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MISSISSIPPI POST-SECONDARY EDUCATION FINANCIAL ASSISTANCE BOARD



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

June 22, 2023, at 10:30 a.m.

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

Zoom: <https://itsmsgov.zoom.us/j/81901956061>

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BE IT REMEMBERED, that the Mississippi Postsecondary Education Financial Assistance Board held a regular meeting on Thursday, June 22, 2023 at 10:30 a.m. 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 remotely:

- Ben Burnett, MAICU appointee
- Tyrone Jackson, MCCB institutional 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
- Barney Daly, Lt. Governor's appointee
- Isabelle Higbee, MAICU appointee

Also in attendance either in person or remotely were:

- Jennifer Rogers, Director of Student Financial Aid and Postsecondary Board Director
- Meg Harris, Assistant Director of Operations, Student Financial Aid
- Tiffany Barner, Office and Program Administrator, Student Financial Aid
- Frances West, Program Administrator, Student Financial Aid
- Adele Russell, Student Service Representative, Student Financial Aid
- Melissa Temple, Director of Nursing, IHL
- Rachel DeVaughan-Patrick, Mississippi Community College Board

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- Stephanie Jones, University of Mississippi Medical Center
- Erin Eaton, Mississippi Community College Board
- Laura Diven-Brown, University of Mississippi
- Rebecca Cockrell, William Carey University
- Anna Moak Sparks

The meeting was called to order at 10:35 a.m. by Chairman Turcotte.

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On motion by Dr. Tyrone Jackson and seconded by Dr. Dianne Watson, all Board Members legally present and participating voted unanimously to approve the minutes of the board meeting held on April 11, 2023, as originally drafted.

ITEMS FOR CONSIDERATION

Item 1: Dr. Jennifer Rogers presented the FY 2024 Annual Operating Budget and Program Allocation for final approval. On motion by Dr. Keenum, seconded by Dr. Jackson, all Board Members legally present and participating voted unanimously to approve the final FY 2024 Annual Operating Budget and Program Allocation as presented.

1. Final Approval of the FY 2024 Annual Operating Budget

Request:

The Mississippi Office of Student Financial Aid requests final approval of the Fiscal Year 2024 Annual Operating Budget and Program Allocation.

Summary:

A draft budget and the proposed allocation were presented to the Board in April for initial approval. No changes have been made to the budget and only slight changes are recommended to the allocation.

Chart 1 shows the amount available to SFA from all funding sources for FY 2023 and FY 2024. The FY 2024 Appropriated column shows the funds appropriated. The FY 2024 Allocated column shows the funds allocated. For the upcoming fiscal year, the Legislature appropriated more funds for the Winter-Reed Teacher Loan Repayment program than SFA is able to spend due to limitations in the authorizing legislation; therefore, the allocation for the program is less than the appropriation. Similarly, SFA has more cash on hand (from collections) than was appropriated. Therefore, the allocation of cash on hand is more than the appropriation. Nevertheless, the total amounts allocated equal the total amounts appropriated, so SFA will not exceed its total spending authority. SFA will request reappropriation of the excess Winter-Reed funds in FY 2025. The Annual Operating Budget has not changed since April.

Chart 2 shows the allocation of funds by program. The proposed allocations have changed only slightly since April and the presentation of the funds has changed. The new allocation includes no funds for the Critical Needs Dyslexia Therapy Forgivable Loan program due to a lack of applicants and slightly less for the SREB Regional Contract Forgivable Loan program because the final seat cost, announced in May, is slightly less than what was projected. The new Nurse Retention Loan Repayment Program is being tracked by the Department of Finance and Administration and Legislative Budget Office as a separate budget from the regular SFA Budget. That is why the program is presented separately at the bottom of the chart.

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The proposed allocations are as follows:

- Fund administrative budget with a Personnel increase for a new position and a Contractual Services increase for anticipated programming and IT support costs.
- Fully fund grant budgets (MTAG, MESG, and HELP).
- Award 9 new contract seats and all renewals for SREB, as required in Section 4.
- Award the maximum \$70,000 in funding for SLPL, as allowed in Section 10.
- Award new and renewal applicants on the remaining authorized forgivable loan program, CNDT. All nursing loans were discontinued by SB 2373.
- Award all eligible LAW applicants, as required in Section 5.
- Award up to \$2 million to as many eligible FAITH Scholarship applicants as possible.
- Award 150 new and all renewal teachers through WRTR, as required in Section 12.
- Award about 25,000 high school students through the new dual credit/dual enrollment program.

Recommendation:

Board staff recommends approval of this item.

Chart 1:

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FY 2024 Annual Operating Budget				
Funding Source	FY 2023	FY 2024 Allocated	FY 2024 Appropriated	Unallocated / (Overallocated)
<i>GOVERNMENTAL APPROPRIATIONS</i>				
General Support	\$ 50,631,667	\$ 50,649,256	\$ 50,649,256	\$ -
Other General Support - DE/DC	\$ -	\$ 9,823,000	\$ 9,823,000	\$ -
Education Enhancement Fund - New				
FAITH (New)	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -
Winter-Reed (New)	\$ 2,000,000	\$ 1,150,000	\$ 2,000,000	\$ 850,000
Education Enhancement Fund - Reappropriated				
FAITH (Reappropriated)		\$ 1,000,000	\$ 1,000,000	\$ -
Winter-Reed (Reappropriated)		\$ 1,100,000	\$ 1,100,000	\$ -
State Special Funds - ARPA				
Nursing Loan Repayment	\$ -	\$ 6,000,000	\$ 6,000,000	\$ -
Total Governmental Appropriations	\$ 53,631,667	\$ 70,722,256	\$ 71,572,256	\$ 850,000
<i>GRANTS AND CONTRACTS</i>				
Federal	\$ 3,500,000	\$ -	\$ -	\$ -
State	\$ -	\$ -	\$ -	\$ -
Total Grants and Contracts	\$ 3,500,000	\$ -	\$ -	\$ -
<i>INTEREST INCOME</i>				
Nissan	\$ 10,000	\$ -	\$ -	\$ -
Total Interest Income	\$ 10,000	\$ -	\$ -	\$ -
<i>OTHER SOURCES</i>				
Law Fund	\$ -	\$ 20,000	\$ 20,000	\$ -
Total Other Sources	\$ -	\$ 20,000	\$ 20,000	\$ -
<i>CASH ON HAND</i>				
Estimated Collections	\$ 2,990,000	\$ 2,570,000	\$ 1,720,000	\$ (850,000)
Total Cash on Hand	\$ 2,990,000	\$ 2,570,000	\$ 1,720,000	\$ (850,000)
TOTAL SOURCES OF FUNDING	\$ 60,131,667	\$ 73,312,256	\$ 73,312,256	\$ -

