



DREAMS TO REALITY:

Advancing
Educational
Goals Through
Financial Aid

Annual Report

FISCAL YEAR 2024

24

Contents

3	-	Letter from the Governor
4	-	Message from Leaders
5	-	History and Leadership
6	-	Grants and Scholarships
8	-	Outreach Services
15	-	Communications
17	-	Legislative Update
18	-	Advantage Education Loans
19	-	Loan Servicing
20	-	KY Saves 529
21	-	Kentucky's Affordable Prepaid Tuition
22	-	Financial Information



Students from Madison Southern High School surround 2023 scholarship winner Peyton Gabbard



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

Andy Beshear
GOVERNOR

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Team Kentucky,

We've worked hard to build our New Kentucky Home, where opportunities and prosperity are possible for every single person. Our commonwealth is now a national leader, with businesses investing and growing, and creating more great jobs for our people.

Higher education helps Kentuckians learn new skills and broaden their knowledge, so they can pursue their dreams and create a good life for themselves and their families. Whether you are interested in a four-year degree, or career and technical training, I encourage students of all ages to invest in themselves by enrolling in additional classes after high school. This will help you build the foundation for a rewarding and fulfilling career. You are not only shaping your own future – you are also shaping the future of our commonwealth.

I am grateful to the Kentucky Higher Education Assistance Authority (KHEAA) and the Kentucky Higher Education Student Loan Corporation (KHESLC) for their commitment to helping Kentucky students achieve their educational goals. These organizations provide invaluable financial assistance, guidance and support to thousands of Kentuckians each year, making postsecondary education more accessible and affordable.

KHEAA and KHESLC offer a variety of grants, merit-based scholarships, state-based loan products and a college savings plan. They also work hard to ensure students and families are informed about postsecondary options, student financial aid programs and how to apply for the resources that will help them pay for college. In addition, KHEAA and KHESLC provide the state's only not-for-profit, private education loan, which offers families more savings through low fixed interest rates and no fees. I am thankful these valuable resources are available to our Kentucky families to help them navigate the next steps in their educational journey.

World-class companies are choosing to make our commonwealth their New Kentucky Home. Together, let's seize this moment and make sure every person has a chance to pursue these great opportunities being created. This is how we can build a brighter future for every Kentuckian who calls this great state home.

Sincerely,

A handwritten signature in black ink that reads "Andy Beshear".

Kentucky Governor Andy Beshear

Message from leaders

We are pleased to present the Kentucky Higher Education Assistance Authority (KHEAA) and the Kentucky Higher Education Student Loan Corporation (KHESLC) combined Fiscal Year 2024 Annual Report.

As we reflect on the past year, we are proud to share the important work our agency has done to help students across the state pursue postsecondary education. Thanks to the continued generosity of the Kentucky General Assembly, we have been able to fund critical financial aid programs, ensuring that more students have access to the resources they need to succeed. This year, we have also continued to offer a wide range of higher education awareness, access, outreach, and financial literacy services, allowing more families to navigate the financial aid process with confidence.

In FY24, we provided \$393.1 million in grants and scholarships to more than 196,000 Kentucky students pursuing postsecondary education. KHEAA also used the \$6 million received in General Fund support to successfully administer Kentucky's 15 grant and scholarship programs and fund our statewide outreach programming. The unwavering commitment of our legislators and their investment in state-level financial aid programs has made it possible for thousands of students to learn about their postsecondary options and pursue their education while significantly reducing financial barriers. Their support is a testament to the value they place on postsecondary education as an essential driver of both personal success and economic growth for our Commonwealth.

We are also proud of our ability to continue to provide low-cost education loans to Kentucky students through our Advantage Education Loan (AEL) program. In FY24, our rates remained among the most competitive in the private student loan industry. Our staff has worked diligently to grow loan volume by increasing marketing efforts across Kentucky and within our licensed states.

This year brought new challenges as well, and we spent a significant amount of time and resources adapting to the rollout of the updated Free Application for Federal Student Aid (FAFSA). While the transition to the new FAFSA was challenging, we worked tirelessly to support students, families, and educational institutions as we all navigated the changes together. Our team partnered closely with federal and state partners to ensure that the new FAFSA, which includes changes in the way financial data is reported and processed, ran as smoothly as possible. We provided targeted outreach and training to help stakeholders understand the new requirements, and we worked to be a trusted resource to answer questions and troubleshoot technical difficulties.

Despite these challenges, we remain focused on our mission to make postsecondary education more accessible to Kentucky students and families. With the generous support of the General Assembly, our dedicated staff, and the collaboration of our many partners, we have made significant progress in overcoming barriers to college affordability. We are excited about the future and look forward to continuing our work to ensure that every Kentuckian has the opportunity to pursue their educational dreams.



Greg Roush



Jo Carole Ellis



Diana Barber

**Greg Roush, Board Chair,
Jo Carole Ellis, Executive Director/CEO,
and Diana Barber, Chief Operating Officer**

History

In 1966, the Kentucky General Assembly created KHEAA as a governmental agency to improve access to college and technical training.

KHEAA strives to expand educational opportunities by providing financial and informational resources that help Kentuckians attain their educational goals. KHEAA is attached to the Finance and Administration Cabinet for administrative purposes.

In 1978 the state legislature created KHESLC, an independent, de jure municipal corporation, to ensure Kentuckians have access to funds and to promote higher education opportunities by making, purchasing, and financing low-cost student loans.

KHEAA and KHESLC share the common mission of ensuring all students who want to further their postsecondary education are successful. Our vision is to connect all Kentuckians to higher education.

