

# MISSISSIPPI POST-SECONDARY EDUCATION FINANCIAL ASSISTANCE BOARD



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

January 12, 2022, 2:00 p.m.

Zoom:

<https://itsmsgov.zoom.us/j/89224212031>

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

## **Agenda**

### **CALL TO ORDER**

### **MINUTES**

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### **ITEMS FOR CONSIDERATION**

1. Review and Approve the 2021 Annual Report of the State-Supported Student Financial Aid Programs for Submission to the Mississippi Legislature.....6
2. Review and Approve Rules and Regulations for the Governor’s Emergency Educational Relief Fund Summer Grant Program .....7
3. Discuss 2022 Meeting Schedule .....10

### **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 Tuesday, October 12, 2021 at 10:30 a.m. Members of the Board were invited to participate in the meeting in person or 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:

- Ben Burnett, MAICU appointee
- Debbi Braswell, MAICU appointee
- Barney Daly, Lt. Governor's appointee
- Mark Keenum, IHL institutional appointee
- Sharon Ross, Governor's appointee
- Jim Turcotte, Governor's appointee and Chairman
- Dianne Watson, MCCB appointee

The following member(s) did not participate:

- Steven Cunningham, IHL Board appointee
- Tyrone Jackson, MCCB institutional appointee

The following members of the Advisory Committee participated via Zoom or teleconference:

- Terry Bland, Advisory Committee of Aid Directors, Itawamba Community College
- Laura Diven-Brown, Advisory Committee of Aid Directors, University of MS
- Isabelle Higbee, Advisory Committee of Aid Directors, Millsaps
- Garry Jones, Advisory Committee of Aid Directors, East MS Community College
- Paul McKinney, Advisory Committee of Aid Directors, MS State University
- Nicole Patrick, Advisory Committee of Aid Directors, MS University for Women
- David Williamson, Advisory Committee of Aid Directors, University of Southern MS
- Letherio Ziegler, Advisory Committee of Aid Directors, MS Valley State University

Also in attendance were:

- Ainsley Ash, Woodward Hines Education Foundation
- Toren Ballard, Mississippi First
- David Blount, Mississippi Senator (Zoom)
- Audra Dean, Mississippi Community College Board (Zoom)
- Rachel DeVaughan, Mississippi Community College Board (Zoom)
- Kierstan Dufour, Woodward Hines Education Foundation (Zoom)
- Kim Gallaspy, IHL Director of Legislative Services (Zoom)
- Meg Harris, Assistant Director of Operations, Student Financial Aid (Zoom)
- Ann Hendrick, Woodward Hines Education Foundation (Zoom)
- Beverly Jackson, Database Administrator and Lead Systems Analyst, Student Financial Aid (Zoom)
- Courtney Lange, Woodward Hines Education Foundation (Zoom)
- Jim McHale, Woodward Hines Education Foundation (Zoom)
- Porscha Miner, Legislative Budget Office (Zoom)
- Molly Minta, Reporter, *Mississippi Today* (Zoom)
- Jennifer Rogers, Director of Student Financial Aid and Postsecondary Board Director (Zoom)

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- Kell Smith, Interim Executive Director, Mississippi Community College Board (Zoom)
- Robert Walker, Office of Governor Tate Reeves
- Apryll Washington, Assistant Director of Policy and Planning, Student Financial Aid (Zoom)
- Shanell Watson, Woodward Hines Education Foundation (Zoom)
- Jay Woods, Office of the Attorney General (Zoom)

The meeting was called to order at 10:33 a.m. by Chairman Turcotte.

## MINUTES

On motion by Mr. Daly and seconded by Ms. Braswell, all Board Members legally present and participating voted unanimously to approve the minutes of the board meeting held on June 23, 2021 as originally drafted.

## ITEMS FOR CONSIDERATION

**Item 1:** Ms. Rogers presented a request to update the disbursement policy in the General Administration Rules and Regulations. On motion by Mr. Daly, seconded by Dr. Keenum, all Board Members legally present and participating voted unanimously to approve the requested change.

1. **Approve Update to Disbursement Policy in APA Part 605: General Administration Rules and Regulations**

### Summary:

The current disbursement policy outlined in the General Administration Rules and Regulations states that “funds are considered to be disbursed to the student at the point at which the institution makes the funds unconditionally available to the student for use in payment of tuition, fees, or other eligible costs of attendance”. The rules go on to state that funds do not have to be returned to the state if a student’s enrollment changes *after* the funds are disbursed.

