

January 2020



## USDE changes federal promissory note process

The U.S. Department of Education has changed part of its student loan process beginning with the 2020–21 award year, which begins July 1.

Under the new rules, students and parents who borrow Federal Direct and Federal PLUS loans must visit a page that tells them how much they currently owe in federal student loans. In addition, they must acknowledge that they have seen this amount before colleges can disburse any loan funds for each new award year.

The Informed Borrowing Confirmation process will be implemented on the [studentaid.gov](http://studentaid.gov) website as part of the Master Promissory Note process. Student and parent borrowers must sign the MPN, a promise to repay what they borrow, before they can receive a federal student loan.

## Avoid these common student financial aid mistakes

Many students spend more for college than they should by making some common mistakes when seeking financial aid. Students should follow these tips to make sure they get the help they need.

Some people don't bother to apply for financial aid because they don't think they'll qualify. But they should submit the FAFSA to find out if they're eligible for state and federal student aid programs. Not filing may hurt their chances of getting free money for college.

Another common mistake is waiting until the last minute to apply for financial aid. Some programs have deadlines, while others have limited funds.

Colleges send each student who has applied for student aid a financial aid package. Students and their families should look it over carefully. They should compare offers if they have received packages from more than one school to see which is the best deal. Of course, students should also consider other factors, such as whether a school offers the academic program a student wants or if it meets other expectations.

Students who need loans to help pay for college must be good consumers. Not all lenders offer the same rates and benefits. Borrowers should pay close attention to what lenders call the back-end benefits: the interest rate and principal reductions offered when repaying the loan.



## KCTCS investing in business-first initiative

The state's two-year public colleges are investing \$2.7 million over three years to work with businesses to close workforce gaps through a new business-first initiative.

The Kentucky Community and Technical College System believes that improving its model of apprenticeships is a win-win for employers and employees. According to the U.S. Department of Labor, 91 percent of apprentices across the country are still employed with their companies after completing their program.

The 16 KCTCS colleges work with businesses to provide locally relevant programs. One program is the Kentucky **Federation for Advanced Manufacturing Education**, through which students earn paychecks while getting hands-on experience and college credit.

KCTCS has more than 400 advanced manufacturing partners statewide and 135 business partners who offer work and learn experiences through KY FAME.

Each college will have a staff member dedicated to leading the programs in their communities beginning in early 2020.

## Scholarship Spotlight

### Kentucky Association of Family, Career, and Community Leaders of America

**Number:** 1

**Deadline:** February 15

**Contact:** State Adviser, Kentucky Association of Family, Career, and Community Leaders of America, 300 Building, 300 Sower Boulevard, 5th floor, Frankfort, KY 40601; 502.564.3472, ext. 4223; [recca.carver@education.ky.gov](mailto:recca.carver@education.ky.gov)

### Ginny Ellington Scholarship

**Eligibility:** Must plan to pursue a degree in family and consumer sciences education at a Kentucky college or university; be an active Kentucky FCCLA member who has made outstanding contributions to FCCLA and a member of the FCCLA Alumni and Associates Association; demonstrate financial need; have at least a 2.7 high school GPA and maintain a 2.5 college GPA for the 4 years in college; demonstrate desirable qualities of leadership and dependability; have participated in STAR events; and demonstrate leadership in school and community.

**Award:** \$1,100 per year for 4 years; awarded every 5 years

### Vaughn Williamson Scholarship

**Eligibility:** Must plan to pursue a degree in family and consumer sciences education at a Kentucky college or university; be an active Kentucky FCCLA member who has made outstanding contributions to FCCLA, have at least a 3.0 high school GPA, possess desirable personal qualities and demonstrate leadership in school and community.



## Knowing the differences between needs, wants helps students' finances

A big step to financial security is learning the difference between a need and a want. Students who learn that difference will find that their bank accounts grow more quickly.

Needs include clothes, food and, for many students, transportation.

With clothes, a want may mean wearing only designer items that cost more than clothes that last just as long and look just as good.

Students might want to eat a deluxe cheeseburger at a fast food restaurant every day, even though they can save money by making their own sandwich and brown-bagging it.

If a student needs a car, a want would be a new sports convertible instead of a reliable, used car with good gas mileage and less flash.

Before making a purchase, students should ask themselves if they can get by with a less expensive item — or without that item completely. They should save the money they don't spend so it's there when they really need something.

## Tips may help students when filing their taxes

Income tax season is approaching, and students may want to consider these tips to help the process go more smoothly.

