

MISSISSIPPI POST-SECONDARY EDUCATION FINANCIAL ASSISTANCE BOARD



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

September 21, 2022, at 10:30 a.m.

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

Zoom: <https://itsmsgov.zoom.us/j/81166789573>

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BE IT REMEMBERED, that the Mississippi Postsecondary Education Financial Assistance Board held a regular meeting on Wednesday, September 21, 2022 at 10:30 a.m. Members of the Board participated in the meeting in person and 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 in person:

- Barney Daly, Lt. Governor's appointee
- Tyrone Jackson, MCCB institutional appointee
- Jim Turcotte, Governor's appointee and Chairman

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

- Mark Keenum, IHL institutional appointee
- Sharon Ross, Governor's appointee
- Diane Watson, MCCB appointee

The following member(s) did not participate:

- Ben Burnett, MAICU appointee
- Steven Cunningham, IHL Board appointee
- Isabelle Higbee, MAICU appointee

The following members of the Board's Advisory Committee participated remotely:

- Laura Diven-Brown, Advisory Committee of Aid Directors, University of Mississippi
- Nicole Patrick, Advisory Committee of Aid Directors, MS University for Women

Also in attendance either in person or remotely were:

- Jennifer Rogers, Director of Student Financial Aid and Postsecondary Board Director

- Apryll Washington, Assistant Director of Policy and Planning, Student Financial Aid
- Shirley Mitchell, Program Administrator, Student Financial Aid
- Rachel Devaughn, Mississippi Community College Board (Zoom)
- Molly Minta, Reporter, *Mississippi Today*

The meeting was called to order at 10:30 a.m. by Chairman Turcotte.

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On motion by Dr. Tyrone Jackson and seconded by Dr. Mark Keenum, all Board Members legally present and participating voted unanimously to approve the minutes of the board meeting held on June 23, 2022, as originally drafted.

ITEMS FOR CONSIDERATION

Item 1: Dr. Jennifer Rogers presented the FAITH Scholarship Rules and Regulations for approval. On motion by Barney Daly, seconded by Sharon Ross, all Board Members legally present and participating voted unanimously to approve APA Part 623: FAITH Scholarship Rules and Regulations.

1. Approve APA Part 623: FAITH Scholarship Rules and Regulations

Summary:

The 2022 Legislature created the State Representative Bill Kinkade Fostering Access and Inspiring True Hope (FAITH) Scholarship to provide scholarships for students who have interacted with the state's foster care system.

Statistics show 75% of all students in foster care or state custody arrangements become a single parent or enter the corrections system by 25. This program is designed to change that statistic by providing students another path.

To be eligible, students must be U.S. citizens and MS residents under 25 years of age. Applicants must file the FAFSA and other federal aid applications, if applicable. They must meet at least one of the following criteria:

- Have been in legal custody of the Mississippi Department of Child Protection Services (CPS) at any time since age 13;
- Have lived in a qualified residential facility at any time since age 13; or
- Have been adopted from CPS or qualified residential facility after age 13.

Students must enroll at least part-time in a Mississippi public or private institution and seek an undergraduate credential or degree.

The FAITH Scholarship awards up to the full cost of attendance after all other grant aid has been applied, and it even covers housing during breaks, where such housing is available. The expectation is that recipients should be able to pursue higher education debt free.

Students will apply by completing the Mississippi Aid Application (MAAPP), just as they would apply for any other state aid. The 2023-2024 MAAPP opens October 1, 2022, and it remains open until September 15, 2023. Students may apply any time during the open application period, and there will be no document deadline. Questions have been added to the application to help applicants self-identify as eligible. The Office will verify eligibility with CPS and the qualified residential facilities.

The Office will start making awards to eligible recipients in 2023-2024.

Request:

The Office requests approval of APA Part 623: State Representative Bill Kinkade Fostering Access and Inspiring True Hope (FAITH) Scholarship Rules and Regulations. *The Rules are included in Exhibit 1 on page 38.*

Recommendation:

Board staff in coordination with CPS recommends approval of this item, contingent upon completion of the Administrative Procedures Act process.

Item 2: Dr. Jennifer Rogers presented the Nursing and Respiratory Therapy Incentive Forgivable Loan Rules and Regulations for approval. On motion by Barney Daly, seconded by Dr. Tyrone Jackson, all Board Members legally present and participating voted unanimously to approve APA Part 654: Nursing and Respiratory Therapy Incentive Forgivable Loan Rules and Regulations.

2. Approve APA Part 654: Nursing and Respiratory Therapy Incentive Forgivable Loan Rules and Regulations

Summary:

The 2022 Legislature created the Nursing and Respiratory Therapy Incentive Forgivable Loan Program.