All institutions are required to submit enrollment files to the state aid office immediately following the final add/drop date at the beginning of the term. SFA does not send money to the institutions on behalf of eligible students until after receiving the enrollment file. SFA then sends funds based on a student’s actual enrollment as reported in the enrollment file. Most institutions wait for SFA to process the enrollment file and send funds before “disbursing” funds to the student. These institutions will simply waive a portion of tuition or fees in anticipation of receiving state aid. Despite not being the norm, it is perfectly allowable for an institution to advance payment to the student using the institution’s own funds, thereby “disbursing” funds to the student before SFA sends the funds to the institution.

A problem occurs when an institution pays the student in advance, but then the student stops out or drops below full-time enrollment before SFA sends funds. According to the rules as currently written, in such a situation, the student is entitled to keep the funds because the funds were “disbursed” to the student before the student’s enrollment changed. This is a loophole. The reason SFA processes enrollment files before sending funds is to ensure that SFA is only disbursing state aid to students who are currently enrolled and meeting the program requirements.

# MINUTES

## Request

The Office requests approval to update the rule to clarify that no funds may be considered “disbursed to the student” prior to receipt of enrollment verification. Below is an excerpt from the General Administration Rules and Regulations with the proposed update tracked.

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.*

## **IV. DISBURSEMENT PROCESS**

State financial aid funds will be disbursed directly to the approved institution on behalf of the eligible student. Money will never be disbursed directly to the student.

- A. Enrollment Verification - No state financial aid funds will be disbursed until the Office receives verification of enrollment. Each approved institution will submit an Enrollment Verification Report after the final add/drop date at the beginning of each term. The Office will process the Enrollment Verification Reports in the order in which they are received.
- B. Requesting Funds - After the Office has processed the Enrollment Verification Report, the Office requests that funds be disbursed to the institution for eligible students with confirmed enrollment.
- C. Transferring Funds to the Institution - State financial aid funds will be transferred to the institution by check or electronic funds transfer. After funds are requested, the transfer of funds may take as long as 14-21 days. Once the funds have been transferred to the institution, the institution will be responsible for crediting each student’s account with the correct award amount.
- D. Disbursing Funds to the Student - Funds are considered to be disbursed to the student at the point at which the institution makes the funds unconditionally available to the student for use in payment of tuition, fees, or other eligible costs of attendance. Funds are considered to be disbursed to the student if the institution uses its own funds to advance payment of the funds and later requests the Board for reimbursement. Funds are not considered to be disbursed if the institution merely waives payment of costs pending receipt of payment from the Office. In no case are funds considered to be disbursed to the student before the Office receives verification of enrollment.
- E. Returning Funds to the State - If a student, who is required to maintain continuous full-time enrollment for continued eligibility, withdraws or drops to below full-time status before state financial aid funds are disbursed to the student, the institution should return the funds to the state. The student will not be eligible for state financial aid for the subsequent term since he/she did not maintain continuous full-time enrollment. If a student, who is required to maintain continuous full-time enrollment for continued eligibility, withdraws or drops to below full-time status after state financial aid funds are disbursed to the student, the student may keep the funds. However, the student will not be eligible for state financial aid for the subsequent term since he/she did not maintain continuous full-time enrollment.

## MINUTES

Recommendation: Board staff recommends approval of this item.

**Item 2:** On motion by Dr. Burnett, seconded by Dr. Keenum, all Board Members legally present and participating voted unanimously to select Dr. Jim Turcotte to continue as Chairperson for 2021-2022.

### **2. Selection of Chairperson for 2021-22**

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 2020. The Board should elect a chairperson to serve during 2021-2022 academic/aid year. The rules allow a chairperson to serve consecutive terms.

**Item 3:** The following announcements were made:

- Renotta Shed, who has been with the Mississippi Office of Student Financial Aid since 2011, has left to take another position out of state.
- Shirley Mitchell, who has also been with the Office for many years, has been promoted to the position of Program Administrator.
- Efforts may be made later in the year to fill Ms. Mitchell's current position, but she will continue to handle those tasks in addition to her new responsibilities for the current time.

