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## Budget

On January 26, Kentucky Governor Matt Bevin presented his budget proposal, which is now being discussed and debated by the General Assembly. Described as austere, some areas of government, including public colleges and universities, would receive spending cuts in 2017 and 2018 in order to remedy the state's large pension deficit. There were no proposed changes to taxes.

The proposal fully funds the KEES program per the forecasted and requested amounts. CAP and KTG would receive similar appropriations from last year, although it would not meet the statutory funding requirement. No cuts were proposed to any of the other financial aid programs KHEAA administers, but requested growth to meet increased demand was not fulfilled. The National Guard Scholarship funding shortfall is corrected. A new Workforce Development and Training Scholarship has been proposed and would be funded from lottery revenue.

Governor Bevin also proposed that a portion of public university funding be performance-based, and he would increase that portion each year until it is 100% by 2020. In addition, a 4.5% current-year spending cut has been proposed for FY 2016 and may appear through Executive Order.

## What Happens Next

The House will pass the budget bill ([HB 303](#)) as proposed, amend it or replace it with its version sometime in late March. That version of the budget will then head to the Senate to do the same. Typically a Conference Committee is gathered of House and Senate members to work out the differences in budget priorities, and both chambers vote to pass a compromise bill. Timing is critical as the deadline for the entire regular session is April 15.

Should the compromise budget bill pass, it will go back to Governor Bevin to either accept and sign or veto in whole or in part. If it is vetoed, the legislature could override the veto with a constitutional or simple majority vote, allowing the bill to become a law. If a compromise bill does not pass by the April 15 deadline, the Governor may call a special session for legislators to continue working until a budget bill passes.

## Elections

We can't talk about the budget bill and vetoes without understanding the numbers. Due to some cabinet level and other government elections and appointments, as well as some Democrat to Republican Party switches, the makeup of the House of Representatives is now 50 Democrats to 46 Republicans.

## 2016 LEGISLATIVE SESSION, CONT.

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Four special elections will be held on March 8, after which the Democrats may keep the majority status or become part of a 50/50 party split. If a 50/50 split occurs, it is uncertain who will preside over the chamber, how committees will be chaired or if any controversial bills will pass. Based solely on party lines, a constitutional majority would not be possible. It may also be unlikely for members to vote across party lines as the entire House is up for election in November, along with half of the Senate.

### Bills

KHEAA has two legislative proposals this session, HB 320 and HB 323. [HB 320](#) will allow a tax deduction on contributions to the Kentucky Education Savings Plan Trust. [HB 323](#) will put the Mary Jo Young Scholarship into law, but rename it the Dual Credit Scholarship.

Several other bills pertain to tuition or student financial aid:

[HB 39](#) – Tuition waiver for child adopted by relatives

[HB 54](#) – Tuition waiver for dependents of squad members

[HB 72](#) – Tuition program tax deduction

[HB 81](#) – Dual credit tuition waivers for foster children

[HB 127](#) – Provides academic credit for military service

[HB 158](#) – More KEES for students with intellectual disabilities

[HB 171](#) – Book money for Gatton and Craft Academy students

[HB 276](#) – In-state tuition for reservists

[HJR 100](#) – Use lottery funds per statute

[SB 32](#) – Kentucky financial literacy program

[SB 42](#) – Allows exception children to stay in school until age 22

[SB 75](#) – Four-year in-state tuition freeze

[SB 127](#) – KEES for dual credit\*

\*A note about this proposal: It sounds reasonable but is very expensive and could be very detrimental to the KEES program. KHEAA is working with other educational entities on finding alternative funding for dual credit coursework.

If you have any questions or concerns, I may not have the answers but I am happy to help find them. Feel free to email me at [eklarer@kheaa.com](mailto:eklarer@kheaa.com)

# ADVANTAGE STUDENT AND PARENT LOANS

Regardless of where the student lives or goes to school, there are **NO FEES** on the Advantage Education Loan Immediate Repayment options. The fixed interest rates are still as low as 4.95% and do not exceed 7.59%.



