

# **INTERIM JOINT COMMITTEE ON APPROPRIATIONS & REVENUE**

## **Budget Review Subcommittee on Education**

### **Minutes of the third Meeting of the 2021 Interim**

**August 4, 2021**

#### **Call to Order and Roll Call**

The third meeting of the Budget Review Subcommittee on Education of the Interim Joint Committee on Appropriations and Revenue was held on Wednesday, August 4, 2021, at 11:00 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: Senator Stephen West, Co-Chair; Representatives James Tipton, Co-Chair, and Steve Riley, Co-Chair; Senators Christian McDaniel, and Dennis Parrett; Representatives Kim Banta, Tina Bojanowski, Randy Bridges, Ken Fleming, Kelly Flood, Regina Huff, Bobby McCool, and Charles Miller.

Guests: Eugene Hutchins, CEO/Executive Director, Kentucky Higher Education Assistance Authority/Kentucky Higher Education Student Loan Corporation; Becky Gilpatrick, Director of Student Aid Services, Kentucky Higher Education Assistance Authority; Ted Franzeim, Senior Vice President of Customer Relations, Kentucky Higher Education Assistance Authority/Kentucky Higher Education Student Loan Corporation; Mary R. Harville, President/CEO, Kentucky Lottery Corporation; Maggie Garrison, Vice President and Corporate Controller, Kentucky Lottery Corporation; Howard B. Kline, Executive Vice President and Chief Financial Officer, Kentucky Lottery Corporation; Stacy Bassett, Senior Director of State Government Relations, The College Board; and Dr. George Hruby, Executive Director, Collaborative Center for Literacy Development, University of Kentucky.

LRC Staff: Jennifer Krieger, Seth Dawson, Nick Peak, Savannah Wiley, Liz Columbia and Amie Elam

#### **Kentucky Lottery Corporation**

In response to a question from Chair Tipton, Ms. Harville said that she is confident in the sales and transfer projections the lottery has made for the upcoming biennium.

In response to a question from Representative Bojanowski, Mr. Kline said that last year \$286.1 million was appropriated to the Kentucky Higher Education Assistance Authority (KHEAA). Ms. Harville added that statute dictates the percentage that is allocated to KHEAA.

In response to a question from Senator McDaniel, Mr. Kline answered that the Kentucky Educational Excellence Scholarship (KEES) reserve is unclaimed money that is transferred to the Finance Cabinet quarterly. He added that the money is held in trust to be used if there is a funding deficit. Ms. Harville said that the lottery was able to exceed consensus forecasting group estimates through vending and online initiatives.

In response to a question from Representative Fleming, Ms. Harville said there are approximately 2,000 lottery vending machines. She added that 1,470 are being equipped with cashless functionality.

### **Kentucky Higher Education Assistance Authority**

In response to a question from Chair Tipton, Ms. Gilpatrick said that there is a concern that funds for Work Ready Scholarships will run out. She added that awards go to students who are not eligible for other types of student financial aid. Ms. Gilpatrick said that scholarship applications are increasing.

In response to a question from Representative Fleming, Mr. Hutchins stated that need-based scholarships allow students to further their education without incurring levels of debt they would never be able to repay. Mr. Hutchins said that there are 13 outreach counselors stationed throughout the Commonwealth. These counselors identify and communicate with students and families about planning and paying for higher education.

### **The College Board**

In response to a question from Senator McDaniel, Ms. Bassett said that the College Board takes its nonprofit status very seriously. She added that surpluses are reinvested back into serving students.

### **Collaborative Center for Literacy Development**

In response to a question from Representative Bojanowski, Dr. Hruby said that he would provide the syllabus for literacy development courses to the committee.

There being no further business before the subcommittee, the meeting adjourned at 12:41 p.m.