

MISSISSIPPI POST-SECONDARY EDUCATION FINANCIAL ASSISTANCE BOARD



IHL Executive Offices, Room 218
3825 Ridgewood Road, Jackson, MS 39211

January 13, 2021 at 9:00 a.m.

Zoom:

<https://itsmsgov.zoom.us/j/87231684595?pwd=NnU1T2VpaHZzWlhSZ2JyVEgxWWNIQT09>

Password: 886552

Teleconference: 1-888-822-7517, Access code: 2791682#

Agenda

CALL TO ORDER

MINUTES

September 24, 2020 Regular Board Meeting Minutes.....2

ITEMS FOR CONSIDERATION

1. Review and Approve the 2020 Annual Report of the State-Supported Student Financial Aid Programs for Submission to the Mississippi Legislature.....9
2. Discuss and Approve Updated Deficit Request.....10
3. Discuss 2021 Meeting Schedule13

ADDITIONAL AGENDA ITEMS IF NECESSARY

EXECUTIVE SESSION

ADJOURNMENT

MINUTES

BE IT REMEMBERED, that the Mississippi Postsecondary Education Financial Assistance Board held a regular meeting on Thursday, September 24, 2020 at 10:00 a.m. Due to recommendations from the Mississippi State Department of Health for social distancing due to the coronavirus, members of the Board participated in the meeting remotely via Zoom or teleconference. Members of the media and public were invited to attend the meeting in Room 218 of the Education and Research Center, 3825 Ridgewood Road, Jackson, Mississippi, 39211.

The following member(s) participated via Zoom or teleconference:

- Debbi Braswell, MAICU appointee
- Mark Keenum, IHL Institutional appointee
- Louanne Langston, MCCB Institutional appointee
- Dolly Marascalco, MCCB appointee
- Sharon Ross, Governor's appointee
- Jim Turcotte, Governor's appointee and Chairman
- Rep. Mac Huddleston, Advisory Member, Chairman, House Universities and Colleges Committee

The following member(s) did not participate:

- Ben Burnett, MAICU appointee
- Ann Lamar, IHL Board appointee

Also in attendance remotely were:

- Meg Harris, Assistant Director of Operations, Student Financial Aid
- Kim Gallaspy, IHL Director of Legislative Services
- Audra Kimble, Mississippi Community College Board
- Jennifer Rogers, Director of Student Financial Aid and Postsecondary Director
- Apryll Washington, Assistant Director of Policy and Planning, Student Financial Aid

The meeting was called to order by Chairman Turcotte.

MINUTES

On motion by Dr. Keenum and seconded by Ms. Braswell, all Board Members legally present and participating voted unanimously to approve the minutes of the board meeting held on July 1, 2020 as originally drafted.

ITEMS FOR CONSIDERATION

Item 1: Ms. Rogers presented a copy of the letter submitted to the Legislature about the FY 2020 deficit appropriation request. Discussion ensued. No action was required of the Board.

1. Legislative Request for FY 2021 Deficit Appropriation for Student Financial Aid

Summary:

The FY 2021 appropriation for Student Financial Aid (SFA) was below the anticipated need to fully fund the Mississippi Resident Tuition Assistance Grant (MTAG), the Mississippi Eminent Scholars Grant (MESG), and the Higher Education Legislative Plan Grant (HELP).

MINUTES

SFA needs \$6.11 million in deficit funding, including \$5.61 million in general funds and \$0.5 million in spending authority. The spending authority would include funds collected during FY 2021. Without a deficit appropriation, SFA will prorate all undergraduate grant awards by 15%. Approximately 27,070 students, representing 82 counties and attending 30 public and private colleges and universities in the state, will be impacted.

The figures here represent current projections of anticipated need. Final numbers will be available mid-February 2020, after fall grade files and spring enrollment files are received from all institutions. Nevertheless, awards must be offered early during the spring term, so legislative commitment is needed as early as possible in January during the Legislative Session.

Exhibit 1 – Letter Requesting Deficit Appropriation

Recommendation:

No action is needed at this time.

MINUTES

Exhibit 1

3825 Ridgewood Rd.
Jackson, MS 39211
P 601.432.6997
F 601.432.6527
www.msfinancialaid.org



September 3, 2020

The Honorable Briggs Hopson, Chairman
Senate Appropriations Committee
400 High Street
Jackson, MS 39201

The Honorable John Read, Chairman
House of Representatives Appropriations Committee
400 High Street
Jackson, MS 39201

Dear Chairman Hopson and Chairman Read:

I am writing to request your assistance in obtaining \$6.11 million in deficit funding for Student Financial Aid (SFA) for FY 2021. The total \$6.11 million funding request includes \$5.61 million in general funds and \$0.5 million in spending authority. The FY 2021 appropriation for Student Financial Aid was below the anticipated need to fully fund the Mississippi Resident Tuition Assistance Grant (MTAG), the Mississippi Eminent Scholars Grant (MESG), and the Higher Education Legislative Plan Grant (HELP).