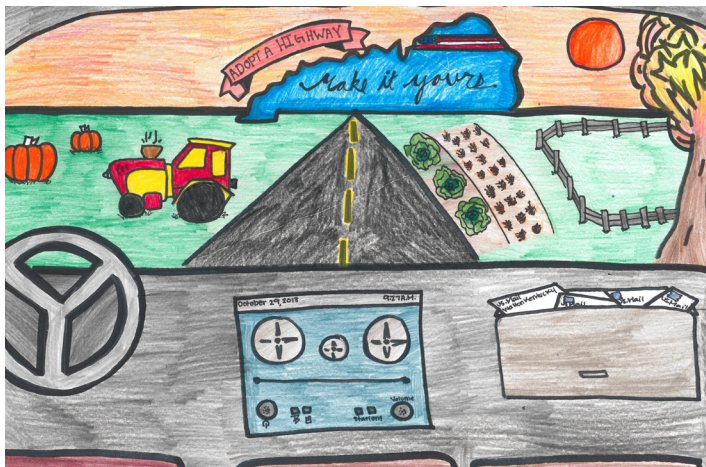
Although students may not have earned enough to be required to file, they may be able to get a refund if their employer withheld taxes from their pay. Before they file, however, they should discuss the situation with their parents. If parents can claim the student as a dependent, the parents could save thousands of dollars. Nearly all high school students will be considered dependents for tax purposes.

Students and parents may be able to take advantage of these programs on their federal taxes:

- **American Opportunity Credit**, available for the first four years of college.
- **Lifetime Learning Credit**, available if a taxpayer or a dependent is taking college courses to acquire or improve job skills.
- **Tuition and fees deduction**, which lets taxpayers deduct qualified education expenses paid during the year for themselves or a dependent. The expenses must be for college.
- **Student loan interest deduction**, which lets people deduct up to \$2,500 per year on federal taxes for interest paid on federal student loans.

For more detailed information about federal programs, go to [www.irs.gov](http://www.irs.gov) to download the free Publication 970 Tax Benefits for Education.

Tax rules may change from year to year, so taxpayers should make sure they have the most up-to-date information before filing.



Olivia Massey – Walton-Verona Middle School, Boone County

## Adopt-a-Highway art contest ends Feb. 14

Feb. 14 is the deadline for Kentucky students to submit entries for the annual Adopt-a-Highway art contest sponsored by the Kentucky Transportation Cabinet.

Students enrolled in Kentucky public, private or home schools are eligible.

The contest is divided into four age groups: 5–8, 9–11, 12–14 and 15–18. Winners of each age division earn a \$100 gift card, while second- and third-place finishers receive a \$50 gift card. First- through third-place winners will have their artwork featured in the Adopt-a-Highway calendar and in the cabinet's conference center in Frankfort.

Entries must be postmarked by Friday, Feb. 14.

KYTC has held the contest for over 20 years to increase environmental awareness among children, educate the public about the harmful effects of litter and encourage behaviors that promote a clean environment. Last year, more than 1,000 students from across the Commonwealth submitted artwork.

For more information, including entry forms and judging criteria, visit [transportation.ky.gov/AdoptaHighway](https://transportation.ky.gov/AdoptaHighway).

## Nominations open for 2021 Kentucky Teacher Awards

Kentuckians who want to nominate someone for the 2021 Kentucky Teacher Awards may do so now.

Nominations may be submitted electronically by visiting the 2021 Kentucky Teacher of the Year website at [kentuckytoy.com](https://kentuckytoy.com). The deadline for nominations is Feb. 15.

Any full-time public school teacher in the state with at least three years of experience is eligible. Teachers may be nominated by students, parents, peers, principals, superintendents or anyone from the community who has an interest in honoring an outstanding educator.

All nominated teachers are required to complete a formal application, which must be submitted by March 15. Judging will take place in March by a blue ribbon panel of education professionals from around the state. Up to 24 Valvoline Teacher Achievement Award winners will be announced in the spring.

The Kentucky Teacher of the Year will be announced in Frankfort. At that time, all 24 teachers will receive cash awards and other mementos.

Teacher Achievement Award winners will receive a cash gift of \$500; two of the three finalists will receive a cash gift of \$3,000; and the Teacher of the Year will receive a cash prize of \$10,000, along with an exciting ambassadorship opportunity. The Kentucky Teacher of the Year then will represent the state in the National Teacher of the Year competition.

The awards are sponsored by the Kentucky Department of Education and Valvoline Inc.