The agencies are governed by a shared board of directors appointed by the Governor. In addition, the President of the Association of Independent Kentucky Colleges and Universities, President of the Council on Postsecondary Education, Secretary of the Finance and Administration Cabinet, Commissioner of the Kentucky Department of Education, and Kentucky State Treasurer are voting members of the KHEAA Board.

The Board appoints the Executive Director and adopts rules and regulations to govern agency operations. By statute, the Executive Director of KHEAA also serves as the CEO of KHESLC.

Leadership Team

Jo Carole Ellis, Executive Director, Chief Executive Officer

Diana Barber, Executive Vice President, Chief Operating Officer

David Carlsen, Chief Financial Officer

Mary Lou Skelton, Chief Information Officer

David Bailey, Vice President of Guarantor Operations and School Services

Kim Dolan, Vice President of Government Relations, Communications and Outreach

Chris Thacker, Vice President of Asset Management

Theresa Hommrich, Vice President of Operations

April Johnson, Corporate Controller

Miles Justice, General Counsel

Elaine Brumback, VP Customer Care, Business Development and Ombudsman

Board of Directors

Greg Roush, Chair, Retired High School Principal, Frankfort

Megan C. Bailey, Program Committee Chair, Educator, Warren County Public Schools, Bowling Green

Andrew Brennen, Kentucky Student Voice Team, Lexington

Ellen Cartmell, Program Manager, Kentucky Department for Public Health, Maysville

Leslie Combs, Secretary-Treasurer, Retired, State Legislator, Lexington

John Dougherty, Jr., Past-Chair, Louisville Paving & Construction, Louisville

Cathe Dykstra, Family Scholar House, Inc., Louisville

Dr. Carl P. Rollins, Chair-Elect, Retired, CEO/Executive Director, KHEAA/KHESLC, Midway

Rita Smart, Finance and Audit Committee Chair, Retired State Legislator, Richmond

Ex Officio Members

Mason Dyer, President, Association of Independent Kentucky Colleges and Universities, Frankfort

Dr. Robbie Fletcher, Commissioner, Kentucky Department of Education, Frankfort

Holly M. Johnson, Secretary, Finance & Administration Cabinet, Frankfort

Mark Metcalf, State Treasurer, Frankfort

Dr. Aaron Thompson, President, Council on Postsecondary Education, Frankfort

Grants and Scholarships

KHEAA's Student Aid division continues to fulfill our mission of helping Kentucky residents achieve their educational goals. State funding is provided through multiple grant and scholarship programs administered by KHEAA. Eligible students can receive funding from more than one program, making college more affordable than ever through the combination of state and federal aid.

Kentucky's "Big 3" are the Kentucky Educational Excellence Scholarship (KEES), the College Access Program (CAP) grant, and the Kentucky Tuition Grant (KTG) program.

KEES is Kentucky's incentive-based program that rewards academic achievement in high school and encourages the best and brightest students to stay in Kentucky for college. Students can earn a KEES award with a grade point average of 2.5 or higher, providing a great way for all Kentucky students to have a scholarship, and encouraging those who otherwise might not have considered going to college.

CAP helps students with financial need at any Kentucky college, and KTG assists students attending private or independent colleges.

KHEAA administers 12 other scholarship programs in addition to the Big 3. The Dual Credit Scholarship helps students take college courses for free while still in high school. The Work Ready Kentucky Scholarship is designed to assist students preparing for the workforce in the state's five highest in-demand job sectors. The Kentucky National Guard Tuition Award Program provides full tuition coverage at state universities, and an equivalent at private colleges, for active members of the Kentucky National Guard. KHEAA's Teacher Scholarship program provides need-based assistance for students pursuing teaching credentials.

During FY 2024, KHEAA disbursed \$393.1 million to over 196,185 Kentucky students in the form of grants and scholarships.

Kentucky Lottery revenue funds nearly all state student aid awards disbursed by KHEAA.



Program Name	Recipients	Dollars
<u>College Access Program (CAP)</u>	55,220	\$182,757,000
<u>KY Educational Excellence Scholarship (KEES)</u>	67,250	\$113,873,300
<u>KY Tuition Grant (KTG)</u>	13,700	\$37,861,800
<u>Dual Credit Scholarship</u>	28,220	\$13,786,400
<u>Work Ready KY Scholarship</u>	4,360	\$12,616,700
<u>Work Ready KY Dual Credit Scholarship</u>	24,460	\$9,909,800
<u>KY National Guard Tuition Award</u>	950	\$6,559,300
<u>Innovative Scholarship Pilot Program*</u>	860	\$5,744,000
<u>Veterinary Contract Spaces</u>	160	\$5,331,000
<u>Early Childhood Development Scholarship</u>	580	\$2,136,000
<u>Teacher Scholarship</u>	240	\$1,175,800
<u>Optometry Scholarship</u>	50	\$829,600
<u>Early Graduation Scholarship</u>	90	\$182,700
<u>Coal County Scholarship for Pharmacy Students</u>	30	\$176,200
<u>Osteopathic Medicine Scholarship</u>	15	\$153,400
TOTAL	196,185	\$393,093,000

*Year-end reporting in progress

Underlined programs are funded by the Kentucky Lottery.

