

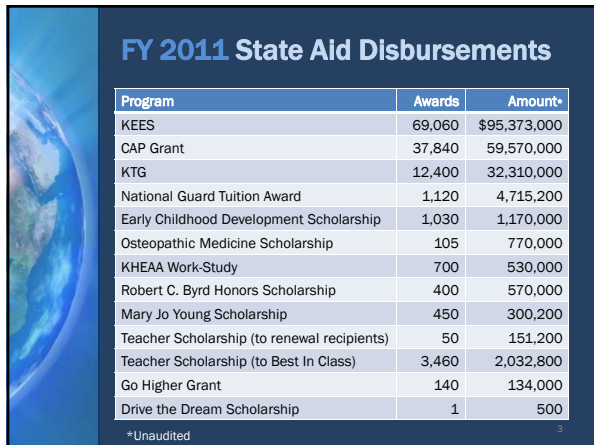


**KHEAA Update**  
KASFAA  
October 14, 2011



### Student Aid Update

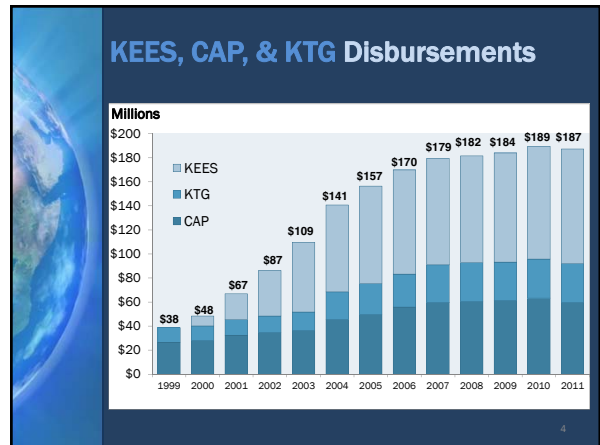
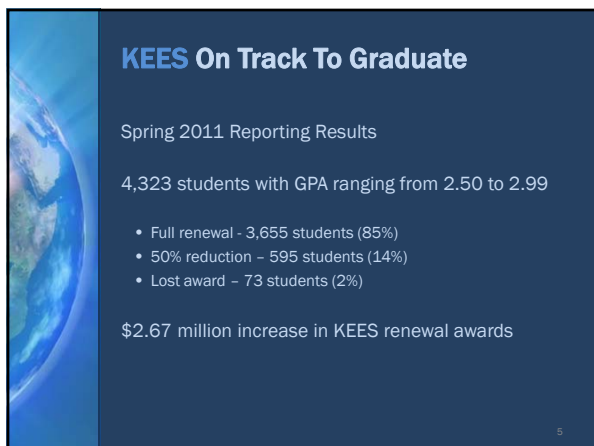
- FY 11 Total State Aid Disbursements
- KEEES, CAP & KTG Disbursements
- KEEES On Track to Graduate
- Student Aid Presentation to A & R
- KY Postsecondary Student Financial Aid
- New KEEES Study
- 2012 Legislative Session
- 529 Baby Contest



### FY 2011 State Aid Disbursements

Program	Awards	Amount*
KEES	69,060	\$95,373,000
CAP Grant	37,840	59,570,000
KTG	12,400	32,310,000
National Guard Tuition Award	1,120	4,715,200
Early Childhood Development Scholarship	1,030	1,170,000
Osteopathic Medicine Scholarship	105	770,000
KHEAA Work-Study	700	530,000
Robert C. Byrd Honors Scholarship	400	570,000
Mary Jo Young Scholarship	450	300,200
Teacher Scholarship (to renewal recipients)	50	151,200
Teacher Scholarship (to Best In Class)	3,460	2,032,800
Go Higher Grant	140	134,000
Drive the Dream Scholarship	1	500