To be eligible, students must be U.S. citizens and MS residents. Students must enroll at least part-time in a Mississippi public or private institution and seek an undergraduate degree in respiratory therapy or an undergraduate or graduate certificate or degree in nursing.

The program is very similar to the existing Nursing Education Forgivable Loan Program, except the new program extends eligibility to students pursuing a certificate to become a Licensed Practical Nurse (LPN) and students pursuing an Associate Degree in Nursing/Associate of Science in Nursing (ADN/ASN) or an Associate Degree in Respiratory Therapy or Respiratory Care Technology (RT).

The new program also differs from the existing program by requiring a repayment period of five years regardless of the amount of loan received, whereas the existing program requires a repayment period of one year for each year of loan received.

The program will award amounts equal to the average annual cost of tuition and fees at public institutions.

Students will apply by completing the Mississippi Aid Application (MAAPP), just as they would apply for any other state aid. The 2023-2024 MAAPP opens October 1, 2022, and applications must be received by March 31, 2023. Supporting documents must be received by the document deadline of June 30, 2023.

The Office will start making awards to eligible recipients in 2023-2024.

Request:

The Office requests approval of APA Part 654: Nursing and Respiratory Therapy Incentive Forgivable Loan Rules and Regulations. *The Rules are included in Exhibit 2 on page 42.*

Recommendation:

Board staff recommends approval of this item, contingent upon completion of the Administrative Procedures Act process.

Item 3: Dr. Jennifer Rogers presented a proposal to update the rules and regulations for the active forgivable loan programs to change the document deadline for all documents to June 30 and to update the SFA web address. On motion by Dr. Tyrone Jackson, seconded by Dr. Diane Watson, all Board Members legally present and participating voted unanimously to approve the proposed updates to the following rules, contingent upon completion of the Administrative Procedures Act process:

- APA Part 653: Nursing Education Forgivable Loan Rules and Regulations
- APA Part 667: Critical Needs Dyslexia Therapy Teacher Forgivable Loan Rules and Regulations
- APA Part 669: Nursing Teacher Stipend Forgivable Loan Rules and Regulations
- APA Part 674: SREB Regional Contract Forgivable Loan Rules and Regulations
- APA Part 679: Speech-Language Pathologist Forgivable Loan Rules and Regulations.

3. Approve Updates to APA Parts 653, 667, 669, 674, and 679 to Change the Document Deadline for Active Forgivable Loan Programs

Summary:

The online application deadline for the forgivable loan programs is March 31. The current deadline for the submission of most supporting documents is April 30 and for other documents is June 30. Having multiple document deadlines creates confusion for applicants and complexity for the program administrators.

The web address for the Office has changed since these rules were last updated.

Request:

The Office requests approval to update the rules and regulations of the active forgivable loan programs to change the document deadline to June 30 for all documents and update the Office's web address. The recommended changes are tracked in Exhibits 3 – 7 beginning on page 52:

Exhibit 3, page 52 - APA Part 653: Nursing Education Forgivable Loan Rules and Regulations

Exhibit 4, page 63 - APA Part 667: Critical Needs Dyslexia Therapy Teacher Forgivable Loan Rules and Regulations

Exhibit 5, page 73 - APA Part 669: Nursing Teacher Stipend Forgivable Loan Rules and Regulations

Exhibit 6, page 84 - APA Part 674: SREB Regional Contract Forgivable Loan Rules and Regulations

Exhibit 7, page 94 - APA Part 679: Speech-Language Pathologist Forgivable Loan Rules and Regulations

Recommendation:

Board staff recommends approval of this item, contingent upon completion of the Administrative Procedures Act process.

Item 4A: Dr. Jennifer Rogers presented a series of legislative requests to the Board for approval. The first request was to ask the Legislature to create a stipend or loan repayment program for nurses and respiratory therapists to replace the Nursing and Respiratory Therapy Incentive Forgivable Loan Program and the existing forgivable loans for nursing. On motion by Dr. Mark Keenum and seconded by Barney Daly, all Board Members legally present and participating voted unanimously to approve the request to seek legislative support for the

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creation of a stipend or cost reimbursement program from nurses and respiratory therapists to replace the existing forgivable loan programs for nurses.

A. Create Stipend or Loan Repayment Program to Replace Nursing and Respiratory Therapy Incentive Forgivable Loan Program

Purpose:

Create a stipend or loan repayment program to provide financial support for nurses and incentivize nurses to remain in the state for work, meanwhile replacing the existing forgivable loans for nursing.