Without this deficit appropriation, the Office of Student Financial Aid will prorate all undergraduate grant awards by 15% in accordance with *Mississippi Code of 1972, Annotated* § 37-106-14. Because the entire proration will be applied to spring awards rather than fall and spring, the result will be a reduction of about 30% to each spring award. Approximately 27,070 students, representing 82 counties and attending 30 public and private colleges and universities, will be impacted.

This deficit request represents our current projections of anticipated need. Final numbers will be available mid-February 2021, after fall grade files and spring enrollment files are received from all institutions. Nevertheless, a funding *commitment* is needed as early as possible in January 2021 to allow students to make decisions and financial arrangements for the spring term.

Thank you for your assistance with this request. I look forward to working with you to provide full awards to all eligible students this year. Please let me know if I may provide additional information about this request.

MINUTES

Sincerely,

A handwritten signature in cursive script that reads "Jennifer Rogers".

Jennifer Rogers
Director of Student Financial Aid
Director, Postsecondary Education Financial Assistance
Board

cc: Lt. Governor Delbert Hosemann
Speaker Philip Gunn
Chairman Jim Beckett
Chairman Jenifer Branning
Howard Brown, Legislative Budget Office
Porscha Miner, Legislative Budget Office
Lee Anne Robinson, Legislative Budget Office
Corbin Stanford, Legislative Budget Office

MINUTES

Item 2: Ms. Rogers presented a request for the Board to extend the temporary rule to allow hardship deferments for another 30 days. On motion by Ms. Braswell, seconded by Ms. Langston, all Board Members legally present and participating voted unanimously to approve the request.

2. Extend the Temporary Rule to Allow Hardship Deferments

Summary

The rules and regulations of state forgivable loans outline provisions for an initial grace period and the following types of deferment: service, residency, in-school, temporary disability, and military. No standing provision is made for a hardship deferment. In anticipation of the economic downturn expected as a result of the COVID-19 pandemic, in March 2020, the Board approved a temporary rule to authorize provisions for a hardship deferment of no more than six months to be granted upon written request from borrowers in the programs listed below. The rule was filed with the Secretary of State's Office in April 2020. Per the state's Administrative Procedures Act, a temporary rule can remain in effect for 120 days, after which time it can be extended for another 90 days.

- Critical Needs Alternate Route Teacher Forgivable Loan (CNAR)
- Critical Needs Teacher Forgivable Loan (CNTP)
- Teacher Education Scholars Forgivable Loan (TES)
- William Winter Alternate Route Teacher Forgivable Loan (WWAR)
- William Winter Teacher Forgivable Loan (WWTS)
- Health Care Professions Forgivable Loan (HCP)
- Nursing Education Forgivable Loan, BSN (NELB); RN to BSN (NELR); MSN (NELM); RN to MSN (NERM); and Ph.D./DNP (NELP)
- Family Protection Specialist Social Worker Forgivable Loan (SWOR)
- Counselor and School Administrator Forgivable Loan (CSA)
- Graduate Teacher Forgivable Loan (GTS)
- Southern Region Education Board Doctoral Scholars Forgivable Loan (SDSP)
- Critical Needs Dyslexia Therapy Teacher Forgivable Loan (CNDT)
- Nursing Teacher Stipend (NTSP)
- State Dental Education Forgivable Loan (DENT)
- State Medical Education Forgivable Loan (MED)
- Southern Regional Education Board Regional Contract Forgivable Loan (SREB)
- Graduate and Professional Degree Forgivable Loan (STSC)
- Veterinary Medicine Minority Forgivable Loan (VMMP)
- Speech-Language Pathologists Forgivable Loan (SLPL)

Request

The Office requests approval to extend the temporary rule an additional 90 days through November 2020. Below is an excerpt from the General Administration Rules and Regulations with the temporary rule authorizing provision of a hardship deferment.

Title 10: Education Institutions and Agencies
Part 605: General Administration Rules and Regulations
Part 605 Chapter 1: General Administration Rules and Regulations
Rule 1.1 General Administration Rules and Regulations.

V. Loan Repayment and Servicing Process

A. Grace Period and Other Deferments

A deferment is a postponement of payment for a defined period of time for a specific purpose. The grace period is a type of deferment.