\*Unaudited

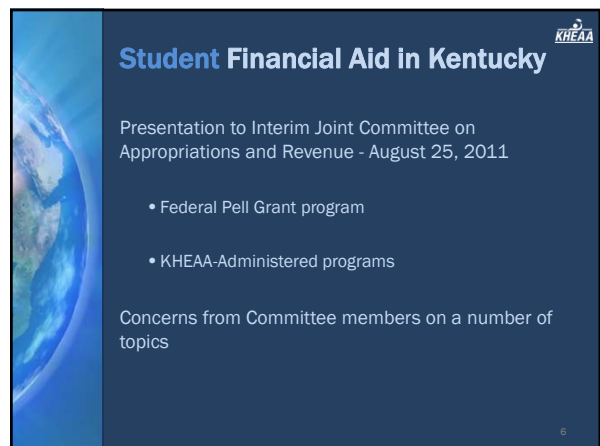
### KEES On Track To Graduate

Spring 2011 Reporting Results

4,323 students with GPA ranging from 2.50 to 2.99

- Full renewal - 3,655 students (85%)
- 50% reduction - 595 students (14%)
- Lost award - 73 students (2%)

\$2.67 million increase in KEEES renewal awards

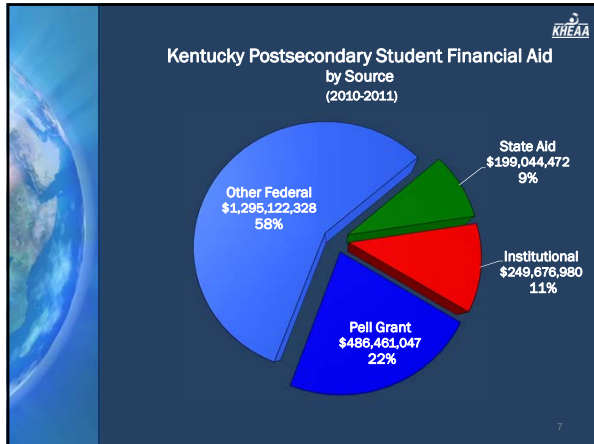


### Student Financial Aid in Kentucky

Presentation to Interim Joint Committee on Appropriations and Revenue - August 25, 2011

- Federal Pell Grant program
- KHEAA-Administered programs

Concerns from Committee members on a number of topics



### New KEES Study

Conducted by Legislative Research Commission's Office of Education Accountability

- Possible recommendations
- Clarify goals of KEES program
- Better define On Track to Graduate
- Develop high school GPA verification process

Final report expected early January

### 2012 General Assembly

Kentucky legislature convenes in January for 2012 legislative session

- Biennial budget time again
- Interesting session dynamics....
  - Governor's election
  - Ongoing state budget issues
- No pre-filed bills related to Student Aid programs
- KHEAA proposed legislation for P20 Data Initiative

### KY 529 Baby Contest

- Prize is a \$1,000 KESPT account.
- Open to parents or grandparents of babies born in Kentucky between January 1, 2011 and September 30, 2012.
- One (1) prize drawing each quarter. A total of four prizes will be given away.
- Enter at [www.kysaves.com](http://www.kysaves.com).

### KHEAA/KHESLC Initiatives

- Cohort Default Management Services
- VFA
- Debt Resolution
- Verification Services
- Direct Loan Servicing
- Kentucky Advantage Loan

### Cohort Default Management Services

- Increased accountability for schools
  - Cohort Default rates
  - Degree/program completion
  - Successful repayment
- The transition from a 2 year to a 3 year calculation of cohort default rates will likely increase rates
- A heightened awareness regarding delinquency and default prevention
- Gainful employment



### Research Tells Us

The most effective way to help students successfully repay and avoid default is:

- Make direct personal contact with students
- Providing useful information and options to encourage successful repayment
- Follow-up on student's plan of action
- Encourage payment to bring accounts current
- Live agent counseling
- Enrollment – completion predicts success

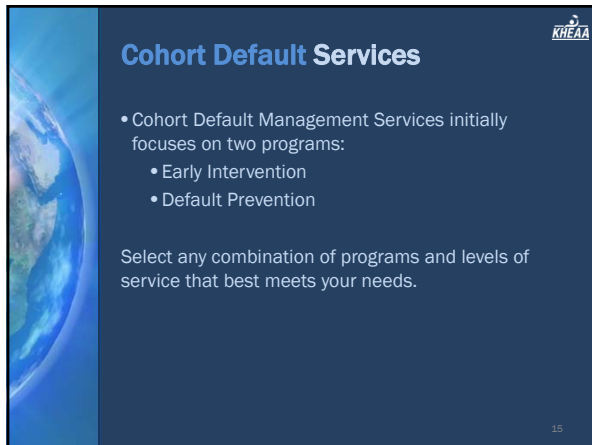
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### Why KHEAA/KHESLC ?