Outreach Services

Better FAFSA Better Future Training

The 2024-2025 Free Application for Federal Student Aid (FAFSA) included significant changes to the form, the terminology, the federal methodology used to calculate aid eligibility, and the filing process for students and contributors (parents). Knowing the significant impact these changes would have, the KHEAA Outreach team started FY 2024 by providing increased training, support, and updates for school counselors, college access professionals, and students and families. In July 2023, the Outreach management team traveled to Washington, DC to receive intensive training on the new FAFSA, coined the Better FAFSA Better Future by the U.S. Department of Education.

Following this training, the Outreach team launched Kentucky's Better FAFSA Better Future Training, which included 16 in-person regional trainings, two webinars, and over 20 customized training sessions held at affiliate conferences and provided to partner organizations. Through these efforts, 2,500 college access professionals received extensive training on the 2024-2025 FAFSA changes and over 3,500 people viewed the webinar.

At the same time, Outreach increased social media posts and live social media events in an effort to reach counselors, students, and families directly with quick tips and updates regarding the changes to the FAFSA. Nearly 100,000 people were reached with these social media efforts.



Director of Outreach Services Casi Benedict, Assistant Director of Outreach Services Keith Ritchie and Vice President of Government Relations, Communications, and Outreach Kim Dolan attend NCAN's Better FAFSA Better Future Training in Washington, DC.

Because of the success of the Better FAFSA Better Future trainings in Kentucky, the Outreach team created a Better FAFSA Training Center on kygoestocollege.com where they posted useful documents, resources, YouTube videos, interviews, and links to partner organizations with applicable resources. This online training center was updated frequently and had many documents that could be downloaded and used for a variety of audiences.

As a result of this massive FAFSA overhaul, the form was not released until December 30, 2023, nearly 90 days later than in a typical year. Once open, the users of the FAFSA still experienced frequent outages, long wait times, and elements

of the form which were not functional. The Federal Student Aid call center was ill-equipped for the influx of calls received and chats initiated during this time so KHEAA responded to the need for support by providing in-person and virtual (phone, Zoom, and text) FAFSA assistance in schools and communities across the Commonwealth. The outreach counselors quickly became familiar with work-arounds, trouble-shooting, and navigating glitches and errors to better help students and families navigate and successfully submit the form.

KHEAA's Better FAFSA Better Future training and outreach efforts were recognized as best practices among national partners.

Kentucky Goes to College



KENTUCKY
goes to college

Kentucky Goes to College is KHEAA’s one-stop site for its major college access initiatives: Kentucky College Application Campaign, FAFSA Completion Challenge, and College Decision Day. The kygoestocollege.com site offers resources for schools and organizations interested in enhancing their college-going culture through these proven initiatives.

The site offers a variety of resources, links, and activities to help school counselors, community leaders or college access providers implement one or more of these programs, as well as to help students who are going through the college application and financial aid processes. Schools or organizations that planned to host a College Application Campaign or College Decision Day program during the 2023–2024 school year were encouraged to register on the website. In addition to receiving free promotional materials, registered schools received access to training webinars and the most up-to-date news and announcements.

For the 2023-24 school year, the KHEAA Outreach team was selected to participate in a College Match Day pilot program through ACT and the American College Application Campaign. Three high schools were selected as pilot schools to plan and implement match and fit activities with their second semester junior class and participate in feedback and post-event discussion meetings. In the coming years, this initiative will be added to the Kentucky Goes to College suite of programs with implementation guides and resources housed on kygoestocollege.com.

KHEAA Outreach received over \$20,000 in grant funding from the Kresge Foundation to launch this initiative. The grant period runs through the 2025-26 school year and includes over \$10,000 in direct grant support to the participating high schools.

College Info Road Show Outreach Counselor Kevin Wilson sets up myKHEAA accounts with students in preparation to participate in Kentucky Goes to College campaigns.



Kentucky College Application Campaign



KY COLLEGE
application campaign

This was the thirteenth year KHEAA sponsored the Kentucky College Application Campaign (KCAC). Kentucky's program is a part of the American College Application Campaign, a national effort to increase the number of first-generation and low-income students pursuing a college degree or credential by helping them complete admission applications.

Applying to college can seem overwhelming to many students, particularly those who do not have an immediate family member who attended college. For those students, not having someone who can help navigate the college application process can be enough to prevent them from pursuing postsecondary education.

By implementing the KCAC program, KHEAA, partnering agencies, and high schools ensure that all seniors have the opportunity to receive hands-on assistance as they complete one of the biggest steps in the college access timeline. The program is designed to build excitement around the college application process and encourage seniors to take this important step toward continuing their postsecondary education.

Schools that registered on kygoestocollege.com were given free promotional materials to help make their events special, including "I Applied" stickers for students to wear after completing their applications and posters to promote the event in the school and community. In addition, every school had

access to an online toolkit with a variety of resources to help administrators, counselors, and students.

Registered participants also received access to training opportunities via webinar, as well as timely program news and updates via email.

In an effort to spread the message of the program through social media, KHEAA also asked administrators, educators, students, parents, and the general public to post to Facebook, X, and Instagram using the #whyapply, #iappliedky, and #kygoestocollege hashtags. Hundreds of posts used the hashtags, including posts from students touting their top college choices and schools showcasing their application events and activities.

Over 100 high schools participated in the event, reaching upwards of 25,000 seniors with admission application assistance. In addition, the site coordinators who responded to a post-event survey indicated that their students' ability to complete college admission applications was enhanced and that their schools' college-going rates were positively impacted by participating in KCAC.

Students who completed an online survey about KCAC after their school's program indicated that the program helped them to feel much more confident about filling out college admission applications and that the KCAC program at their school changed their likelihood of going to college after they graduate



Hart County High School seniors pose with pennants inscribed with their college application choices at a College Application Campaign event hosted by the school and KHEAA Outreach Counselor MacKenzie Massey.