## ORDER PUBLICATIONS

- Advantage Loan brochures and flyers
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  - Advantage Loans vs. federal loans
  - Advantage Loans vs. other private loans

Contact your marketing representative at 1.888.678.4625 or order online at [marketing@kheaa.com](mailto:marketing@kheaa.com)

## Help your students get started.

- [advantageeducationloan.com](http://advantageeducationloan.com)  
To apply for an Advantage Education Loan.
- **Great Lakes Fast Choice**  
Advantage Education Loans are listed on this site. In addition, loans can be certified through Great Lakes' ScholarNet program and disbursed through Great Lakes' Central Disbursement Service.
- **ELM Select**  
Advantage Education Loans are listed on this site.
- **Call KHESLC** at 1.800.988.6333  
For more information or to request an application be sent via email.

If you use Fast Choice or ELM Select and the Advantage Loan product does not display on your list, please contact Meredith Geraci at [mgeraci@kheaa.com](mailto:mgeraci@kheaa.com) or 502.329.7100.

## HIGHLIGHT: KHEAA STAFF

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*Ted Franzeim*

### **Edward "Ted" Franzeim, Senior Vice President**

Ted has overall management responsibility for the Customer Relations Department that consists of Customer Care, Publications, Outreach, Marketing and Communications, Business Development, Student Services, and Kentucky Education Savings Plan Trust.

Ted holds a M.S. in Economics and a B.S. in Business Administration. He has over 40 years of financial aid and student loan management experience at both the institutional and agency levels.

He can be contacted at [tfranzeim@kheaa.com](mailto:tfranzeim@kheaa.com) or 502.696.7284.

## DR. ROLLINS HONORARY DEGREE

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Dr. Carl Rollins was awarded an Honorary Doctor of Public Service from Morehead State University on December 12.

Congratulations!



*Dr. Wayne Andrews, President of Morehead State University with Dr. Carl Rollins, Executive Director, KHEAA and KHEA*

# FSA FUN

Check out the fun time we had at KHEAA's dinner during FSA in Las Vegas, December 2015. Be on the lookout for snapshots from the SASFAA conference in Greensboro, N.C.



*Clark Aldridge (KHEAA — Alabama)  
Steve Smith (University of West Alabama)*



*Chris Mapes (Campbellville University)  
Lindsey Driskell (University of Louisville)  
Tina Douglas (University of Louisville)  
Mike Abboud (University of Louisville)  
Christy Spurling (Campbellville University)*



*Kelly Young (Eastern Kentucky University)  
Brian Quisenberry (Birmingham Southern College)  
Steve Allen (University of the Cumberlands)  
Carol Ballard (Troy University)  
Joan Waters (Chattahoochee Valley Community College)  
Brian Erslan (Eastern Kentucky University)  
photobomb by Jennifer Anderson (Spalding University)*



*Jennifer Anderson (Spalding University)  
Tricia Crowe (KHEAA)  
Tyammy Fuller (KHEAA)  
Michelle Standridge (Spalding University)  
Elaine Brumback (KHEAA)*

# HIGHLIGHT ON COLLEGE/UNIVERSITY STAFF

***Nimmi Wiggins***

***Director, Office of Student Financial Aid and Scholarships  
University of Kentucky***

***Length of Service:*** 34 years

***Organizations, charities, or clubs***

- National Association of Student Financial Aid Administrators (NASFAA)
- Kentucky Association of Student Financial Aid Administrators (KASFAA)
- Coalition of State Universities Aid Administrators (COSUAA)
- Higher Education Loan Coalition (HELCC)
- National Association of Sigma Users (NASU)

***What made you choose financial aid as a profession?***

I think financial aid chose me. I started working in financial aid as a work-study student and never looked back. I have worked in almost every position within the office and have learned so much along the way. Paul Borden once told me I was a "lifer," and 30 years ago I laughed at the thought. Now I feel honored and privileged to have been working as an aid administrator for most of my adult life.

***What has kept you in financial aid?***

I truly enjoy the variety of the work which allows me to serve students, lead, manage programs, oversee millions in aid dollars, keep up with federal regulations, remain politically informed, travel, network with other aid professionals, and cultivate life-long friendships. Financial aid has also been the perfect place for me to play out in 'real life' a lot of what I learned in college.

***What accomplishments are you the most proud? (work or personal)***

Being mom to my 11-year-old daughter I adopted from India when she was an infant – also, the most rewarding accomplishment! A PhD in Public Finance while working full time; serving as the Director of Financial Aid at UK; serving as president of KASFAA.