MINUTES

1. Grace Period
...
2. Residency Deferment
...
3. In-School Deferment
...
4. Temporary Disability Deferment
...
5. Military Service Deferment
...
6. Hardship Deferment
 - a) A loan recipient who is unable to make payments because of financial hardship as a result of COVID-19 may request deferment.
 - b) The hardship deferment must be requested in writing to the loan servicer along with an explanation for the request.
 - c) The hardship deferment may be approved for a total period of time not to exceed six (6) months.

Recommendation: Board staff recommends approval of this item.

Item 3: On motion by Dr. Keenum, seconded by Ms. Braswell, all Board Members legally present and participating voted unanimously to select Dr. Jim Turcotte to continue as Chairperson for 2020-2021.

3. Selection of Chairperson for 2020-21

Summary:

According to APA Part 601, Chapter 2, Rule 2.1, Section III, the board shall elect from its membership a chairman. Dr. Jim Turcotte was elected as chairman in September 2019. The Board should elect a chairperson to serve during 2020-2021 academic/aid year. The rules allow a chairperson to serve consecutive terms.

Item 4: Ms. Rogers provided the following updates and announcements:

- Welcome Dolly Marascalco as the newest Board member. She has been appointed by the Mississippi Community College Board to complete the term of Lee Bush, whose MCCB term concluded June 30, 2020.
- The Lt. Governor has not yet made an appointment to replace Mack Grubbs, who stepped down in December 2019.
- The Mississippi Office of Student Financial Aid continues to work from home but is fully operational. The Office will resume working from the office when IHL allows.
- No additional meetings are scheduled for the remainder of the year, unless the Board determines the need for another Strategic Planning Meeting. Ms. Rogers will send out a Doodle Poll to determine the best date in early January for a meeting to approve the Annual Report.

4. Updates and Announcements

MINUTES

ADDITIONAL AGENDA ITEMS IF NECESSARY

The Board did not consider any additional agenda items.

EXECUTIVE SESSION IF DETERMINED NECESSARY

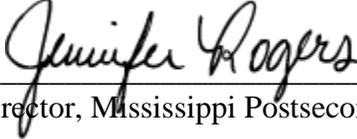
The Board did not consider the need to enter Executive Session.

STRATEGIC PLANNING DISCUSSION

The Board held a strategic planning discussion, the minutes for which were recorded separately and are maintained with the materials for the December 17, 2020 Strategic Planning Meeting.

ADJOURNMENT

There being no further business to come before the Board, Dr. Turcotte declared the meeting adjourned.



Director, Mississippi Postsecondary Education Financial Assistance Board

ITEMS FOR CONSIDERATION

1. **Review and Approve the 2020 Annual Report of the State-Supported Student Financial Aid Programs for Submission to the Mississippi Legislature**

The 2020 Annual Report was submitted under separate cover as Exhibit 1.

Some highlights of the report include the following:

Awards (p. 5-7):

- 26,831 state-supported awards (up 3.4%), totaling \$45.5 million (up 7.9%) (p. 7)
- Average award amount \$1,696, up \$70 from prior year due to tuition increases, since HELP awards are tied to tuition
- 26,322 individual recipients (up 855 students or 3.4%)

Recipients (p. 8-9):

- Every county represented
- 90.5% Dependent; 9.5% Independent
- 41% Male; 59% Female
- 98% aged 16-24
- 20% self-identify as African American; 71% as Caucasian
- 34% earn below \$48K; 50% earn below \$75K; 50% earn over \$75K

Appropriation/Budget/Expenses/Funding Disparity (pp. 10-11):

- \$41.72 million appropriated in General Funds (up \$2.1 million or 5.2%)
- \$1.34 million appropriated in Spending Authority (down \$1.3 million or 49%)
- \$43.06 million original appropriation and operating budget
- \$2.5 million deficit appropriation of general funds and \$1.5 million spending authority
- \$47.06 million final appropriation and operating budget
- \$45.51 million expended on awards
- \$1.14 million expended on administration (2.4% of budget); breakdown: \$700K salaries/benefits, \$200K IHL; \$225K application, cybersecurity, ECSI, etc.
- \$47.01 million total expended
- \$48K unspent from *current year* collections; available for carryover
- Funding disparity of \$4 million

Breakdown of Awards by Institution and Type (pp. 12-13):

- 57% of awards, 73% of funds to 4-yr publics; 35% of awards, 16% of funds to 2-yr publics; 8% of awards, 10% of funds to privates
- 99% Grants; 1% Loans
- 97% Undergraduate; 3% Graduate

Charts of Awards and Amounts by Program Over Time (pp. 14-17)

Loan Repayment (pp. 18-24)

- 2,586 accounts under management (3% accounts in school/grace/deferment; 6% service; 7% money; 8% money, but delinquent; 62% default; 14% closed)

ITEMS FOR CONSIDERATION

- \$1.26 million collected
- Overall default rate is 10% (same as last year)

Summary: The Office requests approval to submit the 2020 Annual Report of State-Supported Student Financial Aid Programs to the Legislature.

