

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Budget Review Subcommittee on Education

Minutes of the 4th Meeting of the 2019 Interim

October 1, 2019

Call to Order and Roll Call

The fourth meeting of the Budget Review Subcommittee on Education of the Interim Joint Committee on Appropriations and Revenue was held on Tuesday, October 1, 2019, at 10:00 AM, in Room 154 of the Capitol Annex. Representative James Tipton, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representatives James Tipton, Co-Chair; Senators C.B. Embry Jr., Johnny Ray Turner, and Mike Wilson; Representatives Tina Bojanowski, Randy Bridges, Joseph M. Fischer, Cluster Howard, Regina Huff, C. Ed Massey, and Attica Scott.

Guests: Senator David Givens; Gene Hutchins, Executive Director/CEO, Kentucky Higher Education Assistance Authority; Summer Gortney, Assistant Director, Outreach Services, Kentucky Higher Education Assistance Authority; Becky Gilpatrick, Director, Grant Services, Kentucky Higher Education Assistance Authority; Dr. Aaron Thompson, President, Council on Postsecondary Education; Lee Nimocks, Vice President, Council on Postsecondary Education.

LRC Staff: Chuck Truesdell, Nick Peak, and Amie Elam.

Kentucky Higher Education Assistance Authority (KHEAA)

Representatives from KHEAA spoke to the subcommittee about financial aid programs funded via state appropriations.

In response to a question from Chair Tipton, Mr. Hutchins said the recent budget surplus, in the amount of \$14.5 million, enabled KHEAA to extend the period that funds were awarded to students. He explained that the Work Ready Kentucky Scholarship program is funded through a baseline appropriation and a \$13 million continuing

appropriation. Mr. Hutchins said the baseline appropriation would need to be increased after the continuing appropriation is exhausted.

In response to a question from Representative Bojanowski, Ms. Gilpatrick said scholarships awarded from the KHEAA Teacher Scholarship Program average approximately \$3,000. She added that the awards are conversion scholarships. Mr. Hutchins said that the teacher scholarship program was funded through a General Fund appropriation that was phased out in the current biennium.

In response to a question from Senator Givens, Mr. Hutchins said the chart on the “How Financial Aid is Awarded” slide shows the average annual cost of education. He said the number includes room and board, books, and tuition and fees. Mr. Hutchinson stated that there are mechanisms in place for students to receive credentials without being left with catastrophic levels of debt.

In response to a question from Senator Wilson, Ms. Gortney said affordability and alternatives to student debt are discussed with students and families. She added that college coaches work with the same student cohort during the duration of each student’s high school career.

In response to a question from Representative Fischer, Mr. Hutchins said that a new product, Be Loan Smart, sends letters to students to illustrate what they have borrowed and what their anticipated monthly obligation will be. Ms. Gortney said student workshops identify the reasonable amount of debt a student should take on based on their income. Mr. Hutchins said that recently students have become more debt adverse.

Council on Postsecondary Education (CPE)

Representatives from CPE gave a presentation to the committee about financial aid programs funded via state appropriations.

In response to a question from Chair Tipton, Dr. Thompson said that high schools are clamoring for more dual credit courses that may not be beneficial for students. He added that the belief there will not be a financial return on investment has led some institutions to not take part in dual credit at the level they need to. Dr. Thompson said in some cases there is a disparity about the courses being offered to students.

In response to a question from Senator Givens, Dr. Thompson said that even though the economy has improved, only 47 percent of Kentucky high school students are enrolled in college. He said that support must be provided and behavioral changes must be made to ensure enrollment numbers continue to grow and that quality service is maintained.

There being no further business to come before the subcommittee, the meeting was adjourned at 11:38 a.m.