***How do you spend your free time, what energizes you?***

Travel, travel, travel!!! Just this year my husband and I went to Cape Town, South Africa, and saw vistas that take your breath away! I love learning about other cultures and meeting people from all over the world. Having grown up in New Delhi, India, I feel so blessed to have family and friends on both sides of the world.

***How has working with KHEAA or KHESLC improved your workflow or helped your students?***

I have had the privilege to work with KHEAA/KHESLC staff over the years both through KASFAA and in my position at UK. Their commitment to the students of Kentucky is commendable, and I am so proud to see how KHEAA/KHESLC is always on the leading edge of innovation. Just recently, our participation in the KHEAA Verify program has resulted in improved services to UK students and a reduction in manual processing, which has enhanced our staff's ability to focus on student customer services.

***Thanks, Nimmi, for agreeing to be interviewed for the KHEAA Advisor!***



# KHEAA VERIFY — NOT A ONE-SIZE-FITS-ALL SERVICE

KHEAA's FAFSA verification services follow your school's verification policies and procedures. Notifications, verification worksheets and reports are customized for your school.

As a full-service provider, we don't subcontract any portion of the verification process.

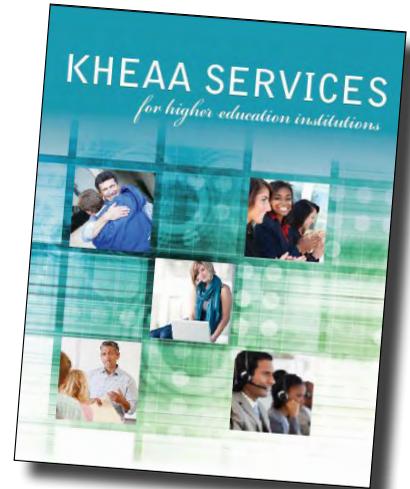
Contact us — we can help!

## The right reasons to outsource

- Cost
- Quality
- Consistency
- Compliance with federal regulations
- Simplicity for families and your school
- Enhanced customer service

## Benefits of using KHEAA Verify

- Lower administration costs
  - Reduced workload
  - Increased efficiency and productivity
  - Inexpensive
- Electronic process
  - Quick completion
  - Online archival of verification forms and processes
  - Easy to use
  - Fully compliant with federal regulations
- Personalized service
  - Student self-help options available 24/7
  - Individualized customer service support
  - Experienced staff – highly trained, educated professionals



## Confused about Prior-Prior Year?

Even with the new prior-prior year process, there's still a need for verification.

Let us sort that out for you.

## Imagine what we can do for you!

**Learn how our KHEAA Verification and Cohort Default Management Services can help you and your students:**

- Call 1.888.678.4625
- Email [marketing@kheaa.com](mailto:marketing@kheaa.com)

# LOWERING YOUR COHORT DEFAULT RATE

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KHEAA can help you lower your CDR and get your student borrowers back on track.

If you don't have KHEAA's Cohort Default Management Services yet, call for a presentation.

We offer three types of services from which to choose. Pick one, two or all three to get the best fit for your school.

- **Student Transition Service** provides customized email messages and videos geared to students at critical times during their college career.
- **Early Intervention** reaches out to your students who will soon enter repayment through graduating, withdrawing or dropping below half-time status.
- **Default Prevention** contacts all borrowers in your cohort. These borrowers are counseled on their repayment, deferment and forbearance options. Special attention is given to borrowers who are reported late on payments. KHEAA continues to work with the borrower even after they have defaulted.

## Great Results

KHEAA has a strong history of resolving delinquencies for institutions having Cohort Default Management Services contracts.

*I want to take time to say **THANK YOU!!!!** I know I personally could not have done this and for that I am forever grateful! I look forward to continuing working with you.*

- Jennifer Wells, Financial Aid Director,  
Southcentral Kentucky Community  
and Technical College

*Since using KHEAA's Cohort Default Management Services, we have seen an increase in our resolution rate and a decrease in our delinquency rate! We are especially happy with how 2013 is closing and how 2014 is progressing.*

- Ryan Dulude, Assistant Director of  
Financial Aid, Community College  
of Vermont

# OUTREACH COUNSELOR CHANGES

Steven Held of Richmond, Ky has joined KHEAA as an outreach counselor. He will travel the state with KHEAA's College Info Road Show.

The Road Show is a mobile classroom equipped with wireless internet access. Steven will visit schools, adult education centers and other sites to help Kentuckians learn about their higher education options.