FAFSA Completion Challenge

The 2023–2024 school year marked the fourth year KHEAA conducted the FAFSA Completion Challenge. Public and private high schools in Kentucky were invited to join the Challenge to promote FAFSA completion for the class of 2024 and for the chance to win \$500 for their school. The goal of the Challenge is to reinforce the importance of FAFSA completion as a key step seniors need to complete to find out what resources they may receive to help pay for postsecondary education.

As a part of the Challenge, high school seniors were also given the opportunity to win one of several \$500 scholarships to help pay for educational expenses. To qualify, students had to complete a FAFSA and a brief entry form. Winners were selected by random drawing.

The Challenge opening was January 1, 2024 and ran through May 1, 2024. While the 2024-25 FAFSA delays caused changes with KHEAA's FAFSA Completion Challenge, 138 schools participated in the Challenge, and 2,400 students registered for the drawing. School winners and student scholarship winners were determined and announced in May 2023.



Outreach Counselor Brandon Brown walks a family through FSA ID creation to better prepare them to complete their 2024-25 FAFSA.

College Decision Day

Schools across the state hold College Decision Day programs to celebrate and recognize seniors for making educational plans beyond the high school level. Decision Day events are typically held on or around May 1 and are designed to coincide with the date that most seniors must inform a college of their plans to enroll. College Decision Day is inspired by the NCAA's National Signing Day to reinforce that excellence in the classroom should be given as much recognition as athletic excellence.

The desire to recognize and celebrate all college-bound high school seniors has gained momentum on the national level in recent years through the Reach Higher initiative and is supported by organizations like Better Make Room and American College Application Campaign. Over 200 schools registered in Kentucky's 2023 College Decision Day.



COLLEGE
decision day

In a typical year, most College Decision Day events take place in April or May and involve recognition for seniors from school and district leaders and a culminating moment when the students sign certificates indicating where they plan to go after high school. This year, with the delays in the 2024-25 FAFSA, which caused students' decision-making to occur later in the spring, many schools pushed their Decision Day activities closer to the end of the school year. Most participating schools have expanded their celebrations to include all postsecondary pathways including college, trade and technical school, apprenticeship, military, and workforce.

FAFSA Support



KEVANOFF PHOTOGRAPHY

A student fills out a FAFSA at the FAFSAthon held at the Kentucky Castle.

With the release of the 2024-2025 FAFSA on December 30, 2023, the KHEAA Outreach team began providing FAFSA completion assistance at high schools, adult education centers, and community organizations all across Kentucky.

Conducting FAFSA completion workshops is one of the most highly demanded services provided by KHEAA Outreach, and collectively, outreach counselors conducted more than 1,000 in-person FAFSA workshops and more than 600 one-on-one FAFSA appointments in the second half of the fiscal year. The Outreach staff assisted with over 5,000 2024-2025 FAFSAs.

For the 2024-25 FAFSA cycle, Kentucky ranked #17 in FAFSA completion among high school seniors nationally as of July 2024 (source: Form Your Future FAFSA Tracker). In addition, KHEAA's 2024-2025 FAFSA Completion Guide was utilized by schools and organizations across the Commonwealth as a resource to aid students and parents in successful

FAFSA completion. The four-page guide was made available for download on kheaa.com and hard copies could be requested through the online publication order form as well as through Outreach staff.

KHEAA also posted a line-by-line FAFSA tutorial on its YouTube channel for those who needed a more in-depth guide. Due to an increase in information sharing through social media platforms in the fiscal year, our FAFSA Completion Guide, along with the kygoestocollege.com-hosted Better FAFSA Training Center and other resources, were shared throughout the nation and were touted as some of the most useful FAFSA training materials in circulation.

Throughout the spring and summer, Outreach counselors also spent a significant amount of time helping guide students and families through the FAFSA follow-up and verification processes, helping

Continued next page

them make FAFSA corrections, submit necessary documentation to complete verification, interpret award letters from institutions, and other FAFSA-related support activities. Outreach staff conducted over 170 one-on-one FAFSA follow-up and verification sessions in the fiscal year.

Despite these efforts, in May 2024 Kentucky was still down 17% from the previous year's FAFSA completion rate for high school seniors due in large part to the delays, glitches, and overall compressed timeframe for students to complete the 2024-2025 FAFSA. Because this was a widespread problem in nearly every state, the U.S. Department of Education and ECMC Group offered a funding opportunity to organizations to provide FAFSA assistance through the summer months. In May of 2024, KHEAA was awarded \$977,500 of this funding to conduct increased FAFSA completion training and support in a season when those activities are typically winding down.

With this FAFSA Student Support Strategy award, KHEAA Outreach was able to host Statewide Summer Office Hours, two in-person FAFSA Boot Camp trainings, and launch efforts for FAFSA Tailgate Parties. Additionally, the Outreach staff were able to work additional hours throughout the summer to provide direct support to families and launch an evening FAFSA



Coffee with KHEAA Podcast

In an effort to offer innovative ways to continue to communicate updates, changes, and tips, KHEAA launched its first-ever podcast, Coffee with KHEAA, where the Outreach management team, in association with the KHEAA Communications department, posts episodes twice monthly on YouTube and all podcast streaming platforms and discusses all things FAFSA and financial aid.

From its inception in December of 2023 until June 2024, this podcast garnered over 300 downloads and nearly 500 streams.

