



**Kentucky Higher Education Assistance Authority
Kentucky Higher Education Student Loan Corporation
Kentucky's Affordable Prepaid Tuition
Boards of Directors**

Board of Directors Meeting

May 30, 2019, 9 a.m., ET

Bellarmine University

(Blue indicates action items)

Agenda

Welcome and Call to Order

Roll Call

Public Comment

1. Review and Approval of Minutes – *Steve Zeitz*
 - A. **KHEAA/KHESLC—Board of Directors Meeting, December 13, 2018**2
 - B. **KHEAA/KHESLC—Board of Directors Meeting, March 20, 2019**4
 - C. **KHEAA/KHESLC—Board of Directors Meeting, April 11, 2019**..... 8
2. **Resolutions of Appreciation** – *Steve Zeitz*.....9
3. **Resolution Extending Existing Authorization for the Issuance of Student Loan Revenue Bonds** – *David Carlsen* 12
4. February 21, 2019, and May 16, 2019, Combined Finance and Audit Committee meetings – *Gary Cox*
 - A. **Internal Audit Report** – *Rhonda Mann*..... 22
 - B. KESPT Investment Review – *David Lawhorn*..... 39
 - C. **KAPT Investment Allocation/Glide Path Review** – *David Lawhorn* 69
 - D. **KAPT Investment Policy Update** – *David Lawhorn*..... 76
 - E. Financing Update – *David Carlsen* 101
 - F. FY 2019 Operating Results – *April Johnson*..... 104
 - G. Operating Expenditures – Budget vs. Actual – *April Johnson*..... 114
 - H. **KAPT FY 2019 Operating Budget Amendment** – *David Lawhorn*..... 124
 - I. **KHEAA/KHESLC/KAPT FY 2020 Operating Budget** – *David Carlsen/April Johnson*...125
 - J. Report on Review of Travel and Expense Reports of the Executive Director – *Gary Cox* 142
 - H. Report on Anonymous Fraud and Compliance Hotline – *Gary Cox*..... 143
5. February 21, 2019, and May 16, 2019, Combined Program Committee meetings – *Shelley Park*
 - A. Update on Grants and Scholarship – *Ted Franzeim*
 - i. CAP and KTG Awarding 144
 - ii. Work Ready 147
 - B. Kentucky Academy for Equity in Teaching – *Ted Franzeim*..... 150
 - C. Advantage Education Loan (AEL) Program/School Services – *David Bailey*
 - i. AEL Rehabilitation 158
 - ii. Effectiveness of Cohort Default Management Services (CDMS) Efforts 159
 - D. Advantage Education Loan Update – *David Bailey*

i.	Bond Financing	166
ii.	Change in Interest Rates	
iii.	Program Design Change – Co-Signer Release	
E.	Be Loan Smart Service – <i>David Bailey/Ted Franzeim</i>	170
F.	Loan Servicing Update – <i>Theresa Hommrich</i>	175
6.	Contracts – <i>Eugene Hutchins</i>	176
7.	ERM Update – <i>Theresa Hommrich/David Bailey</i>	180
8.	Board of Director Officers for Fiscal Year 2020 – <i>Michael Keck</i>	
9.	Executive Director Update – <i>Eugene Hutchins</i>	182
10.	Old and New Business	

Adjournment

Next board meeting August 29, 2019, KHEAA office