Steven was a college coach at Tates Creek High School in Lexington and at Casey County High School. He has mentored high school and college students on college and career issues. Steven has a bachelor's degree in economics and business management from Eastern Kentucky University.

He can be contacted at [sheld@kheaa.com](mailto:sheld@kheaa.com) or 502.352.5697.



*Steven Held*

Matt Jones is the new far western Kentucky outreach counselor. He will work with students, families, schools and other groups in Ballard, Caldwell, Calloway, Carlisle, Crittenden, Fulton, Graves, Hickman, Livingston, Lyon, Marshall, McCracken and Trigg counties.

Matt has a bachelor's in music business and master's in human development and leadership from Murray State University. Before joining KHEAA, he was a recruitment officer at Murray State University.

He can be reached at [mjones@kheaa.com](mailto:mjones@kheaa.com) or 270.498.8291.



*Matt Jones*

# PERKINS LOAN PROGRAM EXTENSION ACT OF 2015

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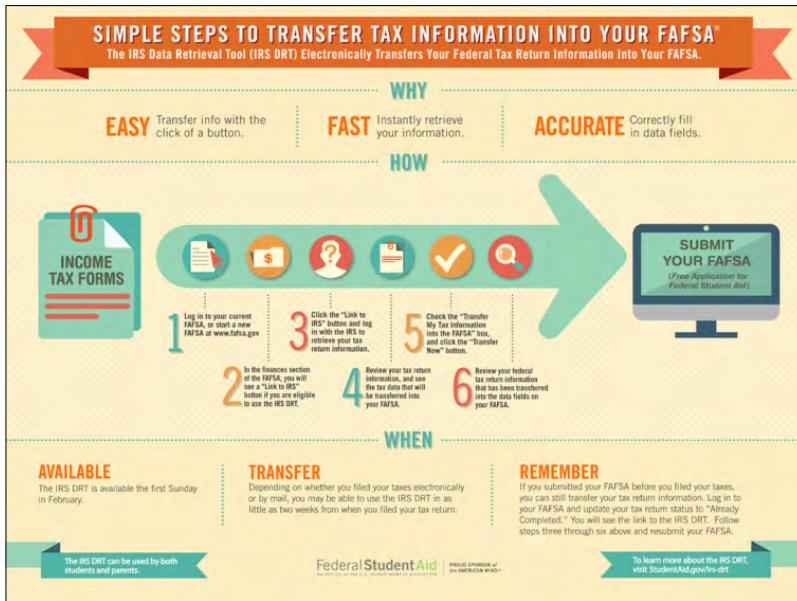
In December, the federal Perkins Loan program was extended for two years for new and current undergraduate students, while current graduate students will only be eligible for funding for one year.

For continuing graduate borrowers who remain in their course of study, loans can be made through September 30, 2016, and disbursements of loans can continue through the 2016-2017 school year. Even though the Perkins Loan program expired on September 30, 2015, some borrowers will be allowed to continue to get loans up to five more years. The new law eliminates grandfathering when the program ends on September 30, 2017.

## Details

- Extends the Perkins Loan program until September 30, 2017, for all eligible undergraduates.
- Provides one year of additional Perkins Loans to graduate students who have already received a Perkins Loan.
- Requires that schools award the maximum annual limit of subsidized Direct Loans prior to awarding a Perkins Loan for current undergraduate Perkins Loan borrowers.
- Requires that schools award the maximum annual limit of both subsidized and unsubsidized Direct Loans prior to awarding a Perkins Loan for new undergraduate Perkins Loan borrowers.
- Requires the following disclosures to Perkins Loan borrowers:
  - Details about when the Perkins Loan program is set to end.
  - An explanation that the Perkins Loan is not eligible for the same repayment and forgiveness benefits as the Federal Direct Loan program.
  - An explanation that borrowers may consolidate their Perkins Loan into a Federal Direct Loan in order to receive the repayment and forgiveness benefits under that program.
  - A disclosure to undergraduate borrowers who received a Perkins Loan in the past and are taking another Perkins Loan that their school has already awarded all subsidized Federal Direct Loans for which they are eligible that year, and a comparison of interest rates in the Federal Direct Loan program and the Perkins Loan program.
  - A disclosure to undergraduate borrowers who are receiving their first Perkins Loan that their school has already awarded all subsidized and unsubsidized Federal Direct Loans for which they were eligible that year, and a comparison of interest rates in the Federal Direct Loan program and the Perkins Loan program.