2. Discuss and Approve Updated Deficit Request

According to the Legislative Budget Office (LBO), the Legislature is drafting a bill to provide additional appropriations for agencies early in the session. If an additional appropriation for SFA is to be included, LBO needs an updated letter of request that outlines all factors affecting the request. The updated letter is included as Exhibit 2.

Summary: The Office requests approval to submit the revised letter requesting additional appropriations.

ITEMS FOR CONSIDERATION



Exhibit 2

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January 11, 2021

The Honorable Briggs Hopson, Chairman
Senate Appropriations Committee
400 High Street
Jackson, MS 39201

The Honorable John Read, Chairman
House of Representatives Appropriations Committee
400 High Street
Jackson, MS 39201

Dear Chairman Hopson and Chairman Read:

I am writing to request your assistance in obtaining \$6.1 million in deficit funding for Student Financial Aid (SFA) for FY 2021. The funding request includes \$5.6 million in general funds and \$0.5 million in spending authority. A previous letter of request was submitted on September 3, 2020, in which SFA requested \$6.11 million, including \$5.61 million in general funds and \$0.5 million in spending authority. SFA expected the request to decrease before the 2021 Legislative Session, as is the case most years. Unfortunately, the anticipated need has not decreased substantially at this time.

The original FY 2021 appropriation for Student Financial Aid was below the anticipated need to fully fund the Mississippi Resident Tuition Assistance Grant (MTAG), the Mississippi Eminent Scholars Grant (MESG), and the Higher Education Legislative Plan Grant (HELP). Upon receiving the original appropriation, SFA knew the funds were insufficient to fully fund the three undergraduate grant programs and prepared to prorate all awards as prescribed by statute. Legislators verbally directed SFA to make full award offers to all eligible students and to request additional funds mid-year. For that reason, SFA did not prorate and now requests additional funds.

An explanation is needed to understand why the request has not decreased substantially since the request was made in early September as would normally be expected. In most years, SFA awards about 55-60% of aid during the fall term and 40-45% of aid during the spring term. This is because some students lose eligibility from one semester to the next based on failure to maintain the required GPA or failure to complete the required 15 credit hours. SFA will not have accurate award figures for the spring term until mid-February after all schools submit their enrollment files. However, SFA does not anticipate the decrease in aid eligibility expected during a typical spring term. Because of the pandemic, some schools have implemented temporary pass/fail grading policies that are more lenient than regular

ITEMS FOR CONSIDERATION

grading policies. Therefore, fewer students are expected to lose state aid eligibility due to grades. Also, because of the pandemic, SFA has received and processed 50% more appeals related to the full-time enrollment requirement than in previous years.

SFA respectfully requests that additional funds be provided as early in the Legislative Session as possible to allow SFA to disburse the funds early in the term. Doing so will ensure that all students are able to pay their tuition, purchase their books, and cover other college-related expenses in a timely manner. Without this deficit appropriation, the Office of Student Financial Aid will prorate all undergraduate grant awards by 13% in accordance with *Mississippi Code of 1972, Annotated* § 37-106-14. Because the entire proration will be applied to spring awards rather than fall and spring, the result will be a reduction of about 26% to each spring award. Approximately 26,000 students, representing 82 counties and attending 30 public and private colleges and universities, will be impacted.

Thank you for your assistance with this request. I look forward to working with you to provide full awards to all eligible students this year. Please let me know if I may provide additional information about this request.

Sincerely,



Jennifer Rogers
Director of Student Financial Aid
Director, Postsecondary Education Financial Assistance
Board

cc: Lt. Governor Delbert Hosemann
Speaker Philip Gunn
Chairman Jim Beckett
Chairman Jenifer Branning
Howard Brown, Legislative Budget Office
Porscha Miner, Legislative Budget Office
Lee Anne Robinson, Legislative Budget Office
Corbin Stanford, Legislative Budget Office

ITEMS FOR CONSIDERATION

3. Discuss 2021 Meeting Schedule

The Board will need to meet according to the following schedule in 2021:

January 13 – approve Annual Report

April – approve FY 2022 budgets

June – approve FY 2023 budget request

September – approve legislative requests

December – subject to call

The Board may choose to continue its strategic planning discussions during the regular meetings or meet separately for that purpose.