

LOTTERY TRUST FUND TASK FORCE

Minutes of the 4th Meeting of the 2023 Interim September 21, 2023

Call to Order and Roll Call

The 4th meeting of the Lottery Trust Fund Task Force was held on September 21, 2023, at 3:00 PM in Room 171 of the Capitol Annex. Senator Matthew Deneen, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Matthew Deneen Co-Chair; Senators Lindsey Tichenor, and Mike Wilson; Representatives Daniel Grossberg, Steve Rawlings, Steve Riley, and Killian Timoney.

Guests: Dr. Stephen Pruitt, President, Southern Regional Education Board; Frank Ballmann, Director, Federal Relations, National Association of State Student Grant and Aid Programs; and Representative James Tipton, House District 53.

LRC Staff: Cynthia Brown, Joshua Collins, Katy Jenkins, Haley Webb, Justin Smith, and Mariah Derringer-Lackey.

Approval of the minutes from the August 3, 2023, meeting

On a motion from Representative Timoney, second from Representative Riley, the minutes from the August 3, 2023, meeting were approved.

Financial Aid Programs in the Southeast Region

Dr. Pruitt, President, Southern Regional Education Board, gave a presentation on the lottery funded scholarship programs offered in states of the Southeast region. States discussed include Arkansas, Florida, Georgia, South Carolina, Tennessee, and Kentucky. Background information such as need or merit based, requirements, or other uses of the funds was provided. Dr. Pruitt reviewed research and findings provided by agencies in the region.

Senator Deneen thanked Dr. Pruitt for the presentation and appreciated the information regarding other states. He discussed the workforce development and decisions that will need to be made regarding funding.

In response to Representative Riley, Dr. Pruitt was not aware of any states that had an award given to the student after they graduated. He thought there was a measure introduced in another state that did not pass which, a tax credit was given when the student graduated.

In response to Representative Tipton, Dr. Pruitt discussed South Carolina's uses of the LIFE (Legislative Incentive for Future Excellence) scholarship for third- or fourth-year students.

In response to Representative Tipton, Dr. Pruitt explained how the trends are focusing more toward needs based than merit based.

In response to Representative Tipton, Dr. Pruitt explained the most comparable would be states that are using state money for “last dollar scholarships.” An example provided was Georgia with the HOPE (Helping Outstanding Pupils Educationally) scholarship, where it is awarded based on grade point average (GPA) and standardized scores.

Representative Timoney made several comments about allocating resources, focusing on career and technical education programs, and retaining Kentucky’s best and brightest. In response to comments from Representative Timoney, Dr. Pruitt encouraged people to ask students “what’s next?” instead of “are you going to college?” We should think about how to prepare the future of the workforce.

In response to Senator Deneen, Dr. Pruitt discussed the importance of a partnership with the workforce innovation boards.

National Perspective of State Financial Aid Programs

Mr. Ballmann, Director, Federal Relations, National Association of State Student Grant and Aid Programs (NASSGAP), provided a presentation on an introduction to NASSGAP, why states may offer student financial aid, differences between need based and merit based, and a table showing funding sources for different states nationally.

Next meeting announcement

Senator Deneen announced the next Lottery Trust Fund Task Force meeting will be Thursday, October 19, 2023, at 3 p.m.

Adjournment

The meeting adjourned at 4:04 p.m.