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Chart 2:

FY 2024 Allocation						
Program	FY23 Actual Awards	FY23 Actual Expenditures	FY24 Allocated Awards	FY24 Allocated Amounts	FY24 Appropriated Amounts	Unallocated / (Overallocated)
SFA BUDGET						
1- Administration						
Salaries, Wages and Fringes		\$ 791,606		\$ 822,745	\$ 822,745	\$ -
Travel		\$ 8,000		\$ 8,000	\$ 8,000	\$ -
Contractual Service		\$ 536,040		\$ 620,000	\$ 620,000	\$ -
Commodities		\$ 10,000		\$ 10,000	\$ 10,000	\$ -
Equipment		\$ 10,000		\$ 10,000	\$ 10,000	\$ -
Total Administration		\$ 1,355,646		\$ 1,470,745	\$ 1,470,745	\$ -
2- MTAG/MESG and HELP						
MTAG	17,753	\$ 9,921,151	18,060	\$ 10,473,044	\$ 10,298,248	\$ (174,796)
MESG	3,505	\$ 7,921,120	3,564	\$ 8,141,376	\$ 8,005,496	\$ (135,880)
HELP	<u>4,528</u>	<u>\$ 30,373,123</u>	<u>4,647</u>	<u>\$ 32,313,982</u>	<u>\$ 31,774,658</u>	<u>\$ (539,324)</u>
Total MTAG/MESG and HELP	25,786	\$ 48,215,394	26,271	\$ 50,928,402	\$ 50,078,402	\$ (850,000)
3 - Forgivable Loan Programs						
Teacher Programs:						
CNDT (Graduate)	0	\$ -	0	\$ -	\$ -	\$ -
Nursing Programs:						
NELB	186	\$ 636,365	0	\$ -	\$ -	-
NELM (Graduate)	14	\$ 42,500	0	\$ -	\$ -	-
NELP (Graduate)	9	\$ 31,878	0	\$ -	\$ -	-
NELR	12	\$ 28,834	0	\$ -	\$ -	-
NERM (Graduate)	4	\$ 13,500	0	\$ -	\$ -	-
NTSP (Graduate)	1	\$ 10,000	0	\$ -	\$ -	-
Health-Related Programs:						
SLPL (Graduate)	5	\$ 59,061	5	\$ 70,000	\$ 70,000	\$ -
SREB (Graduate)	<u>31</u>	<u>\$ 595,200</u>	<u>33</u>	<u>\$ 652,608</u>	<u>\$ 652,608</u>	<u>\$ -</u>
Total Forgivable Loan Programs	262	\$ 1,417,338	38	\$ 722,608	\$ 722,608	\$ -
4 - Other						
NEW FAITH Scholarship	0	\$ -	200	\$ 2,000,000	\$ 2,000,000	\$ -
LAW	7	\$ 75,348	10	\$ 117,500	\$ 117,500	\$ -
Nissan	1	\$ 4,949	0	\$ -	\$ -	\$ -
GEER Summer Grant	3,897	\$ 2,985,950	-	-	-	-
Winter-Reed Loan Repayment	<u>236</u>	<u>\$ 813,500</u>	<u>450</u>	<u>\$ 2,250,000</u>	<u>\$ 3,100,000</u>	<u>\$ 850,000</u>
Total Other	4,141	\$ 3,879,747	660	\$ 4,367,500	\$ 5,217,500	\$ 850,000
5 - Dual Enrollment/Dual Credit						
Dual Enrollment/Dual Credit	-	-	24,560	\$ 9,823,000	\$ 9,823,000	\$ -
Total DE/DC	0	\$ -	24,560	\$ 9,823,000	\$ 9,823,000	\$ -
Total Loans, Schols & Grants	30,189	\$ 53,512,479	51,529	\$ 65,841,510	\$ 65,841,510	\$ -
SFA BUDGET	30,189	\$ 54,868,125	51,529	\$ 67,312,256	\$ 67,312,256	\$ -
NULR BUDGET						
1 - Nurse Loan Repayment	0	\$ -	333	\$ 6,000,000	\$ 6,000,000	\$ -
NULR BUDGET	0	\$ -	333	\$ 6,000,000	\$ 6,000,000	\$ -
COMBINED BUDGETS						
Total Administration		\$ 1,355,646		\$ 1,470,745	\$ 1,470,745	\$ -
Total Loans, Schols, and Grants	30,189	\$ 53,512,479	51,862	\$ 71,841,510	\$ 71,841,510	\$ -
COMBINED BUDGETS	30,189	\$ 54,868,125	51,862	\$ 73,312,256	\$ 73,312,256	\$ -

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Item 2: Dr. Rogers presented the FY 2025 Budget Request for approval. On motion by Dr. Keenum, seconded by Dr. Watson, all Board Members legally present and participating voted unanimously to approve the final FY 2025 Budget Request as presented.

2. Approve the FY 2025 Budget Request

Request:

The Mississippi Office of Student Financial Aid requests approval of the Fiscal Year 2025 Budget Request.

Summary:

Board policy Part 601, Chapter 9, Rule 9.1 (IV) states, “Annually, the Board will review the annual legislative budget request for the Mississippi Office of Student Financial Aid and make a budget recommendation to the Agency.”

