



Funding State Student Aid Programs

Lottery Trust Fund Task Force
July 20, 2023



Statutory Allocation of Net Lottery Revenue

Per KRS 154A.130, net lottery revenues are to be credited from the general fund as follows:

- \$3.0 million to literacy initiatives
 - \$1.2 million to the Collaborative Center for Literacy Development; and
 - \$1.8 million to the reading diagnostic and intervention fund
- Forty-five percent (45%) to KY Educational Excellence Scholarship (KEES); and
- Fifty-five percent (55%) to the College Access Program (CAP) grant and KY Tuition Grant (KTG) programs

Distribution of Funds per KRS 154A.130

	FY 2023	FY 2024
Lottery Forecast – August 2021	\$ 335,000,000	\$ 347,000,000
Less Literacy Development		
Collaborative Center for Literacy Development	1,200,000	1,200,000
Reading Diagnostic & Intervention Fund	1,800,000	1,800,000
	\$ 332,000,000	\$ 344,000,000
Less Allocation to CAP, KTG, and KEES		
55% to CAP and KTG	182,600,000	189,200,000
45% to KEES	149,400,000	154,800,000
	\$ 0	\$ 0



FY 2023-2024 Budget

Lottery Forecast – August 2021

Distribution of Appropriated Funds

	FY 2023	FY 2024
Lottery Forecast – August 2021	\$ 335,000,000	\$ 347,000,000
Distribution of Appropriated Funds		
Collaborative Center for Literacy Development (UK)	1,200,000	1,200,000
Reading Diagnostic & Intervention Fund (UK)	1,800,000	1,800,000
Grant and Scholarship Programs (KHEAA)	326,874,700	333,474,700
Advanced Placement (KDE)	2,600,000	2,600,000
Jobs for America’s Graduates (KDE)	1,000,000	1,000,000
Human Development Institute for the Supported Higher Education Project (UK)	500,000	500,000
Total Appropriated from Lottery Forecast	\$ 333,974,700	\$ 340,574,700

Lottery Funds Appropriated to KHEAA Programs

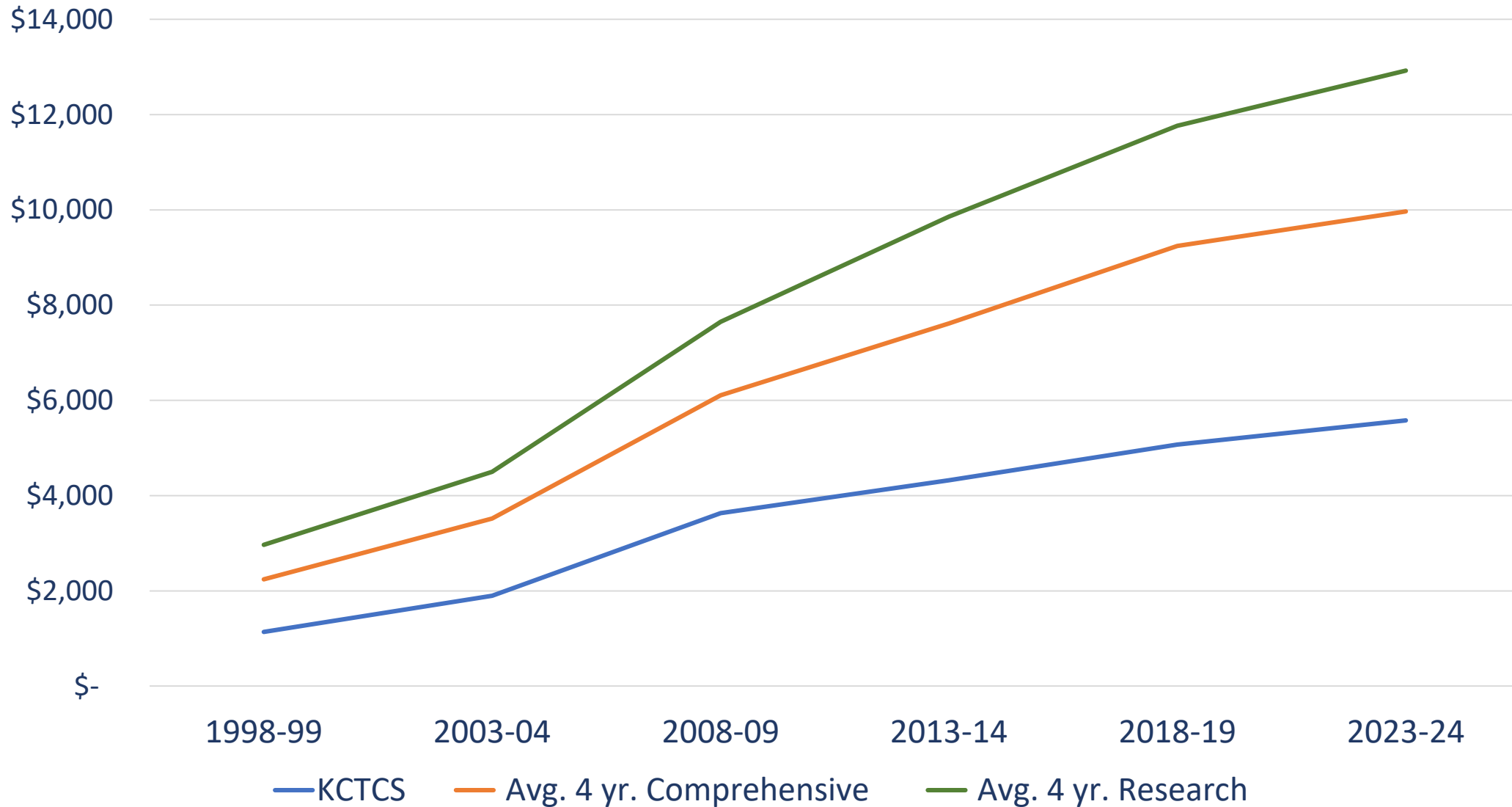
Program	FY 2023		FY 2024	
College Access Program (CAP)	\$ 134,075,000	41%	\$ 139,025,000	42%
KY Tuition Grant (KTG)	44,325,000	14%	45,975,000	14%
KY Educational Excellence Scholarship (KEES)	116,126,600	36%	116,126,600	35%
Dual Credit Scholarship	13,150,000	4%	13,150,000	4%
Work Ready KY Scholarship	10,800,000	3%	10,800,000	3%
KY National Guard Tuition Award	7,398,100	2%	7,398,1000	2%
Teacher Scholarship	1,000,000	<1%	1,000,000	<1%
TOTAL	\$ 326,874,700	100%	\$ 333,474,700	100%