Helpline which was available from 4:30-8:30pm ET Mondays through Thursdays all summer long.

Statewide Summer Office Hours engaged partners across the state to offer in-person FAFSA help hours at various locations in an effort to give students in-person help. Throughout the month of June, every Wednesday from 2-4pm local time, there were 70 locations and a virtual opportunity for students and their contributors to get help with the FAFSA.

KHEAA's FAFSA Boot Camp trainings were open to any school counselor, college access professional, or partner agency personnel and focused on information sharing on the 2024-25

FAFSA and strategic discussions on how to empower students to complete their FAFSAs through the summer months. FAFSA Boot Camp attendees could take advantage of a \$3,000 stipend to host a FAFSA Tailgate Party in their community in the months of July and August. The Boot Camps resulted in over 200 college access professionals being trained. Post-surveys indicating overwhelmingly positive feedback.

While the award period for the FAFSA Student Support Strategy funding continued through September 30, 2024, as of the close of the fiscal year, Kentucky FAFSA completions increased 12% from the start of the summer.

Kentucky College Coaches

KHEAA participates in the Kentucky College Coaches (KCC) Program, which is funded in part with a grant to the Kentucky Campus Compact through Serve Kentucky, the Commonwealth’s State Service Commission. AmeriCorps members are placed to serve as near-peer college coaches in high schools across the state. Working with whole school populations in grades 9–12 and with a core group of up to 60–80 students at each high school, coaches provide services and resources that prepare high school students at our 31 participating sites for postsecondary opportunities.

KHEAA selected the 31 sites by identifying public high schools with traditionally low college-going rates and high free-and-reduced lunch eligibility that were being served by few or no college access programs. The 2023–2024 academic year marked the thirteenth consecutive year that KHEAA has served as an intermediary partner in the KCC Program.



Kelly Smith assists a Ballard County High School student with the FAFSA.

FY 2024 KHEAA College Coach Schools

Adair County High School
Anderson County High School
Belfry High School
Breckinridge County High School
Calloway County High School
Casey County High School
Christian County High School
Edmonson County High School
Fleming County High School
Floyd Central High School
Frederick Douglas High School
Gallatin County High School
Grant County High School
Holmes High School
Iroquois High School

LaRue County High School
Lynn Camp High School
Marion County High School
McCreary Central High School
Meade County High School
Nicholas County High School
North Bullitt High School
North Hardin High School
Ohio County High School
Powell County High School
Southern High School
Union County High School
Valley Traditional High School
Warren East High School
West Carter High School
Whitley County High School

Program Statistics for 2023–2024

- KCC core students were offered more than \$3.7 million in scholarships. (This does not include grants or any other type of financial aid.)
- 31 KHEAA KCCs served over 31,600 hours during their service term.
- 95% of core seniors completed at least one college admission application.
- 88% of core seniors completed the FAFSA.

Communications

Publications

KHEAA produces and distributes free college and career resources to students and parents, school counselors, college access personnel, college admission and financial aid officers, and the general public at a variety of venues and events. These resources are also available on kheaa.com. Materials are targeted to specific audiences such as middle school, high school, and adult students. Others address specific topics such as financial literacy and financial aid programs. They include both federal and Kentucky-specific information.

Adults Returning to School is geared to nontraditional students. The book lists Kentucky colleges, degrees, and costs, and contains tips on going back to school and ways to locate funding.

Affording Higher Education lists more than 6,000 financial aid programs available to Kentucky residents or to students attending school in Kentucky.

The College Circuit contains information about careers, college preparation, student financial aid, and financial literacy. The booklet can be used by middle school and high school students.

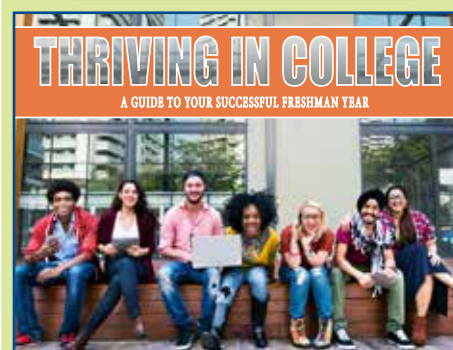
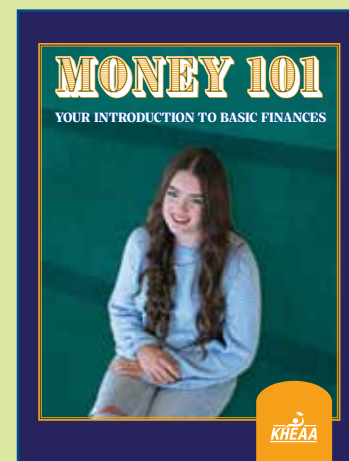
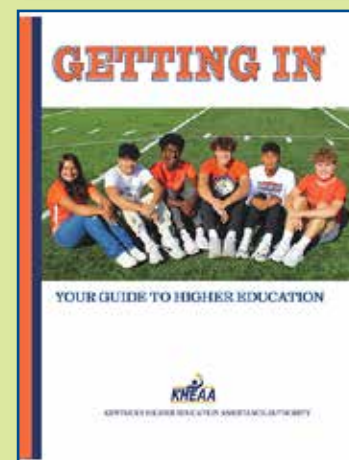
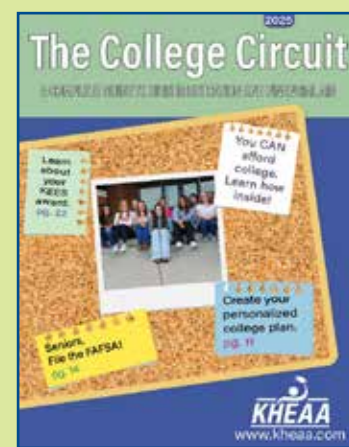
Getting In lists Kentucky colleges, the degrees offered, and the current year's costs. Copies are sent to high schools for distribution to all juniors. Portions of the book are available in audio on kheaa.com.