# FINANCIAL AID TOOLKIT



Great resources for your school are included in the Federal Student Aid's [Financial Aid Toolkit](#). Here's one of their FAFSA infographics.

## IPAD GIVEAWAY FOR FEBRUARY

Congratulations to Arnez Wilson, who was the November winner of our iPad giveaway. The sweepstakes was held through KHEAA's Facebook page.

Kentucky residents have another chance to win a new iPad from KHEAA in a sweepstakes being held through Facebook in February. The contest runs from 12 a.m. on February 1 through 12 a.m. on March 1.

To enter, a Kentuckian must visit the KHEAA Facebook page, click on the orange graduate icon and answer one question about college. KHEAA will not share or sell any personal information to a third party.

Prior winners are not eligible. The drawing will be held in early March, and the winner will be notified by email. The winner must respond by email within three calendar days to receive the iPad. If no response is received within three days, another winner will be drawn.



*iPad giveaway winner Arnez Wilson and KHEAA Outreach Counselor Toni Wiley*

# KHEAA PRESENCE AT KET'S CALL-IN SHOW

On January 11, Becky Gilpatrick, KHEAA's Director of Student Aid Services, appeared on KET's "College Financial Aid Call-In 2016," a one-hour, live special edition of Education Matters.

Joining her were host Bill Goodman; Michael Birchett, Director of Financial Aid, Bluegrass Community and Technical College; Bob Fultz, Director of Financial Aid, Georgetown College; and Sandy Neel, Executive Director of Financial Aid, University of Louisville.



*Bill Goodman, Michael Birchett, Bob Fultz, Becky Gilpatrick, Sandy Neel*

The panel discussed general financial aid issues such as common application mistakes, documents necessary to apply for financial aid, types of aid, deadlines, and financial aid packages. Specific questions from viewers were answered. The panelists also provided help with navigating the college financial aid application process, information on the availability of scholarships, grants and other financial aid, and tips on applying for student loans.

The program is available for [online viewing](#).

KET's education coverage is part of American Graduate: Let's Make It Happen, a public media initiative made possible by the Corporation for Public Broadcasting. KET is Kentucky's largest classroom, serving more than one million people each week via television, online and mobile.

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## STAY CONNECTED

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## LEGISLATIVE COVERAGE APP

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Follow KET's Legislative Coverage with the free KET app available via [iTunes](#) for iPhone and iPad users. In addition to immediate access to live KET videos of the General Assembly, this app includes access to:

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- Access to the Legislative Research Commission's mobile website for directories, bill tracking and more

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# Mark Your Calendar

- March 10 KHEAA [Board of Directors Meeting](#)
- March 25 KHEAA and KHESLC offices — closed 1/2 day on Good Friday
- May 26 KHEAA [Board of Directors Meeting](#)
- May 30 KHEAA and KHESLC offices — closed for Memorial Day

- 2016 conferences:

Feb. 7–10	<a href="#">SASF AA Annual Training Conference</a>	Greensboro, N.C.
March 14–17	<a href="#">Alabama AASF AA Spring Conference</a>	Mobile, Ala.
April 3–6	<a href="#">South Carolina SCASF AA Spring Conference</a>	N Myrtle Beach, S.C.
April 5–8	<a href="#">West Virginia WVASF AA Spring Conference</a>	Wheeling, W. Va.
April 6–8	<a href="#">Illinois ILASF AA Spring Conference</a>	Lisle, Ill.
April 10–13	<a href="#">North Carolina NCASF AA Spring Conference</a>	Wrightsville Beach, N.C.
April 13–15	<a href="#">Kentucky KASF AA Spring Conference</a>	Lexington, Ky.
April 13–15	<a href="#">Wisconsin WASF AA Spring Conference</a>	Wisconsin Dells, Wis.
April 24–27	<a href="#">Tennessee TASF AA Spring Conference</a>	Murfreesboro, Tenn.

## The Quarterly Quote

**“Keep your head up in failure,  
and your head down in success.”**

**- Jerry Seinfeld**

## YOUR OPINION MATTERS

Do you have a subject you would like to see addressed in the KHEAA Advisor?

If so, please send it to Eleanor Kley at

[ekley@kheaa.com](mailto:ekley@kheaa.com)