

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#

Minutes

BE IT REMEMBERED, that the Mississippi Postsecondary Education Financial Assistance Board held a regular meeting on Wednesday, January 13, 2021 at 9:00 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
- Ben Burnett, MAICU appointee
- Barney Daly, Lt. Governor's appointee
- Tyrone Jackson, MCCB institutional appointee
- Mark Keenum, IHL institutional appointee
- Ann Lamar, IHL Board appointee
- Dolly Marascalco, MCCB appointee
- Sharon Ross, Governor's appointee
- Jim Turcotte, Governor's appointee and Chairman

Also in attendance remotely were:

- Meg Harris, Assistant Director of Operations, Student Financial Aid
- Jennifer Rogers, Director of Student Financial Aid and Postsecondary Board Director
- Kell Smith, Director of Communications and Legislative Services, Mississippi Community College Board
- Jay Woods, Special Assistant Attorney General, Universities Division
- Apryll Washington, Assistant Director of Policy and Planning, Student Financial Aid

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The meeting was called to order by Chairman Turcotte.

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On motion by Ms. Marascalco and seconded by Mr. Daly, all Board Members legally present and participating voted unanimously to approve the minutes of the board meeting held on September 24, 2020 as originally drafted.

ITEMS FOR CONSIDERATION

Item 1: Ms. Rogers presented an overview of the 2020 Annual Report. On motion by Ms. Lamar, seconded by Dr. Burnett, all Board members legally present and participating voted unanimously to approve the 2020 Annual Report of the State-Supported Student Financial Aid Programs for submission to the Mississippi Legislature.

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):

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- 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)
- \$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.

Item 2: Ms. Rogers presented a copy of the proposed updated deficit request letter, noting some changes would be made to the list of recipients of the carbon copies due to changes to the makeup of the Senate Appropriations Subcommittees. On motion by Dr. Keenum, seconded by Mr. Daly, all Board members legally present and participating voted unanimously to approve the letter with changes to the recipient list.

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.

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Exhibit 2

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



January 14, 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 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

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Item 3: The Board discussed the 2021 meeting schedule. Ms. Rogers will confer with Dr. Turcotte and send out Doodle Polls to determine the best dates for the April, June, September, and December meetings. The Board would like to hold additional meetings to continue its strategic planning discussions. The Board wishes to hold its next strategic planning meeting in mid-February, and the meeting should include an advisory committee of financial aid professionals, who will be named by Chairman Turcotte in consultation with the Board. During the February meeting, the Board will consider the “one-grant” proposal developed by the Financial Aid Directors in 2018.

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.

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