### **3. Updates and Announcements**

## ADDITIONAL AGENDA ITEMS IF NECESSARY

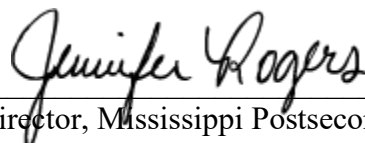
The Board did not consider any additional agenda items.

## EXECUTIVE SESSION IF DETERMINED NECESSARY

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

## ADJOURNMENT

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



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Director, Mississippi Postsecondary Education Financial Assistance Board

## ITEMS FOR CONSIDERATION

### 1. **Review and Approve the 2021 Annual Report of the State-Supported Student Financial Aid Programs for Submission to the Mississippi Legislature**

The 2021 Annual Report was submitted under separate cover as Exhibit 1.

Some highlights of the report include the following:

Awards (p. 7):

- 25,222 state-supported awards (down 1,609 or 6.0%), totaling \$45.2 million (down \$300K or 0.64%)
- 24,797 individual recipients (down 1,525 students or 5.8%)
- \$1,793 average award amount (up \$97 or 5.7%)

Recipients (pp. 8-9):

- Every county represented
- 90% Dependent; 10% Independent
- 40% Male; 60% Female
- 98% aged 12-24
- 20.5% self-identify as African American; 70% as Caucasian
- 20% earn below \$30K; 34% below \$48K; 50% below \$75K; 50% over \$75K

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

- \$42.09 million appropriated in General Funds (up \$364K or 0.87%)
- \$1.34 million appropriated in Spending Authority (no change)
- \$43.42 million original appropriation and operating budget
- \$3.6 million deficit appropriation of general funds and \$0.5 million spending authority
- \$47.52 million final appropriation and operating budget
- \$45.22 million expended on awards
- \$1.11 million expended on administration (2.3% of budget)
  - \$687K salaries/benefits
  - \$430K contractual services: \$200K to IHL, remaining \$230K to application, website, cybersecurity, ECSI, etc.
- \$46.47 million total expended
- \$1.06 million unspent from *current year* collections; available for carryover
- Funding disparity of \$4.5 million

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

- 4-Year Publics: 58% of awards, 75% of funds
- 2-Year Publics: 34% of awards, 15% of funds
- Privates: 8% of awards, 9% of funds
- 99.9% Grants; 0.1% Loans
- 99.9% Undergraduate; 0.1% Graduate

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

## ITEMS FOR CONSIDERATION

Loan Repayment (pp. 18-24)

- 2,222 accounts under management (5.3% accounts in school/grace/deferment; 4.7% service; 6.0% money; 7.5% delinquent; 67.6% default; 9% closed current year)
- \$1.32 million collected
- Overall default rate is 6% (down from 10% in 2020 because Critical Needs accounts no longer included in active programs with tracked cohorts)

Summary: The Office requests approval to submit the 2021 Annual Report of State-Supported Student Financial Aid Programs to the Legislature.

### **2. Review and Approve Rules and Regulations for the Governor’s Emergency Educational Relief Fund Summer Grant Program (GEER)**

In late September 2021, the Governor’s office reached out and inquired about possible ways to spend federal COVID relief funds for financial aid. The Office sought feedback from the Advisory Committee and responded to the Governor’s Office with a list of ideas. On November 8, 2021, the Office received notice of a \$3.5 million award to be funded through the second round of the federal Governor’s Emergency Educational Relief Fund. The money should be used to make one-time supplemental grants during the Summer 2022 term to students who may have fallen behind during the pandemic and need to take additional courses during the summer. The Governor’s office did not outline specific parameters for the program but specifically requested that grants be made available only to continuing students and to students who may not have the expendable income or other resources with which to take additional summer courses.

The Office surveyed the institutions to determine the potential population of summer school students and discovered that nearly 30,000 undergraduate students take summer hours. Demand is expected to far surpass the availability of funds. Therefore, the Office is recommending applicants submit a separate online application and be awarded on a first-come, first-served basis. Applicants must have at least 12 earned hours of college credit, a 2.0 GPA, and be enrolled in at least 3 summer hours. Applicants must also have completed a FAFSA and have an EFC below 15,000 to be considered. Grant amounts will be \$500 to community college students and \$1,000 to private and public university students.