Chart 3 is the FY 2025 Combined Budget Request with Expenditures by Program. The chart includes the FY 2023 actual awards and expenditures, the FY 2024 appropriated awards and expenditures, the FY 2025 projected awards and expenditures, and the change from FY 2024. The primary changes are as follows:

- Administration: Funds are requested to provide cost of living salary increases for all current employees, hire a new employee to assist with newly created legislative programs, and to provide for the increased cost of programming and other IT-related costs.
- MTAG/MESG and HELP: MTAG is unavailable to students who qualify for the maximum federal Pell grant. The formula for determining eligibility for the federal Pell grant is changing for the 24-25 aid year. More Mississippi residents are expected to be eligible for the maximum Pell grant under the new formula. Therefore, fewer students will be eligible for MTAG. Lack of information from the federal government has limited our ability to project program costs for the coming years. A modest growth rate of 1% is anticipated in the number of recipients for MESG and HELP. The HELP Grant program budget also anticipates tuition increases of 3%.
- Forgivable Loan Programs: SFA requests the Legislature transition the remaining forgivable loan programs to loan repayment programs and phase out funding for the SREB Regional Contract Forgivable Loan program.
- Other: SFA anticipates the need to expand the FAITH Scholarship program to award more students after the first year.
- Dual Enrollment/Dual Credit Scholarship Program: The DEDC scholarship will currently cover the tuition for only six credit hours (typically two courses, either academic or CTE) at a participating Mississippi college or university. However, a joint coalition representing K-12, the community colleges, and the universities requested the program cover up to 15 hours per student. The additional request would provide adequate funding to cover up to 9 hours per student. Additional funding would then be requested in FY 2026 and FY 2027 to gradually expand the program to cover up to 15 hours.
- NULR: In the Nurse Retention Loan Repayment Program, no additional funds will be requested in FY 2025. The \$6,000,000 funding from Coronavirus State and Local Fiscal Recovery Funds will cover awards through FY 2026. Depending on the outcomes of the program, SFA could request funds from a state source beginning in FY 2027 to continue the program.

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Chart 4 is the FY 2025 Combined Budget Request with Funding by Source. The chart shows the FY 2023 budgeted amount, the FY 2024 appropriated amount, the FY 2025 requested amount, and the comparison between FY 2024 and FY 2025. This chart includes the funding sources for both the SFA and NULR budgets.

Exhibit 1 is the FY 2025 SFA Budget Narrative, which corresponds to the SFA budget.

Exhibit 2 is the FY 2025 NULR Budget Narrative, which corresponds to the NULR budget.

Recommendation:

Board staff recommends approval of this item.

Chart 3:

SFA BUDGET - FY 2025									
Expenditures by Program	FY23 Actual Awards	FY23 Actual Expenditures	FY24 Allocated Awards	FY24 AOB / Appropriated Amount	FY25 MBR Awards	FY25 MBR Amounts	FY25 Awards +/- FY24 Allocated	FY25 Amounts +/- FY24 AOB	Change
1- Administration									
Salaries, Wages and Fringes		\$ 791,606		\$ 822,745		\$ 944,883		\$ 122,137	
Travel		\$ 8,000		\$ 8,000		\$ 8,000		\$ -	
Contractual Service		\$ 536,040		\$ 620,000		\$ 620,000		\$ -	
Commodities		\$ 10,000		\$ 10,000		\$ 10,000		\$ -	
Equipment		\$ 10,000		\$ 10,000		\$ 10,000		\$ -	
Total Administration		\$ 1,355,646		\$ 1,470,745		\$ 1,592,883		\$ 122,137	8.3%
2- MTAG/MESG and HELP									
MTAG	17,753	\$ 9,921,151	18,060	\$ 10,298,248	18,060	\$ 10,473,044	0	\$ 174,796	
MESG	3,505	\$ 7,921,120	3,564	\$ 8,005,496	3,600	\$ 8,222,790	36	\$ 217,294	
HELP	4,528	\$ 30,373,123	4,647	\$ 31,774,658	4,693	\$ 33,616,235	46	\$ 1,841,577	
Total MTAG/MESG/HELP	25,786	\$ 48,215,394	26,271	\$ 50,078,402	26,353	\$ 52,312,070	82	\$ 2,233,667	4.5%
3 - Forgivable Loan Programs									
Teacher Programs:									
CNDT (Graduate)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	
Nursing Programs:									
NELB	186	\$ 636,365	0	\$ -	0	\$ -	0	\$ -	
NELM (Graduate)	14	\$ 42,500	0	\$ -	0	\$ -	0	\$ -	
NELP (Graduate)	9	\$ 31,878	0	\$ -	0	\$ -	0	\$ -	
NELR	12	\$ 28,834	0	\$ -	0	\$ -	0	\$ -	
NERM (Graduate)	4	\$ 13,500	0	\$ -	0	\$ -	0	\$ -	
NTSP (Graduate)	1	\$ 10,000	0	\$ -	0	\$ -	0	\$ -	
Health/Science Programs:									
SLPL (Graduate)	5	\$ 59,061	5	\$ 70,000	0	\$ -	-5	\$ (70,000)	
SREB (Graduate)	31	\$ 595,200	33	\$ 652,608	25	\$ 500,000	-8	\$ (152,608)	
Total Forgivable Loan Programs	262	\$ 1,417,338	38	\$ 722,608	25	\$ 500,000	-13	\$ (222,608)	-30.8%
4 - Other									
FAITH Scholarship	0	\$ -	200	\$ 2,000,000	300	\$ 3,000,000	100	\$ 1,000,000	
LAW	7	\$ 75,348	10	\$ 117,500	15	\$ 176,250	5	\$ 58,750	
Nissan	1	\$ 4,949	0	\$ -	1	\$ 10,000	1	\$ 10,000	
GEER Summer Grant	3,897	\$ 2,985,950.00	0	\$ -	0	\$ -	0	\$ -	
Winter-Reed Loan Repay	236	\$ 813,500	450	\$ 3,100,000	450	\$ 2,250,000	0	\$ (850,000)	
Total Other	4,141	\$ 3,879,747	660	\$ 5,217,500	766	\$ 5,436,250	106	\$ 218,750	4.2%
5- Dual Enroll/Dual Credit Schol Prg									
DEDC	0	\$ -	24,560	\$ 9,823,000	25,000	\$ 15,000,000	440	\$ 5,177,000	
Total DEDC	0	\$ -	24,560	\$ 9,823,000	25,000	\$ 15,000,000	440	\$ 5,177,000	52.7%
TOTAL Loans, Schols, Grants	30,189	\$ 53,512,479	51,529	\$ 65,841,510	52,144	\$ 73,248,320	615	\$ 7,406,809	11.2%
TOTAL SFA BUDGET	30,189	\$ 54,868,125	51,529	\$ 67,312,256	52,144	\$ 74,841,202	615	\$ 7,528,947	11.2%
NULR BUDGET - FY 2025									
1 - NULR	0	\$ -	333	\$ 6,000,000	0	\$ -	-333	\$ (6,000,000)	-100%
TOTAL NULR BUDGET	0	\$ -	333	\$ 6,000,000	0	\$ -	(333)	\$ (6,000,000)	-100.0%
COMBINED BUDGETS - FY 2025									
SFA	30,189	\$ 54,868,125	51,529	\$ 67,312,256	52,144	\$ 74,841,202	615	\$ 7,528,947	11.2%
NULR	0	\$ -	333	\$ 6,000,000	0	\$ -	-333	\$ (6,000,000)	-100.0%
TOTAL COMBINED BUDGETS	30,189	\$ 54,868,125	51,862	\$ 73,312,256	52,144	\$ 74,841,202	282	\$ 1,528,947	2.1%