Money 101: Introduction to Basic Finances provides information on how to use money wisely. Topics such as credit scores, credit cards, savings and checking accounts, and identity theft are covered.

Thriving in College offers advice to students before and during their first few semesters of college. Topics such as dealing with roommates, how to study for exams, money management, and time management are covered.

Your Guide to Private Education Loans offers students an explanation of the differences between federal student loans and alternative or private student loans.

KHEAA also produces timely newsletters that go to specific audiences throughout the year. The KHEAA College Connection newsletter goes to high school students and their families. This is a very effective publication in reaching students and parents directly with needed information for preparing for college. Other newsletters go to school counselors and financial aid offices.



Social Media

KHEAA and KHESLC both have Facebook pages, Instagram, Linked In and X accounts, as well as a YouTube channel. These social media sites are used to send information to our followers on important deadlines, current events as it impacts their educational funding, and other critical details pertinent to furthering their educational experiences.

Important figures to note for FY24:

- KHEAA Facebook page reach rose 136.2 percent, page visits rose 256.6 percent.
- Instagram followers rose 72.7 percent, profile visits rose 246.5 percent. KHEAA Instagram page reach rose 1.3K percent.
- KHESLC Facebook page visits rose 605.5 percent.
- [AdvantageEducationLoan.com](https://www.advantageeducationloan.com) page followers rose 14.3 percent, page visits rose 24.7 percent.



Communications and Outreach staff uses KHEAA's social media presence to get information to students, parents, and college access professionals. Staff worked to provide live content on Facebook and Twitter several times a month to ensure all Kentuckians had access to valuable college planning information in the most convenient way possible. Outreach counselors also posted regularly on Instagram and created FAFSA tutorials and other helpful videos for the agency's YouTube channel.

Topics covered in live events included FAFSA completion, college & career exploration, scholarships, KEES money, college application completion, improving ACT scores, trade industry opportunities, Public Service Loan Forgiveness, minority resources, money 101, and campus resources.

Communications and Outreach staff worked to create new content on a monthly basis for a variety of audiences and age ranges. Participants in the events could ask questions and receive live responses, and all content was available for viewing after the events for those who could not join live. Social media continues to be an efficient and effective way to reach students and parents.

KHEAA's YouTube channel offers tips for maximizing student aid.



Legislative Update

2023 Interim Session

During the 2023 Regular Session, the General Assembly established the Kentucky Lottery Trust Fund Task Force, which held monthly meetings during the 2023 Interim Session. The goal of the Task Force was to evaluate the performance of the various scholarship and grant programs funded by the lottery trust fund, analyze the scholarship and grant needs expected for the Commonwealth for the immediate future, and develop and submit any recommendations and changes the task force may adopt relating to the lottery trust fund.

KHEAA testified at three of the task force meetings, sharing information about the state student aid programs we administer. Between meetings, KHEAA leadership also met with legislators to discuss our programs and services in more detail and to provide insights into the recommendations under consideration. In November 2023, the task force issued recommendations which included providing KHEAA with additional funding to promote state student aid programs and postsecondary opportunities in Kentucky and conducting a multi-year study to determine the impact of FAFSA Simplification on state aid awards and analyze Kentucky's statutory student aid programs.

2024 Regular Session

The primary focus of the 2024 Regular Session was the 2024-2026 state biennial budget. There were also a few additional bills passed by the General Assembly that impacted KHEAA and KHESLC.

House Bill 6 established the state budget for the 2024-2026 biennium. Our state student aid programs, and in particular the College Access Program (CAP) grant, were funded at an unprecedented level, marking a significant milestone in Kentucky's ongoing efforts to support postsecondary educational attainment for its citizens. This additional CAP funding will allow KHEAA to better meet increased need resulting from changes to the Free Application for Federal Student Aid (FAFSA) and expanded Pell Grant

eligibility. The state budget also included funding for agency administrative functions. Due to diminishing revenues from KHESLC's federal loan portfolio, KHEAA relies on General Fund support to maintain administration of the state student aid programs and to continue our statewide outreach program.

Additionally, HB 6 included KHEAA agency restricted funds to purchase a new College Info Road Show mobile outreach vehicle. This vehicle serves as a vital resource in expanding our reach and engagement with schools and communities across Kentucky. Its function allows us to bring essential college access services and resources directly to those who need them most, particularly in communities where Internet connectivity is not as readily available, furthering our mission of making postsecondary education accessible for all students. The purchase of a new vehicle will take place in FY 2025.

The 2024 Regular Session also established two new programs for prospective teachers outlined in House Bill 377 and the loan repayment for rural veterinarians outlined in House Bill 553. KHEAA immediately began making programming changes needed to incorporate program descriptions and applications into our website and started communicating these new opportunities to eligible student populations. All new programs began in the 2024-2025 academic year.

Finally, Senate Bill 81 changed four of KHESLC's ex officio board members to non-voting advisors. KHEAA and KHESLC actively pursued this change due to new lender and loan servicing licensing requirements in other states that require KHESLC's board of directors to submit fingerprints and personal financial information, including KHESLC's ex officio members, which comprise five of the board's 15 members.