Reason for Request:

Mississippi has a long history of creating forgivable loan programs to address workforce shortage problems in the state. About four years ago, the state had 25 such programs. Due to advocacy and education in recent years, the number of forgivable loans had been reduced to nine active programs, which included nursing forgivable loans for students in BSN, RN to BSN, MSN, RN to MSN, and PhD/DNP programs. Then, in 2022, the new Nursing and Respiratory Therapy Nursing Incentive Forgivable Loan was created to provide forgivable loans for students in LPN, ADN/ASN, BSN, RN to BSN, MSN, RN to MSN, PhD/DNP, and Respiratory Therapy programs. The new program largely duplicates the existing program.

In general, forgivable loans are designed to either incentivize students to choose a specific program of study or incentivize graduates to work in specific positions or fields with shortages.

In Mississippi, the undergraduate nursing programs are mostly full, and most programs turn applicants away. This indicates there is not a shortage of interested students and therefore little need to incentivize students to enroll in undergraduate nursing programs.

Nevertheless, there is still a shortage of nurses in Mississippi, which advocates indicate is due to nurses retiring or leaving the state for better pay and due to a shortage of nurse educators, which keeps nursing programs from expanding. Because forgivable loans can incentivize graduates to work in specific positions or fields with shortages, forgivable loans are a viable solution for addressing the state's current nursing shortage.

However, there are problems and costs associated with forgivable loans that make them an undesirable policy option.

- The return on forgivable loans is uncertain because they go to current students with the expectation the recipient will not only graduate but also pass the licensure exam and obtain employment in the state, all of which may not happen.
- Forgivable loans are administratively burdensome:
 - Before awarding loans, the state must deliver three different disclosure statements about private loans, conduct entrance counseling, and then issue a master contract or promissory note.
 - The state must track each loan recipient as he or she completes the degree, becomes licensed, and gains employment. The state must then track the borrower through years of employment to ensure the service obligation is fulfilled. These tracking services are currently provided by a paid third-party servicer.
 - If a student defaults on the loan, the debt will remain on the books until the person dies or becomes totally and permanently disabled, because state debt cannot be written off. The state currently services loans issued in the late 1970s.
- Forgivable loans can be detrimental to a student's financial well-being. If the student is unable to pass the licensure exam or moves out of state or changes plans, the student must repay the loan. In cases of repayment, a 5% penalty is added to the debt, and the debt accrues interest.

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- Forgivable loan programs are difficult to alter because each program is crafted for a unique program of study and then career trajectory.

Stipends and loan repayment are two simpler, more effective policy options to accomplish the same goal of incentivizing graduates to enter certain fields with workforce shortages.

Stipends are the simplest, most straightforward option with the greatest potential reach and impact. Recent nursing graduates, for example, could be offered an annual stipend to be paid directly to the nurse at the completion of each of the first three years of working full-time in the state.

Loan repayment is slightly less simple but still effective. Recent nursing graduates with outstanding student loans could have a portion of their student loans paid off by the state. Payments could be paid directly to the nurse's loan servicer. Loan repayment is limited in its reach because not all graduates have student loans.

Stipend and loan repayment programs are the preferred policy option for several reasons:

- The benefit to the state is immediate because the incentive goes directly to newly licensed nurses to keep them in the state. The state does not have to wait for students to attend and complete school and obtain licensure.
- The state is not required to offer loan disclosure statements, provide entrance counseling, or enter a contract with the recipient.
- The programs can be administered in-house by the Office of Student Financial Aid without the need for a third-party servicer.
- There is no penalty to the student for failure to graduate, achieve licensure, move out of state, etc.
- Employers can utilize the benefit to recruit employees.
- Service/employment requirements can be easily adjusted to incentivize students to enter whatever field for which the state is currently experiencing a shortage.

The Office recommends requesting the Legislature create a new stipend or loan repayment program for nurses and repeal the existing forgivable loan programs for nurses.

Suggested Legislation:

Suggested legislation for a stipend program is included in *Exhibit 8 on page 104* and suggested legislation for a loan repayment program is included in *Exhibit 9 on page 106*.

Fiscal Note:

Any new program would need to be funded. However, the Legislature provided \$6 million in State Coronavirus Relief funds for the Nursing and Respiratory Therapy Incentive Forgivable Loan program. The program could not be implemented for 2022-23, so those funds could be diverted to a new loan repayment or stipend program at least through FY 2026. After FY 2026 the Legislature would need to identify another funding source to continue any program.

Recommendation:

Board staff recommends approval.