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Chart 4:

COMBINED BUDGETS FY 2025 Funding Sources	FY23 Amount	FY24 AOB / Appropriated Amount	FY25 MBR Amount	FY25 MBR Amount +/- FY24 AOB	Change
<i>GOV. APPROPRIATIONS</i>					
General Support	\$ 50,631,667	\$ 50,649,256	\$ 51,811,202	\$ 1,161,946	2.3%
Other General Support - DE/DC	\$ -	\$ 9,823,000	\$ 15,000,000	\$ 5,177,000	52.7%
<i>EEF - New</i>					
FAITH (New)	\$ 1,000,000	\$ 1,000,000	\$ 3,000,000	\$ 2,000,000	200.0%
Winter-Reed (New)	\$ 2,000,000	\$ 2,000,000	\$ 1,400,000	\$ (600,000)	-30.0%
<i>EEF - Reappropriated</i>					
FAITH (Reappropriated)		\$ 1,000,000	\$ -	\$ (1,000,000)	-100.0%
Winter-Reed (Reappropriated)		\$ 1,100,000	\$ 850,000	\$ (250,000)	-22.7%
<i>State Special Funds - ARPA</i>					
Nursing Loan Repayment	\$ -	\$ 6,000,000	\$ -	\$ (6,000,000)	-100.0%
Total Gov. Appropriations	\$ 53,631,667	\$ 71,572,256	\$ 72,061,202	\$ 488,946	0.7%
<i>GRANTS AND CONTRACTS</i>					
Federal	\$ 3,500,000	\$ -	\$ -	\$ -	-
State	\$ -	\$ -	\$ -	\$ -	-
Total Grants and Contracts	\$ 3,500,000	\$ -	\$ -	\$ -	-
<i>INTEREST INCOME</i>					
Nissan	\$ 10,000	\$ -	\$ 10,000	\$ 10,000	-
Total Interest Income	\$ 10,000	\$ -	\$ 10,000	\$ 10,000	-
<i>OTHER SOURCES</i>					
Law Fund	\$ -	\$ 20,000	\$ 20,000	\$ -	0.0%
Total Other Sources	\$ -	\$ 20,000	\$ 20,000	\$ -	0.0%
<i>CASH ON HAND</i>					
Estimated Collections	\$ 2,990,000	\$ 1,720,000	\$ 2,750,000	\$ 1,030,000	59.9%
Total Cash on Hand	\$ 2,990,000	\$ 1,720,000	\$ 2,750,000	\$ 1,030,000	59.9%
TOTAL SOURCES OF FUNDING	\$ 60,131,667	\$ 73,312,256	\$ 74,841,202	\$ 1,528,946	2.1%

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Exhibit 1:

NARRATIVE FY 2025 BUDGET REQUEST

State Student Financial Aid

The Mississippi Office of Student Financial Aid (SFA) is the administering agency for all state-funded student financial aid programs. The office is guided by a two-fold public service mission to provide financial assistance to students in pursuit of educational and professional goals and to help the state fulfill workforce needs in specific service areas and achieve the goal of a more educated citizenry. The office seeks to build public awareness of the diverse financial resources available through ongoing communication with individuals, colleges and universities, secondary schools, governing boards, legislators, communities, and other constituency groups.

SFA works independently and in partnership with other college prep and planning organizations to build public awareness of the financial resources offered by the state. The office provides direct information through high school counselors, counselor association meetings, and counselor training events. College access partners in turn provide direct information to students. Due in part to these ongoing efforts, the ever-increasing cost of attendance, and the college readiness efforts at the K-12 level, more students than ever before are expected to pursue state-supported financial assistance.

FY 2025 Appropriation Request

On behalf of the students and the state of Mississippi, SFA requests **\$74,841,202 for FY25**, which represents **an increase of \$7,528,947 or 11.2%** over FY24. The FY25 request includes a request for **\$51,811,202 in General Support Funds**, which represents **an increase of \$1,161,946 or 2.3%** over FY24; a request for **\$15,000,000 in Other General Support Funds for Dual Enrollment/Dual Credit**, which represents **an increase of \$5,177,000 or 52.7%** over FY24; a request for **\$4,400,000 in New Education Enhancement Funds**, which represents **an increase of \$1,400,000 or 46.7%** over FY24; a request for **\$850,000 in Reappropriated Education Enhancement Funds**, which represents **a decrease of \$1,250,000 or 59.5%** from FY24; and a request for **\$5,560,000 in Other Special Funds** (includes Federal and State Grants and Contracts, Interest Income, Cash on Hand and Other Sources), which represents **an increase of \$2,080,000 or 59.8%** over FY24.

1-Administration

- I. Program Description: SFA is responsible for the comprehensive planning, management and evaluation processes required to administer the state's many, diverse financial assistance programs. The office assesses and allocates resources, implements fiscal accountability measures, and annually evaluates all program components for compliance with statutes and legislative intent as well as for effectiveness in recruiting and retaining students in higher education in Mississippi.
- II. Program Objective: SFA seeks to communicate the accomplishments, needs, and value of the state's financial assistance programs to numerous and varied constituency groups; to implement effective management strategies; to be wise stewards of state resources; and to provide prompt, quality service.
- III. Current program activities as supported by the funding in Columns 5-12 (FY24 Estimated and FY25 Increase/Decrease for continuations) of MBR-1-03 and designated Budget Unit Decisions columns of MBR-1-03-A: (D) Additional Needs – **\$122,137**: Funds are requested to provide cost of living salary increases for all current employees, hire a new employee to assist with newly created legislative programs, and to provide for the increased cost of programming and other IT-related costs.