- Experience – 43 years as an organization helping Kentucky students
- Facilities – two offices in Kentucky
- Trained Professional Staff – dedicated to helping Kentucky students and partner institutions
- Not-for-profit – committed to mission of successful completion of students' and families' higher education goals

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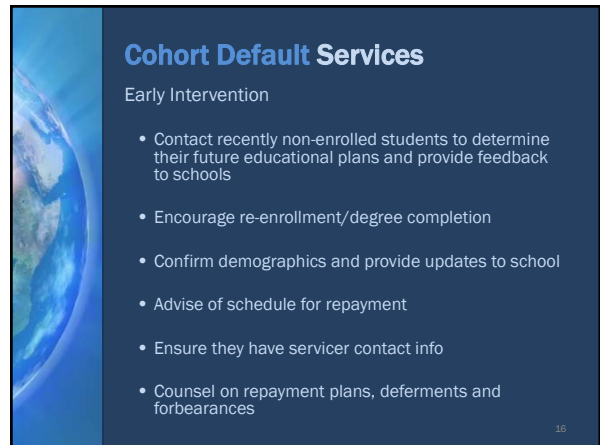


### Cohort Default Services

- Cohort Default Management Services initially focuses on two programs:
  - Early Intervention
  - Default Prevention

Select any combination of programs and levels of service that best meets your needs.

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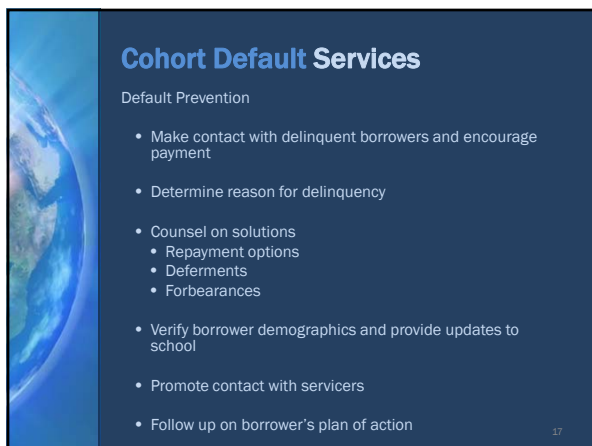


### Cohort Default Services

#### Early Intervention

- Contact recently non-enrolled students to determine their future educational plans and provide feedback to schools
- Encourage re-enrollment/degree completion
- Confirm demographics and provide updates to school
- Advise of schedule for repayment
- Ensure they have servicer contact info
- Counsel on repayment plans, deferments and forbearances

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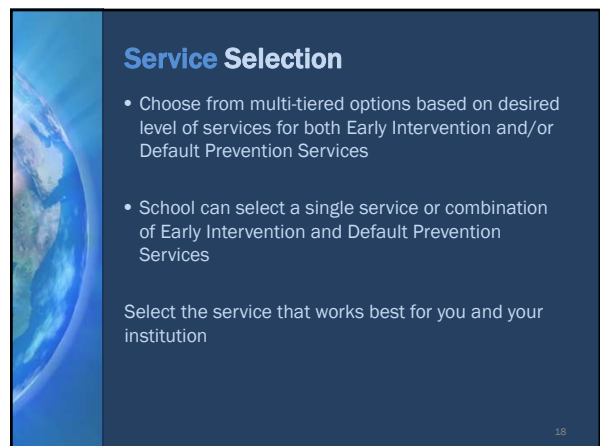


### Cohort Default Services

#### Default Prevention

- Make contact with delinquent borrowers and encourage payment
- Determine reason for delinquency
- Counsel on solutions
  - Repayment options
  - Deferments
  - Forbearances
- Verify borrower demographics and provide updates to school
- Promote contact with servicers
- Follow up on borrower's plan of action

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### Service Selection

- Choose from multi-tiered options based on desired level of services for both Early Intervention and/or Default Prevention Services
- School can select a single service or combination of Early Intervention and Default Prevention Services

