

# LOTTERY TRUST FUND TASK FORCE

## Minutes of the 1st Meeting of the 2023 Interim

June 8, 2023

### Call to Order and Roll Call

The 1st meeting of the Lottery Trust Fund Task Force was held on June 8, 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; Representative Bobby McCool, Co-Chair; Senator Gary Boswell, Senator Gerald A. Neal, Senator Lindsey Tichenor, Senator Mike Wilson, Representative Daniel Grossberg, Representative Steve Rawlings, Representative Steve Riley, and Representative Killian Timoney.

Guests: Becky Gilpatrick, Director of Student Aid Services, Kentucky Higher Education Assistance Authority (KHEAA); and Diana Barber, Interim Executive Director, Kentucky Higher Education Assistance Authority (KHEAA).

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

### Presentation on the Overview of KHEAA and Programs

Ms. Diana Barber, Interim Executive Director, Kentucky Higher Education Assistance Authority, and Ms. Becky Gilpatrick, Director of Student Aid, Kentucky Higher Education Assistance Authority (KHEAA) provided a presentation and testimony on the aid available with KHEAA for students. The different types of aid covered were: Kentucky Educational Excellence Scholarship (KEES), College Access Program (CAP), Kentucky Tuition Grant (KTG), Work Ready KY Scholarship, Dual Credit Scholarship, Work Ready Dual Credit Scholarship, Kentucky National Guard Tuition Award, and the Teacher Scholarship. Several other student aid programs were discussed such as Early Childhood Development Scholarship, Innovative Scholarship Pilot Program, Veterinary Contract Spaces, Optometry Scholarship, Early Graduation Scholarship Certificate, Osteopathic Medicine Scholarship, and the Coal County Scholarship for Pharmacy Students.

Discussion of each type of aid typically included qualifications for the aid, award amounts, legislative history, and disbursement activity.

The presentation reviewed what the future of state funded aid programs might look like. One graph showed that enrollment levels are returning to pre COVID-19 numbers. Testimony covered changes in the Free Application for Federal Student Aid (FAFSA) that may affect the number of students eligible for state aid programs.

In response to Representative Timoney, Ms. Gilpatrick confirmed that the base award KEES amount, based on GPA, has not been increased since the program began in 1998.

In response to Senator Boswell, Ms. Gilpatrick commented that middle to upper middle-class families would qualify for KEES. KEES would be the aid that could be guaranteed. Ms. Gilpatrick mentioned if the student was attending a private university, the student could receive the Kentucky Tuition Grant (KTG).

In response to Representative McCool, Ms. Gilpatrick clarified that the Work Ready award amount is based on the Kentucky Community and Technical College System (KCTCS) rate. There are four-year universities that participate in the program, but the award would be based on KCTCS, so the student may have to find other aid to cover other costs.

In response to Representative McCool, Ms. Gilpatrick said the amount of tuition covered by the Work Ready KY Scholarship depended on the number of hours the student was enrolled. A full-time student would receive approximately \$4,800 for the year. Ms. Gilpatrick gave the example of Eastern Kentucky University (EKU). If EKU's tuition was \$8,000 a year, the student would need additional aid to cover the remaining balance of approximately \$3,000, that Work Ready would not cover.

In response to Representative Timoney, Ms. Gilpatrick clarified that there is not redundancy between the coverage of KEES and the Work Ready KY Scholarship because the KEES reimbursement is not tied to the high demand work sectors. KEES looks at the students in registered apprenticeship programs. The most recent change to KEES could tie to the high demand work sectors but it allows the small proprietary schools into the program. Schools that are not able to participate on the normal college pathway.

In response to Representative Timoney, Ms. Gilpatrick explained that the top five areas for the Work Ready KY Scholarship are designated by the Kentucky Workforce Innovation Board.

In response to Senator Deneen, Ms. Gilpatrick clarified that Work Ready KY Scholarships do not fund summer terms because there is not enough money.

In response to Representative McCool, Ms. Gilpatrick commented that having several credit hours from dual credit courses does not hurt the student from a financial aid perspective. Ms. Gilpatrick mentioned caution in terms of dual credit were more academic reasons. In that some dual credit courses do not always transfer the way a student thinks it will. She gave the example the student could take dual credit courses and begin their college career with only needing to take courses related to their major, which requires some planning.

In response to Representative Grossberg, Ms. Gilpatrick explained the change to the award amount for the Early Childhood Development Scholarship to not exceed University of Kentucky's tuition rate, came when the federal funding entered. She testified that KHEAA worked with the Cabinet for Health and Family Services and the Governor's office to determine the rate of the award amount.

In response to Representative Timoney, Ms. Gilpatrick explained that the Veterinary Contract Spaces scholarship does not specify what field of specialty the student is going in, nor does it require the student to return to Kentucky after completing the program. She thought when the legislation was developed Auburn had statistics showing a high rate of students who return to Kentucky, so the veterinarians did not want to put strings on the scholarship. Ms. Gilpatrick is part of the Department of Agriculture's work group looking at the large animal veterinarian

shortage.

In response to Representative Rawlings, Ms. Gilpatrick clarified that homeschool students can receive KEES money now for their ACT score, but they do not receive a KEES award based on GPA. Homeschool students are also able to participate in the Dual Credit program.

Co-chair Deneen announced the next meeting will be Thursday, July 20, at 3 p.m.

**Adjournment**

The meeting adjourned at 4:04 p.m.