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2-MTAG/MESG and HELP

- I. Program Description: SFA is responsible for the comprehensive management, including budgeting, disbursement of funds and evaluation, of three (3) grant programs. In March of 1995, two (2) grant programs, the Mississippi Tuition Assistance Grant (MTAG) and the Mississippi Eminent Scholars Grant (MESG), were created to assist Mississippi students who do not qualify for full Pell grants. In April of 1997, an additional grant program, the Higher Education Legislative Plan for Needy Students (HELP), was created to provide need-based financial assistance, as determined by parental adjusted gross income.
- II. Program Objective: Provide adequate resources to support the delivery of the three (3) grant programs and to ensure compliance with the appropriate state laws in delivering financial aid.
- III. Current program activities as supported by the funding in Columns 5-12 (FY24 Estimated and FY25 Increase/Decrease for continuations) of MBR-1-03 and designated Budget Unit Decisions columns of MBR-1-03-A: (D) Additional Needs – **\$2,233,667**: MTAG is unavailable to students who qualify for the maximum federal Pell grant. The formula for determining eligibility for the federal Pell grant is changing for the 24-25 aid year. More Mississippi residents are expected to be eligible for the maximum Pell grant under the new formula. Therefore, fewer students will be eligible for MTAG. Lack of information from the federal government has limited our ability to project program costs for the coming years. A modest growth rate of 1% is anticipated in the number of recipients for MESG and HELP. The HELP Grant program budget also anticipates tuition increases of 3%. The **MTAG request is \$10,473,044**, which represents an **increase of \$174,796** over FY24. The **MESG request is \$8,222,790**, which represents an **increase of \$217,294** over FY24. The **HELP request is \$33,616,2350**, which represents an **increase of \$1,841,577** over FY24.

3-FORGIVABLE LOAN AND REPAYMENT PROGRAMS

- I. Program Description: For future teachers, SFA operates the legislatively created Critical Needs Dyslexia Therapy Teacher Forgivable Loan Program (CNDT). SFA also continues to administer two health/science related programs: Speech-Language Pathologist Forgivable Loan Program (SLPL) and the Southern Regional Education Board Forgivable Loan Program for optometry (SREB).
- II. Program Objective: Student Financial aid programs have been developed:
 - a. To meet demonstrated critical shortages in the fields of medicine, nursing, nursing education, physical and natural sciences, and teacher education;
 - b. To attract, educate, and retain qualified teachers and medical personnel to serve the people of Mississippi;
 - c. To insure that the best interest of Mississippi is served by providing students with financial assistance for programs of study not offered in regularly supported Mississippi institutions; and
 - d. To manifest the belief that the continued growth and development of Mississippi requires improved levels of postsecondary educational attainment; and
 - e. To meet the needs of specific student groups.
- III. Current program activities as supported by the funding in Columns 5-12 (FY24 Estimated and FY25 Increase/Decrease for continuations) of MBR-1-03 and designated Budget Unit Decisions columns of MBR-1-03-A: (D) Additional Needs – **(\$222,608)**: A decrease in expenditures for the Forgivable Loan Programs is requested. SFA, under advisement from the Mississippi Postsecondary Education Financial Assistance Board (Postsecondary Board or Board), requests the Legislature target available funds to ensure full funding of the undergraduate grant programs, and transition the remaining forgivable loan programs to loan repayment programs. *Miss. Code Ann. § 37-106-14 (2)* requires the

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Board to award grants first and limit loans to renewal applicants only on a first-come, first-served basis with preference for renewals. The Postsecondary Board is also requesting the Legislature phase out funding for the SREB Regional Contract program, because the Board advocates for loan repayment programs instead of forgivable loan programs.

TEACHER PROGRAM:

The Critical Needs Dyslexia Therapy Teacher Forgivable Loan (CNDT) funds are available to Mississippi teachers who are seeking a Class AA Educator's License with a 203 Endorsement for Dyslexia Therapy. The **CNDT request for FY25 is \$0**, which represents **no change from FY24**.

NURSING PROGRAMS:

The Nursing Education Forgivable Loan Programs – Bachelor's (NELB); Master's (NELM); Ph.D./DNP (NELP); RN to BSN (NELR); and RN to MSN (NERM) were all repealed in SB 2373 by the 2023 Mississippi Legislature. Also repealed was the Nursing Teacher Stipend Forgivable Loan Program (NTSP).

HEALTH/SCIENCE RELATED PROGRAMS:

The Speech-Language Pathologist Forgivable Loan Program (SLPL) was first created by the 2012 Legislature for students seeking a first master's degree in Speech-Language Pathology, Communicative Disorders, or Communication Sciences and Disorders. The loan will be forgiven for recipients who serve as licensed speech-language pathologists in a Mississippi public or charter school for one year for each year of funding received. The **SLPL request for FY25 is \$0** which represents a **decrease of \$70,000 from FY24**.

The Southern Regional Education Board Forgivable Loan Programs (SREB) awards students in out-of-state optometry programs contracted through the SREB Regional Contract Program. Mississippi contracts 9 seats per entering class, for a total of 36 contract seats each year. The cost of each contract seat typically increases annually. Rates are unknown for FY 25. Nevertheless, because no other forgivable loan programs have been funded in recent years, SFA, under direction of the Postsecondary Board, requests the Legislature phase out the SREB program in order to target all available funds for the undergraduate grant programs and loan repayment programs. To phase out the program, SFA would award renewal students only. The **SREB request is \$500,000 for 25 seats**, which represents a **decrease of \$152,608 from FY24**.

4. OTHER

- I. Program Description: SFA operated the GEER Summer Grant during the summer of 2022 and received spending authority in both FY22 and FY23. This program concludes in FY23. SFA will operate the FAITH Scholarship beginning in FY24, which will be funded through EEF funds deposited in the FAITH Scholarship Trust. SFA operates the William F. Winter and Jack Reed, Sr. Teacher Loan Repayment Program (WRTR), which is funded separately through EEF funds deposited in the Winter-Reed Trust. SFA operates the Law Enforcement Officers and Firemen Scholarship Program (LAW), which is funded by the Mississippi Legislature and partially through a special fund, and the Nissan Scholarship, which is funded through the Nissan Trust.
- II. Program Objective: Student Financial aid programs have been developed:
 - a. To manifest the belief that the continued growth and development of Mississippi requires improved levels of postsecondary educational attainment and
 - b. To meet the needs of specific student groups.

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- III. Current program activities as supported by the funding in Columns 5-12 (FY24 Estimated and FY25 Increase/Decrease for continuations) of MBR-1-03 and designated Budget Unit Decisions columns of MBR-1-03-A: (D) Additional Needs – **\$218,750**: An overall increase in expenditures for the Other programs is expected. Increases and decreases are requested as follows for the following programs based on increases and decreases in demand and eligibility.