Select the service that works best for you and your institution

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### Discounts

- KHEAA Services Discount – discount provided for borrowers already existing in KHEAA guarantee portfolio
- Multi Services Discount – discount if school selects both Early Intervention and Default Prevention Services

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### Voluntary Flexible Agreement

- Agreement between Guarantors and Secretary defines overall functioning of the agency and the financial model
- KHEAA joined with 11 other state-based agencies committed to the mission of supporting student success in their respective states
- Look forward to discussion with FSA to ensure long-term viability that aligns our financial model with our mission

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### Debt Resolution

- Provide debt resolution services for education-related assets beyond KHEAA/KHESLC
- Historically an area of strength we can leverage as a source of revenue to support our mission

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### KHEAA Verification Services

- Available January 2012
- Collection of documents and forms from students
- Online archival and retrieval of documents and verification forms
- Complete audit trail, including information received, date of receipt, and actions
- Call center support
- Ensure compliance with federal regulations and institutional performance
- Options for schools including correction processing

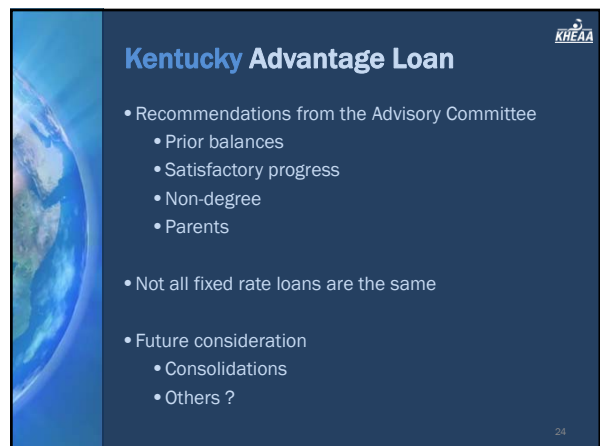

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### Direct Loan Servicing

- KHESLC approved as an eligible not-for-profit servicer
- Begin servicing direct loans October 2012
- Initial allocation will be 100,000 accounts
- We continue to push for local servicing . . . Our ideal would be to provide direct loan servicing to Kentucky borrowers

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### Kentucky Advantage Loan

- Recommendations from the Advisory Committee
  - Prior balances
  - Satisfactory progress
  - Non-degree
  - Parents
- Not all fixed rate loans are the same
- Future consideration
  - Consolidations
  - Others ?

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## Outreach Update

- College Application Week
- College Survival Guide
- Publications
- kheaa.com
- KHEAA ILP Expansion
- KY College Coaches



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## College Application Week

- Program to help high school seniors **navigate the college admission process**
- **13** official pilot schools across the state
- **Online Toolkit** to help any school implement its own program
- **November 14-18, 2011** has been designated by Governor Beshear as College Application Week in Kentucky.



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## Publication Distribution Changes

(recommended by counselor advisory group)

- **Academic Year 2010-11**
  - In April 2011, *Getting In* was distributed to juniors.
- **Academic Year 2011-12**
  - The *KHEAA College Cost and Planning Report* is strongly recommended for seniors and available to all high school students.
  - *Getting In* will be distributed to juniors in winter (late January) 2012.

A survey will be sent in spring 2012 to gather feedback on the new distribution process.

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## Kheaa.com

- KHEAA.com is the agency's **single point of information** for students, parents, counselors, and community partners
- Over the next year, the website will be updated with an exciting new look and increased functionality
- No interruption to service on the website should be noticed during the update

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## KHEAA ILP Expansion


- Through a partnership with Career Cruising, KHEAA has made the Individual Learning Plan (ILP) available to **private school, home school, and adult students** in Kentucky.
- These groups can access the tool through the **kheaa.com** website.



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## KY College Coaches



- Partnership with the Kentucky Compact.
- Participating schools selected according to **low-income, college-going-rate** and **existing college access program** data.
- **Near-peer college coaches** assigned to work one-on-one with students at specific schools.
- KHEAA will sponsor **29** of these, based on funding available from the Kentucky Commission on Volunteerism and Service.

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**Questions? More Information?**



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