KHEAA Program Fund Sources Since FY 2013

Program	FY 13-14	FY 15-16	FY 17-18	FY 19-20	FY 21-22	FY 23-24
College Access Program (CAP) grant	Lottery					
KY Tuition Grant (KTG)	Lottery					
KY Educational Excellence Sch (KEES)	Lottery					
Dual Credit Scholarship			Lottery			
Work Ready KY Scholarship				Lottery		
KY National Guard Tuition Award	Lottery					
Teacher Scholarship	Lottery			Loan Collections		Lottery
Early Childhood Development Scholarship	Tobacco Settlement			Civil Penalties		Fed. ARPA Grant (Ends 2024)
Veterinary Contract Spaces					General Funds	
Optometry Scholarship					General Funds	

Full-time Undergraduate Tuition Rates at Kentucky Public Institutions



FY 2023 State Aid Summary

Program	Recipients	Average Disbursed	Maximum Award Amt	Recipient's School Level	Type of Aid
College Access Program (CAP) grant	53,300	\$ 3,210	\$ 2,500 / \$5,300	Undergrad	Need-Based
KY Tuition Grant (KTG)	13,110	\$ 2,670	\$ 3,200	Undergrad	Need-Based
KY Educational Excellence Scholarship (KEES)	65,250	\$ 1,710	\$ 2,500	Undergrad	Incentive
Dual Credit Scholarship	26,600	\$ 470	\$ 546	High School	Early College
Work Ready KY Scholarship	4,220	\$ 3,200	\$ 4,960	Undergrad	Workforce Development
KY National Guard Tuition Award	1,110	\$ 6,920	\$ 12,859	Undergrad	Military Incentive
Teacher Scholarship	160	\$ 3,960	\$ 5,000	Undergrad & Graduate	Workforce Development
Early Childhood Development Scholarship	460	\$ 3,510	\$ 12,859	Undergrad & Graduate	Workforce Development
Veterinary Contract Spaces	160	\$ 33,500	\$ 33,500	Graduate	Workforce Development
Optometry Scholarship	50	\$ 16,520	\$ 19,200	Graduate	Workforce Development

Exhaustion of Available Funds

KHEAA's budget request = estimated amount to fund programs

Less than full funding impacts programs in varying ways

- Timing of the funding issue and the grant/scholarship processing cycle plays a key role in determining how to address the situation
 - Budget process
 - Early exhaustion during the academic year
- Potential options
 - Offer funds to fewer students; or
 - Cut award amounts
- The options can be more problematic for some programs than others
 - KEES – Amount built over high school career; perceived entitlement
 - Dual Credit – Course registration and instruction can begin before scholarship status is known
 - National Guard Tuition Award – Military benefit; awards offered at unit level
 - CAP and KTG – Awarded first-come, first-serve; cuts impact the financially neediest students
 - Work Ready KY - Awarded first-come, first-serve; last dollar calculation sets award amount