The Representative Bill Kinkade Fostering Access and Inspiring True Hope (FAITH) Scholarship was created during the 2022 Legislative Session to make full awards to students who have interacted with the state's foster care system. SFA will begin to make awards in FY24. The **FAITH FY25 request is a total \$3,000,000**, which represents a **\$1,000,000 increase over the FY24 budget**. For the total requested, \$3,000,000 is requested in new EEF funds.

The Law Enforcement Officers and Firemen Scholarship Program (LAW) provides education to the dependent children or spouses of deceased or disabled service men and women. The **FY25 LAW request is \$176,250**, which represents an **increase of \$58,750 over FY24**.

The Nissan Scholarship Program (NISS) provides aid to students at public institutions who major in a field that will advance the automotive industry in Mississippi. The **NISS request is \$10,000**, which represents an **increase of \$10,000 over FY24**.

The William F. Winter – Jack Reed, Sr. Teacher Loan Repayment Program (WRTR) helps new teachers repay their undergraduate student loans. The **FY25 WRTR request is \$2,250,000**, which represents a **decrease of \$850,000 from FY24**. Additional funding was appropriated for WRTR in FY24 than was needed. For the total requested, \$1,400,000 is requested in new EEF funds and \$850,000 is requested for the lapsed EEF funds originally appropriated in FY24 to be re-appropriated.

5. DUAL ENROLLMENT/DUAL CREDIT SCHOLARSHIP PROGRAM

- I. Program Description: SFA administers the Dual Enrollment/Dual Credit Scholarship program was created by the 2023 Mississippi Legislature to provide funds for Mississippi students to earn college credit while still in high school.
- II. Program Objective: To offer improved opportunities for qualified high school students to simultaneously enroll in college courses that provide pathways leading to academic or career technical postsecondary credit.
- III. Current program activities as supported by the funding in Columns 5-12 (FY24 Estimated and FY25 Increase/Decrease for continuations) of MBR-1-03 and designated Budget Unit Decisions columns of MBR-1-03-A: (D) Additional Needs – **\$5,177,000**: The scholarship will currently cover the tuition for only six credit hours (typically two courses, either academic or CTE) at a participating Mississippi college or university. However, a joint coalition representing K-12, the community colleges, and the universities requested the program cover up to 15 hours per student. The **FY25 DEDC request is \$15,000,000**, which represents an **increase of \$5,177,000 or 52.7% over FY24**. The request would provide adequate funding to cover up to 9 hours per student. Additional funding would be requested in FY 2026 and FY 2027 to gradually expand the program to cover up to 15 hours.

Funding Request Explanation:

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SFA requests \$74,841,202 for FY25, which includes \$66,811,202 in General Funds (Section 1) and \$7,180,000 in Special Funds (Section 2). The General Funds request includes \$15 million for the Dual Enrollment/Dual Credit Scholarship Program, which was funded separately (SB 2961) in FY24 but will be included in the SFA Appropriation moving forward. The Special Funds request includes \$4,400,000 in new EEF Funds (\$3,000,000 for FAITH and \$1,400,000 for WRTR) and \$2,780,000 in spending authority for investments (\$10,000 for NISS and \$20,000 for LAW) and cash on hand from collections (\$2,750,000).

The total budget request also includes \$850,000 in lapsed FY24 WRTR funds to be reappropriated in FY25. According to Mississippi Code Section 37-106-36, “money in the fund at the end of the fiscal year shall not lapse.”

Exhibit 2:

NARRATIVE
FY 2025 BUDGET REQUEST

Nurse Retention Loan Repayment Program

The Mississippi Office of Student Financial Aid (SFA) is the administering agency for the Nurse Retention Loan Repayment Program, which was created by the 2023 Mississippi Legislature in SB 2373.

FY 2025 Appropriation Request

SFA requests **\$0 for FY25**, which represents a **decrease of \$6,000,000 or 100.0%** from FY24.

1-NULR

- I. Program Description: SFA is responsible for the comprehensive management of the Nurse Retention Loan Repayment Program.
- II. Program Objective: To minimize the healthcare industry’s workforce shortages by creating an incentive and reducing barriers in the form of loan repayment program for RNs and LPNs to enter the nursing profession and become established on a solid career pathway.
- III. Current program activities as supported by the funding in Columns 5-12 (FY24 Estimated and FY25 Increase/Decrease for continuations) of MBR-1-03 and designated Budget Unit Decisions columns of MBR-1-03-A: (D) Additional Needs – **(\$6,000,000)**: No additional funds are requested. The \$6,000,000 funding from Coronavirus State and Local Fiscal Recovery Funds will cover awards through FY 2026. Depending on the outcomes of the program, SFA could request funds from a state source beginning in FY 2027 to continue the program.

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Item 3: Dr. Rogers requested approval of Student Financial Aid's five-year strategic plan. On motion by Dr. Jackson, seconded by Dr. Watson, all Board Members legally present and participating voted unanimously to approve the FY 2025-2029 Five-Year Strategic Plan as presented.

3. Approve the FY 2025-29 Five-Year Strategic Plan

The Mississippi Office of Student Financial Aid requests approval of the FY 2025-29 Five-Year Strategic Plan. Board policy does not currently require approval of the Five-Year Strategic Plan, but the Plan is required annually by the Legislative Budget Office.

Chart 5 is the FY 2025-29 Five-Year Strategic Plan with Expenditures by Program. The plan includes the SFA budget, the NULR budget, and the Combined budgets. There is no written strategic plan for the NULR budget, because the program is funded with Coronavirus State and Local Fiscal Recovery Funds. Beyond the FY 2025 request noted above, the plan anticipates the following changes:

- Administration: Funds are requested to provide cost of living salary increases for all current employees.
- MTAG/MESG and HELP: Lack of information about the impact of the upcoming Pell formula changes has limited our ability to project program costs for the coming years. A modest growth rate of 1% is anticipated in the number of recipients for MESG and HELP through FY 2027. The HELP Grant program budget also anticipates tuition increases of 3% each year.
- Forgivable Loan Programs: SFA requests the Legislature transition the remaining forgivable loan programs to loan repayment programs and phase out funding for the SREB Regional Contract Forgivable Loan program by FY 2027.
- Other: SFA anticipates the need to expand the FAITH Scholarship program to award more students after the first year.
- Dual Enrollment/Dual Credit Scholarship Program: The DEDC scholarship will currently cover the tuition for only six credit hours (typically two courses, either academic or CTE) at a participating Mississippi college or university. Additional funding would then be requested in FY 2026 and FY 2027 to gradually expand the program to cover up to 15 hours.
- NULR: No additional funds will be requested. Depending on the outcomes of the program, SFA could request funds from a state source beginning in FY 2027 to continue the program.

