



FINANCE AND ADMINISTRATION CABINET
KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

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Financial Aid Tip for Students, November 2022

Students, families should learn about their EFC

FRANKFORT, Ky. (Nov. 1, 2022) — Among the key terms students need to learn if they are continuing their education after high school is expected family contribution (EFC). According to the Kentucky Higher Education Assistance Authority (KHEAA), the EFC is how much money students and their families are expected to pay toward a student's education expenses.

“Financial aid is so important to help our Kentucky students pursue higher education and live out their dreams,” Lt. Gov. Jacqueline Coleman said. “But if student aid won't cover all costs for college or technical school, it's important that families keep track of their expected contribution so they can plan and save.”

A student's EFC is based on a formula set by Congress. The factors used in determining the EFC include income, assets, the number of people in the household and the number of household members in college during the award year.

The information students and families report on the Free Application for Federal Student Aid, or FAFSA, is plugged into a formula to come up with an EFC.

The U.S. Department of Education has three EFC formulas: one for dependent students; another for independent students who only have a spouse as a dependent; and one for independent students who have dependents other than a spouse.

The parent's income and assets are used to develop the EFC for dependent students. Nearly all students going directly from high school to postsecondary education are considered dependent students.

How much students can receive in Pell Grants, Federal Work-Study and other federal aid programs is based on their EFC. KHEAA also uses EFCs to determine awards for College Access Program Grants, Kentucky Tuition Grants and other programs.

KHEAA is the state agency that administers the Kentucky Educational Excellence Scholarship (KEES), grants and other programs to help students pay their higher education expenses. Kentucky Lottery funds pay for many of those programs. For more information about Kentucky scholarships and grants, visit kheaa.com; write KHEAA at P.O. Box 798, Frankfort, KY 40602; or call 800-928-8926.

In addition, KHEAA administers the KY Saves 529 program, which allows families to save for college. For more information about KY Saves 529, visit kysaves.com.

KHEAA also disburses private Advantage Education Loans for its sister agency, KHESLC. For more information about Advantage Education Loans, visit advantageeducationloan.com.