Summary: The Office requests approval of the Rules and Regulations of the Governor’s Emergency Educational Relief Fund Summer Grant Program, contingent upon completion of the Administrative Procedures Act process.

### **Title 10: Education Institutions and Agencies**

#### **Part 622: Governor’s Emergency Education Relief Fund Summer Grant (GEER)**

#### **Part 622 Chapter 1: Governor’s Emergency Education Relief Fund Summer Grant (GEER) Rules and Regulations**

## ITEMS FOR CONSIDERATION

*Rule 1.1 Governor's Emergency Education Relief Fund Summer Grant (GEER) Rules and Regulations.* These Rules and Regulations are subject to change by the Mississippi Postsecondary Education Financial Assistance Board (Postsecondary Board). Funds will be made available on a first-come, first-served basis.

### **I. GENERAL ELIGIBILITY**

- A. The applicant must be a current legal resident of Mississippi. Resident status for purposes of receiving GEER funds under this act shall be determined in the same manner as resident status for tuition purposes as set forth in Sections 37-103-1 through 37-103-29, of Ms. Code Ann., with the exception of Section 37-103-17.
- B. The applicant must be a continuing college student and have completed at least twelve (12) college hours, not including any college course work taken while in high school.
- C. The applicant has earned a cumulative grade point average (GPA) of at least 2.0 on a 4.0 scale on all college coursework completed through the Fall 2021 term.
- D. The applicant must enroll in an aid-eligible program of study at the undergraduate level at one (1) eligible institution in Mississippi for at least three (3) credit hours during a Summer 2022 term.
- E. The applicant must be seeking a first certificate, associate's, or bachelor's degree.
- F. The applicant must complete the 2022-2023 Free Application for Federal Student Aid (FAFSA) on or before April 30, 2022 and have an Expected Family Contribution (EFC) of 15,000 or less..
- G. The applicant must complete an application for GEER funds on or before April 30, 2022.
- H. The applicant must not currently be in default on a Federal or State educational loan or owe a repayment on a Federal or State grant.

### **II. APPLICATION REQUIREMENTS**

- A. Applicants must:
  - 1. Complete a GEER application online at [www.mississippi.edu/financialaid](http://www.mississippi.edu/financialaid) by the deadline date of April 30, 2022.
  - 2. File the 2022-2023 Free Application for Federal Student Aid by the deadline date of April 30, 2022.



## ITEMS FOR CONSIDERATION

3. Submit two forms of documentation of current legal residency by the document deadline of April 30, 2022, unless the student has already established residency with the Mississippi Office of Student Financial Aid. Acceptable forms of residency documentation are listed in the General Administration Rules and Regulations and published online at [www.mississippi.edu/financialaid](http://www.mississippi.edu/financialaid).
4. Submit by the document deadline of April 30, 2022 proof of a cumulative college GPA of at least 2.0 on a 4.0 scale earned from at least twelve (12) college hours. Grade documentation must be provided by the attending institution.
5. Be enrolled in an aid-eligible program of study at the undergraduate level at one (1) eligible institution in the State of Mississippi for at least three (3) credit hours during a Summer 2022 term. Evidence of enrollment will be automatically provided to the Postsecondary Board by the attending institution.

### **III. LENGTH AND AMOUNT OF AWARD**

- A. Awards will be made on a first-come, first-served basis. Completing the application by the deadline date does not guarantee funds.
- B. For students attending a community college, the one-time award shall not exceed Five Hundred Dollars (\$500.00).
- C. For students attending a four-year institution, the one-time award shall not exceed One Thousand Dollars (1,000.00).
- D. No student shall receive a combination of student financial aid and GEER funds that exceeds the cost of attendance as defined by the institution's Federal Pell Grant Budget.
- E. Payment of GEER awards shall be disbursed directly to the educational institutions and applied first to tuition.
- F. If a recipient transfers from one eligible Mississippi institution to another, the award will be transferable, provided the student applies for the grant and is otherwise eligible.

## ITEMS FOR CONSIDERATION

### **3. Discuss 2022 Meeting Schedule**

The Board will need to meet according to the following schedule in 2022:

January 12 – approve Annual Report

April – approve FY 2023 budgets

June – approve FY 2024 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.