Chart 6 is the FY 2025-29 Five-Year Strategic Plan with Funding by Source. The plan includes the SFA budget, the NULR budget, and the combined budgets.

Exhibit 3 is the FY 2025-29 SFA Five-Year Strategic Plan Narrative.

Recommendation:

Board staff recommends approval of this item.

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Chart 5:

SFA 5-Year Strategic Plan (FY 2025 - FY 2029)					
Expenditures by Program	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
1- Administration					
Salaries, Wages and Fringes	\$ 944,883	\$ 973,229	\$ 1,002,426	\$ 1,032,499	\$ 1,063,474
Travel	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
Contractual Service	\$ 620,000	\$ 620,000	\$ 620,000	\$ 620,000	\$ 620,000
Commodities	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Equipment	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Total Administration	\$ 1,592,883	\$ 1,621,229	\$ 1,650,426	\$ 1,680,499	\$ 1,711,474
2- MTAG/MESG and HELP					
MTAG	\$ 10,473,044	\$ 10,473,044	\$ 10,473,044	\$ 10,473,044	\$ 10,473,044
MESG	\$ 8,222,790	\$ 8,305,018	\$ 8,388,068	\$ 8,388,068	\$ 8,388,068
HELP	\$ 33,616,235	\$ 34,970,970	\$ 36,380,300	\$ 37,471,709	\$ 38,595,860
Total MTAG/MESG and HELP	\$52,312,070	\$53,749,032	\$55,241,412	\$56,332,821	\$57,456,972
3 - Forgivable Loan Programs					
Teacher Programs:					
CNDT (Graduate)	\$ -	\$ -	\$ -	\$ -	\$ -
Nursing Programs:					
NELB	\$ -	\$ -	\$ -	\$ -	\$ -
NELM (Graduate)	\$ -	\$ -	\$ -	\$ -	\$ -
NELP (Graduate)	\$ -	\$ -	\$ -	\$ -	\$ -
NELR	\$ -	\$ -	\$ -	\$ -	\$ -
NERM (Graduate)	\$ -	\$ -	\$ -	\$ -	\$ -
NTSP (Graduate)	\$ -	\$ -	\$ -	\$ -	\$ -
Health/Science Related Programs:					
SLPL	\$ -	\$ -	\$ -	\$ -	\$ -
SREB	\$ 500,000	\$ 357,000	\$ 198,000	\$ -	\$ -
Total Forgive Ln/Repay Programs	\$ 500,000	\$ 357,000	\$ 198,000	\$ -	\$ -
4 - Other					
FAITH Scholarship	\$ 3,000,000	\$ 4,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
LAW	\$ 176,250	\$ 176,250	\$ 176,250	\$ 176,250	\$ 176,250
Nissan	\$ 10,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
GEER Summer Grant	\$ -	\$ -	\$ -	\$ -	\$ -
Winter-Reed Loan Repay	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000
Total Other	\$ 5,436,250	\$ 6,446,250	\$ 7,446,250	\$ 7,446,250	\$ 7,446,250
5- Dual Enroll/Dual Credit Schol Prg					
DEDC	\$ 15,000,000	\$ 20,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000
Total DEDC	\$15,000,000	\$20,000,000	\$25,000,000	\$25,000,000	\$25,000,000
TOTAL Lns, Schols, Grants	\$73,248,320	\$80,552,282	\$87,885,662	\$88,779,071	\$89,903,222
TOTAL SFA BUDGET	\$74,841,202	\$82,173,511	\$89,536,088	\$90,459,570	\$91,614,696
NULR 5-Year Strategic Plan (FY 2025 - FY 2029)					
1 - NULR	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL NULR BUDGET	\$ -	\$ -	\$ -	\$ -	\$ -
COMBINED BUDGETS 5-Year Strategic Plan (FY 2025 - FY 2029)					
SFA	\$ 74,841,202	\$ 82,173,511	\$ 89,536,088	\$ 90,459,570	\$ 91,614,696
NULR	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL COMBINED BUDGETS	\$74,841,202	\$82,173,511	\$89,536,088	\$90,459,570	\$91,614,696

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Chart 6:

SFA 5-Year Strategic Plan (FY 2025 - FY 2029)					
Funding Source	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<i>GOV. APPROPRIATIONS</i>					
General Support	\$ 51,811,202	\$ 54,383,511	\$ 56,496,088	\$ 57,669,570	\$ 58,824,696
Other General Support - DE/DC	\$ 15,000,000	\$ 20,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000
<i>EEF - New</i>					
FAITH (New)	\$ 3,000,000	\$ 4,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Winter-Reed (New)	\$ 1,400,000	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000
<i>EEF - Reappropriated</i>					
FAITH (Reappropriated)	\$ -	\$ -	\$ -	\$ -	\$ -
Winter-Reed (Reappropriated)	\$ 850,000	\$ -	\$ -	\$ -	\$ -
<i>State Special Funds - ARPA</i>					
Nursing Loan Repayment	\$ -	\$ -	\$ -	\$ -	\$ -
Total Gov. Appropriations	\$72,061,202	\$80,633,511	\$88,746,088	\$89,919,570	\$91,074,696
<i>GRANTS AND CONTRACTS</i>					
Federal	\$ -	\$ -	\$ -	\$ -	\$ -
State	\$ -	\$ -	\$ -	\$ -	\$ -
Total Grants and Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
<i>INTEREST INCOME</i>					
Nissan	\$ 10,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Total Interest Income	\$ 10,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
<i>OTHER SOURCES</i>					
Law Fund	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Total Other Sources	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
<i>CASH ON HAND</i>					
Estimated Collections	\$ 2,750,000	\$ 1,500,000	\$ 750,000	\$ 500,000	\$ 500,000
Total Cash on Hand	\$ 2,750,000	\$ 1,500,000	\$ 750,000	\$ 500,000	\$ 500,000
TOTAL SOURCES OF FUNDING	\$74,841,202	\$82,173,511	\$89,536,088	\$90,459,570	\$91,614,696

Exhibit 3:

**The Mississippi Office of Student Financial Aid
157-00**

2025-2029 Five-Year Strategic Plan

1. Comprehensive Mission Statement

The two-fold public service mission of the Mississippi Office of Student Financial Aid is to provide financial assistance to students in pursuit of educational and professional goals and to help the state achieve the goal of a more educated citizenry while alleviating critical workforce needs in specific service areas.