This change ensures that the non-voting ex officio members will not have to submit their personal information for the licenses. The Finance Cabinet Secretary is the only ex officio board member that will remain as a voting member because of KHESLC's administrative attachment.

Advantage Education Loans



The Advantage Education Loan, the Advantage Parent Loan, and the Advantage Refinance Loan continued to be among the most competitive private (alternative) loans in the marketplace.

Volume for FY24 continued to be strong as the lending environment returned to more normal conditions with enrollment having significantly rebounded from the pandemic.

Enhancements continue to be made to simplify the process for students and families and reduce the steps needed to complete the online borrowing experience.

Through the efforts of marketing staff, 485 colleges and universities included the Advantage Education Loan and Advantage Parent Loan on their preferred lender lists in FY24, a 6% growth over the previous year.

Advantage Loans at a Glance

- Interest rates are 4.38 to 10.94 percent for students and parents.
- Interest rates are 5.95 to 10.69 percent for refinance.
- Lending in 40 states.
- KHESLC owns, originates, and funds the loans.



BLAST OFF TO SUCCESS!

Reach for the stars and a constellation of benefits with **Advantage Education Loans**. Zero-gravity fees and grounded interest rates will keep your financial orbit stress-free and flying high.

Advantage Education Loans for:
Students, Parents, Refinancing



advantageeducationloan.com
800-988-6333



Marketing featured a space theme for its advertising in FY 2024.

Servicing



In FY 2024, KHESLC successfully completed the transition of its loan servicing to ARC Servicing, which continued to support borrowers' successful repayment of their education loans. ARC Servicing reached out offering multiple options to borrowers who were struggling to make payments and answered calls regarding loan forgiveness, income-driven repayment plans, and Department of Education initiatives.

ARC Servicing supports 37,000 borrowers with \$715 million in outstanding balances.

A summary of the Servicing department is below.

Loan Servicing

Loan Servicing reached out to borrowers and comakers making 532,000 calls to help them resolve their delinquency. Over 63,000 inbound calls were received and borrowers were helped to successfully repay their loans.

In addition, 2,600 emails were handled.

Loan Administration

Loan Administration processed 56,000 tasks to assist borrowers. These tasks include updating repayment plans, placing eligible borrowers in forbearance and deferments, checking for military service and subsequent interest rate discounts, processing loan consolidation certificates, onboarding rehabilitation loans and filing claims. Quality assurance staff review transactions and borrower accounts to make sure processing was complete and accurate.

Operations Support

Operations Support is the liaison between Loan Servicing/Loan Administration and the Office of Technology. Programming tasks for system and process improvements as well as increased efficiencies are submitted and tested. A phone scrub is performed to identify mobile numbers versus landlines to maintain compliance. Borrowers are also matched to the Department of Defense database to determine if they are eligible for the Servicemember Civil Relief Act benefits.

KY Saves 529



In FY 2024, the Kentucky Educational Savings Plan Trust (KESPT), known as KY Saves 529 entered its sixth year with Ascensus College Savings Recordkeeping Services, LLC as program manager.

The program continues to benefit from a Kentucky-based Ascensus field consultant, charged with marketing the 529 program throughout the Commonwealth of Kentucky to businesses and individual families. The field consultant continues to interact with Kentucky families to present KY Saves 529 as a planning and saving instrument for education.

In FY 2024, KHEAA continued promoting the 529 plan statewide with agency employees and outreach counselors working closely with our Ascensus consultant to reach out to more school systems, foundations, and other state agencies to prominently endorse the program for all Kentuckians.

As of June 30, 2024, the KY Saves 529 program had total assets of \$278.6 million. The program investment returns, net-of-fees, ranged from 19.42 percent Active Equity Option to 3.37% Bond Index Option. This very positive investment return produced a \$27.7 million increase in total fund value from year end 2023.

The KY Saves 529 program introduced a new participant option for rapid school payment that helped hundreds of program

	FY 2023	FY 2024
Amount in Program Fund:	\$251,613,777	\$278,614,403
Number of Accounts:	23,045	24,193
New Accounts:	1,668	2,102
Closed/ Exhausted Accounts:	1,011	1,073
Net New Accounts:	657	1,029
On-Line Enrollments:	1,542	1,794
Phone App Enrollment (Started FY24)	~	188
Amount of Contributions/ Gain or Loss:	\$19,249,857	\$27,707,913
Amount:	\$23,496,242	\$22,898,078
Number of Beneficiaries:	N/A	N/A
Amount:	\$2,271,114	\$1,532,109
Number:	N/A	N/A
529 Rollovers	\$964,618	\$1,592,623
Roth IRA Rollovers (Started FY 24)	~	\$164,430
Total rollovers out of KESPT/ KY Saves:	N/A	N/A

participants wire \$2.4 million directly (by way of Flywire) to school partners to help pay education costs for beneficiaries. The program also saw the adoption rate of the KY Saves 529 mobile app increase to over 28% of all new participants.

The total number of account-funded positions at the end of FY 2024 was 24,193.

For the year, KY Saves 529 generated 2,102 new accounts, which represents the third best

year for new account generation in the program's 34-year history.

The affiliation with Ascensus continues to provide the opportunity for KHEAA to generate revenue to cover agency expenses in administering the program.

For FY 2024, \$167,751 in revenue was generated by allotting seven (7) basis points, charged to individual account owners, from the management fees of the program.

