrollment;
 - (d) For initial year award 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 subsequent year award applicants, a document issued by the program of nursing verifying enrollment.

Section 3. Criteria for an Initial Year Award. The board shall consider the following criteria in evaluating an application for an initial year award and shall allocate points as follows:

- (1) Preference categories as established in KRS 314.025(2):
 - (a) Licensed practical nurses, fifteen (15) points;

(b) Registered nurses pursuing a bachelor's degree or graduate nursing education, fifteen (15) points;

(c) Nursing students who have not been issued a nursing license, ten (10) points; and

(d) Financially needy Kentucky residents, up to thirty-five (35) points. Financial need shall be determined by the Student Aid Index (SAI) calculation listed on the applicant's Free Application for Federal Student Aid (FAFSA) Submission Summary for the current year, and points shall be awarded based on need-based aid eligibility as follows:

1. SAI of negative \$1,500 to \$3,500, thirty-five (35) points;

2. SAI of \$3,501 to \$8,500, thirty (30) points; and

3. SAI of \$8,501 to \$18,500, 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; and

(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. Criteria for a Subsequent Year Award.

(1) Except as established in subsection (2) of this section, a past recipient of a Nursing Incentive Scholarship Fund award shall be eligible to receive a subsequent year award if the recipient:

(a) Is enrolled in a program of nursing;

(b) Is not in default as to a prior Nursing Incentive Scholarship award; and

(c) Submits to the board a completed Nursing Incentive Scholarship Fund Application on or before May 1.

(2) If combined awards to past recipients are projected to exceed the current fund balance, past recipient eligibility shall be based on level of education of the program of nursing in which the applicant is enrolled, first being a prelicensure LPN program of nursing, second being a prelicensure non-BSN RN program of nursing, third being a BSN program of nursing, and fourth being a graduate degree program of nursing.

Section 5. 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 previously; and

2. Remain eligible to receive an award pursuant to Sections 2 and 4 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 6. Procedure for Disbursement of Awards.

(1) Prior to disbursement of funds, each year that funds are disbursed, the recipient shall sign a Nursing Incentive Scholarship Fund Contract and Promissory Note.

(2) Disbursement of funds shall be made directly to the recipient's bank account via automated clearing house electronic funds transfer.

(3) Disbursement shall be made annually.

Section 7. 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 established by the program of nursing; or

(b) Required employment as established 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 who ceases to be enrolled in a program of nursing prior to graduation may defer repayment for one (1) academic year.

(a) If the student fails to resume enrollment after one (1) academic year, monetary, repayment shall be due.

(b) If the student resumes enrollment within one (1) academic year, he or she may apply for a continuation award pursuant to Section 4 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.

(11) Employment and repayment requirements specified in the contract and promissory note are not tolled or deferred as a consequence of a continuation of nursing education in a different degree program than was specified in the recipient's Nursing Incentive Scholarship Fund application; however, employment and repayment requirements are not activated if a recipient transfers to the same degree program at a different school.

Section 8. 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 recipient.

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

Section 9. Incorporation by Reference.

(1) The following material is incorporated by reference:

- (a) "Nursing Incentive Scholarship Fund Application", 06/24;
- (b) "Nursing Incentive Scholarship Fund Request for Deferral", 06/24;
- (c) "Nursing Incentive Scholarship Fund Contract", 06/24; and
- (d) "Nursing Incentive Scholarship Fund Promissory Note", 06/24.

(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/document-library/Pages/default.aspx>.

(17 Ky.R. 2082; Am. 2428; eff. 2-7-1991; 18 Ky.R. 2874; eff. 5-1-1992; 20 Ky.R. 387; eff. 10-13-1993; 21 Ky.R. 484; 1028; eff. 9-21-1994; 23 Ky.R. 2534; 3006; eff. 2-19-1997; 24 Ky.R. 1116; 1502; eff. 1-12-1998; 26 Ky.R. 1411; 1680; eff. 2-16-2000; 27 Ky.R. 2554; eff. 5-14-2001; 1680; 2015; eff. 3-14-2002; 29 Ky.R. 1304; eff. 1-15-2003; 30 Ky.R. 389; eff. 10-15-2003; 32 Ky.R. 299; eff. 10-19-2005; 33 Ky.R. 2356; eff. 5-4-2007; 40 Ky.R. 1349; 1723; eff. 2-19-2014; 42 Ky.R. 499; 1145; eff. 11-6-2015; 47 Ky.R. 772, 1373; eff. 2-4-2021; TAm eff. 7-12-2022; 49 Ky.R. 1815, 2282; eff. 7-24-2023; TAm eff. 11-21-2023; 51 Ky.R. 379, 876; eff. 11-18-2024.)

FILED WITH LRC: October 15, 2024

CONTACT PERSON: Jeffrey R. Prather, General Counsel, Kentucky Board of Nursing, 312 Whittington Parkway, Suite 300, Louisville, Kentucky 40222, (502) 338-2851, Jeffrey.Prather@ky.gov.