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Item 4B: Dr. Jennifer Rogers presented a series of legislative requests to the Board for approval. The second request was to ask the Legislature to amend Section 37-106-36 of the Mississippi Code of 1972 to remove the cap on the number of annual awards allowed under the Winter-Reed Teacher Loan Repayment Program. On motion by Barney Daly and seconded by Dr. Tyrone Jackson, all Board Members legally present and participating voted unanimously to approve the request to seek legislative support to remove the cap on the number of annual awards allowed under the Winter-Reed Teacher Loan Repayment Program.

B. Amend Winter-Reed Teacher Loan Repayment Program to Remove Cap on Annual Awards

Purpose:

Remove the cap on the number of annual awards allowed under the Winter-Reed Teacher Loan Repayment Program.

Reason for Request:

June marked the end of the first year of administration of Winter-Reed. In the first year, the Office learned that limiting the number of recipients may result in money being forfeited. The current law states that a maximum of 150 new teachers may be awarded each year. The Office awarded all 150 potential recipients at the beginning of the year, but not everyone submitted their completion paperwork at the end of the year. So, the Office ultimately paid only 136 new teachers. Also, some of the teachers were teaching in non-shortage areas and therefore received smaller awards. The Office could have awarded more than 150 teachers and still stayed within the established budget. Rather than controlling the program size with a quota of awards, the Legislature can control the program size with the annual appropriation.

Suggested Legislation:

Suggested legislation is included in *Exhibit 10 on page 109*.

Fiscal Note:

The proposed change will not carry any additional cost. As written, the maximum annual cost of the program would be \$2.25 million. If the Legislature removes the quota and continues to fund the program at that level, the Office will adjust the annual number of new awards to ensure awards do not exceed available funds.

Recommendation:

Board staff recommends approval.

Item 4C: Dr. Jennifer Rogers presented a series of legislative requests to the Board for approval. The third request was for the Board's approval to work with IHL, MCCB, and the private institutions to design a dual enrollment grant program for high school students and to possibly amend the SFA budget request to fund the program. After discussion, the Board by mutual agreement chose to table the discussion. Dr. Rogers will update the Board as discussions progress, and the Board may reconsider the matter during the December meeting, which is subject to call.

C. Possibly Request Creation and Funding of Dual Enrollment Grant Program for High School Students

Purpose:

Work with IHL, MCCB, and the private institutions to design a dual enrollment grant program for high school students.

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Reason for Request:

Currently, school districts and private schools establish agreements with local colleges and universities to provide dual enrollment courses—college-level courses students take while they are still in high school. Who bears the cost of these course varies greatly depending on the contractual arrangement. In some districts and schools, the cost is paid on behalf of the student. In other districts, the student pays the cost or some portion of the cost. Students enroll in the college and the college administers the courses, but the colleges are often unable to charge the full cost of tuition for the courses because of the contractual agreements. In some cases, the colleges forfeit considerable tuition revenue to provide the courses.

The Office requests Board approval to work with IHL, MCCB and private institutions to design a dual enrollment grant program for high school students. Preliminary conversations indicate students would apply for the grants through SFA, and SFA would send the funds directly to the institutions just as we currently do. An award would equal a flat credit hour rate, and each student could receive grants for a specified maximum number of credit hours, possibly up to 15. After exhausting their grant eligibility, a student could continue to take dual enrollment courses but would be responsible for the full cost of tuition.

The Office also requests Board approval to amend the FY 2024 budget request to include funding for the program if all parties agree to pursue a legislative request for the program.

Fiscal Note:

MCCB estimates the program will cost about \$24.5 million for the 2023-24 academic year.

Recommendation:

Board staff recommends approval.

Item 5: On motion by Dr. Tyrone Jackson, seconded by Barney Daly, all Board Members legally present and participating voted unanimously to select Dr. Jim Turcotte to continue as Chairperson for 2022-2023.

5. Selection of Chairperson for 2022-23

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 2021. The Board should elect a chairperson to serve during 2022-2023 academic/aid year. The rules allow a chairperson to serve consecutive terms.

Item 6: No updates were made. Dr. Jennifer Rogers announced she would circulate a Doodle Poll to Board members in November if the need arises for the Board to meet in December. If needed the meeting may be held via Zoom/conference call.

6. Updates and Announcements

ADDITIONAL AGENDA ITEMS IF NECESSARY

The Board did not consider any additional agenda items.

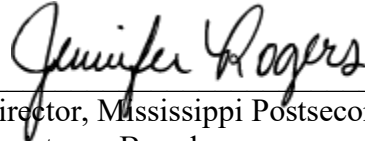
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EXECUTIVE SESSION IF DETERMINED NECESSARY

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

ADJOURNMENT

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



Director, Mississippi Postsecondary Education Financial
Assistance Board