Kentucky's Affordable Prepaid Tuition



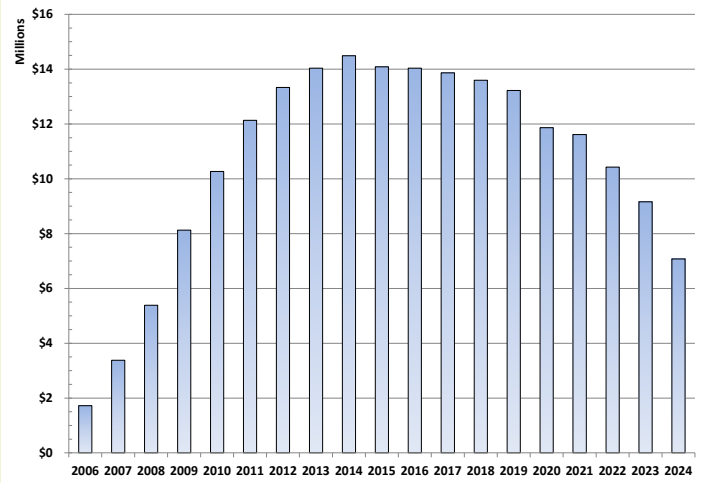
Kentucky's Affordable Prepaid Tuition

At the end of FY 2024, Kentucky's Affordable Prepaid Tuition (KAPT) program had total cash/cash equivalents of \$2.7 million. The program assets were depleted in the 4th quarter of fiscal year and per statute, the Kentucky General Assembly allocated \$3.7 million to the program.

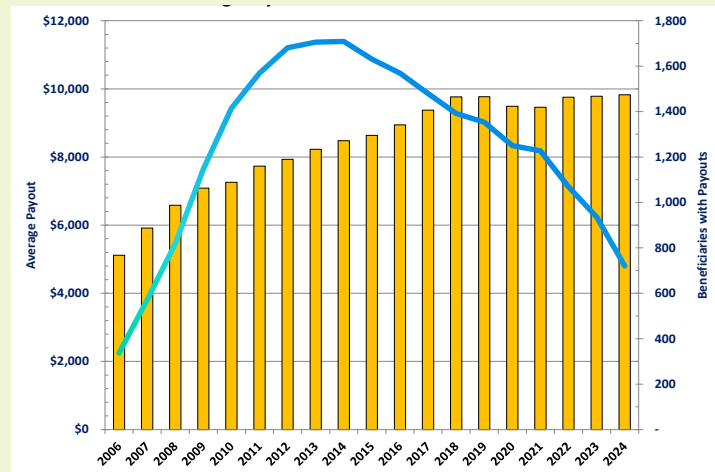
The program had \$8.8 million in redemptions for cancellations, account owner reimbursements and school payment disbursements. The total number of accounts at the end of FY 2024 was 1,626, which is a 13.5% decrease in open accounts from FY 2023. For the year, KAPT had 83 account cancellations/rollovers, which continues the trend of matured accounts being transferred when the beneficiary completes college.

In FY 2024, the KAPT program office continued the outreach effort to encourage legacy account owners to take actions to close or rollover unused funds. During the second half of FY 2024, the federal 529 tax code changed to allow for rollovers of unused education accounts to Roth IRAs and that has encouraged more legacy fund transfers out of program.

KAPT Benefit Disbursements



Average Payout & Number of Beneficiaries



Financial Statement

As of June 30, 2024, and for the fiscal year then ended

Dollars expressed in thousands

GOVERNMENTAL AND FIDUCIARY FUNDS				PROPRIETARY FUNDS	
KHEAA				KHESLC	
Governmental Fund	Federal Student Loan Fund	Kentucky's Affordable Prepaid Tuition	Kentucky Education Savings Plan Trust	Agency Operating Fund and Internal Service Fund	Operating Fund and Education Finance Fund

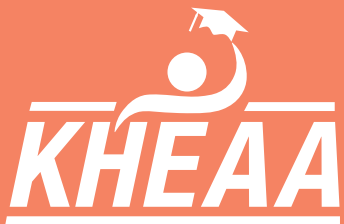
STATEMENT OF NET POSITION/FUND BALANCE

Current assets	\$17,148	\$6,386	\$2,659	\$279,466	\$82,481	\$69,896
Loans, net						683,263
Noncurrent assets	6,899	2,127			103,761	97,027
Deferred outflows of resources					444	11,065
Total assets and deferred outflows of resources	24,047	8,512	2,659	\$279,466	186,685	861,250
Current liabilities	45	4,980	7,615	851	1,328	28,047
Noncurrent liabilities			24,552		4,007	720,968
Deferred inflows of resources					1,675	20,489
Total liabilities and deferred inflows of resources	45	4,980	32,167	851	7,010	769,504
Total net position	\$24,002	\$3,532	\$(29,507)	\$278,614	\$179,675	\$91,747

STATEMENT OF ACTIVITIES

Program revenue/ additions	\$362,312	\$102,092	3,849	\$54,311	33,583	\$21,510
Direct expenses/ deductions	(393,998)	(103,609)	(433)	(27,310)	(18,101)	(17,832)
Change to retirement Liabilities/Deferred Resources					2,326	11,587
Total	(31,686)	(1,517)	3,416	27,001	17,808	15,264
Interfund transfers						
Change in net position	(31,686)	(1,517)	3,416	27,001	17,808	15,264
Net position at beginning of year	55,687	5,049	(32,923)	251,614	161,867	76,483
Net position at end of year	\$24,002	\$3,532	\$(29,507)	\$278,614	\$179,675	\$91,747

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