2. Philosophy

The Mississippi Office of Student Financial Aid is committed to the advancement of our state through education and workforce development. It is our belief that student financial assistance benefits not only the individual but also the general public. The philosophy of the Office is to alleviate the familial

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burden of paying for college, while being good stewards of the state's limited resources. The Office strives to operate efficiently by utilizing technology and leveraging partnerships; transparently by reporting on our operations and being accessible to the public; and safely by complying with all state and federal laws enacted for the protection of privacy.

3. Relevant Statewide Goals and Benchmarks

Statewide Goal #1: Economic Development – To develop a robust state economy that provides the opportunity for productive employment for all Mississippians.

Relevant Benchmarks #1:

- Percentage of the civilian non-institutional population 16 years and over employed
- Job vacancy rate, by industry and occupation
- Wage and salary disbursements (total earnings)
- Average annual pay
- Median household income
- Percentage of workers whose family income falls above 150% of the federal poverty guidelines

Statewide Goal #2: Public Schools - To make available a quality K-12 public education for all Mississippians that prepares them, upon high school graduation, to either enter the labor force with an employable skill or to successfully complete a higher education program.

Relevant Benchmarks #2:

- Percentage of public school core academic subject classes staffed with teachers who are highly qualified
- Percentage of public school teachers certified through alternative programs

Statewide Goal #3: Higher Education - To make available an accessible, quality public higher education at an affordable cost that prepares Mississippians to become productive, financially self-sufficient members of society while meeting the human resource needs of Mississippi and its employers, including the creation of new jobs through the commercialization of university-based research.

Relevant Benchmarks #3:

- Percentage of full-time, first-time enrollment cohort who earns half of the total required credit hours for graduation by the end of the first year at a community college or by the end of the second year at a university
- Percentage of full-time, first-time enrollment cohort who graduate with a college credential in the appropriate time-frame
- Percentage of state's population age 25 years and over with a bachelor's degree or higher
- Number of graduates in high-need disciplines (i.e., science, technology, engineering, math, education, including non-teaching areas and nursing), by discipline
- Number of graduates in teaching from Mississippi public higher educational institutions
- Percentage of teacher candidates from Mississippi public higher educational institutions who become Mississippi public school teachers following graduation
- Percentage of graduates in high-need disciplines practicing in Mississippi, by discipline
- Percentage of Mississippi median family income required to cover tuition and fees at Mississippi community colleges and at Mississippi public four-year higher educational institutions
- Average student debt upon graduation

Statewide Goal #4: Health – To protect Mississippians from risks to public health and to provide them with the health- related information and access to quality healthcare necessary to increase the length and quality of their lives.

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Relevant Benchmarks #4:

- Number of health professional shortage areas
- Number of practitioners needed to remove health professional shortage area designations, by type of practitioner.

Statewide Goal # 5: To create an efficient government and an informed and engaged citizenry that helps to address social problems through the payment of taxes, the election of capable leaders at all levels of government, and participation in charitable organizations through contributions and volunteerism.

Relevant Benchmarks #5:

- Administrative efficiency: Expenditures on state government administrative activities as a percentage of total operational expenditures
- Average wait time for state government services
- Number and average cost of regulatory actions taken, by regulatory body and type of action
- State dollars saved by providing government services online (e.g., document retrieval, issuance of new business permits, license renewal)

4. Overview of the Agency 5-Year Strategic Plan:

The Mississippi Office of Student Financial Aid will continue to administer effectively and efficiently the state's many, diverse financial assistance programs. The Office will budget responsibly and provide meaningful support to the Postsecondary Education Financial Assistance Board. The Office seeks to make college more accessible to and affordable for Mississippi students through the timely, simple disbursement of financial aid.

The Office will continue efforts to improve communication with students, parents, and high school counselors about the state-supported financial aid programs available. The Office partners closely with the staff of Get2College, a program of the Woodward Hines Education Foundation (WHEF). Get2College offers free college planning and financial aid help to students statewide. The staff of Get2College is highly knowledgeable of college access and is cross-trained on state financial aid. The Office will continue to utilize social media and conduct workshops for high school counselors, but the Office will rely more heavily on partners like Get2College to represent state aid at college fairs, College Nights/Parent Nights, and other outreach initiatives. The Office will also coordinate its efforts with the Mississippi Association of Student Financial Aid Administrators, the ACT Council and State Organization, College Countdown, Mississippi Counselors Association, and the Magnolia School Counselors Association among others.

The accessibility of all state-funded financial aid programs will be evaluated annually through careful monitoring of program rules and regulations and the application process to determine if any such rules and regulations and/or the application process have consistently limited student access to a program or created an undue hardship to eligible applicants.

The Office will maximize its use of technology to provide efficient delivery of financial resources to students, accurate assessment of program development, and increased personnel productivity.

The Office will implement management strategies that ensure all authorized programs grow and develop in an orderly and rational manner, that the resources entrusted to the office are used effectively and efficiently, and that the programs and services of the system are of the highest quality.

The Office will administer the residency-based Mississippi Resident Tuition Assistance Grant (MTAG) and the merit-based Mississippi Eminent Scholars Grant (MESG) according to law to make college more accessible and affordable for some Mississippi students. MTAG is unavailable to students who qualify for the maximum federal Pell grant. The formula for determining eligibility for

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the federal Pell grant is changing for the 24-25 aid year. More Mississippi residents are expected to be eligible for the maximum Pell grant under the new formula. Therefore, fewer students will be eligible for MTAG. Lack of information from the federal government has limited our ability to project program costs for the coming years. At this time, no increase in appropriation is requested for MTAG in the upcoming years. A modest growth rate of 1% is anticipated in the number of recipients for MESG through FY 2027.

The Office will continue to advocate for more need-based aid programs to ensure that low- and moderate-income Mississippi students have access to affordable higher education opportunities. Currently, low-income students (full Pell-eligible) cannot by law qualify for MTAG, but can qualify for the Higher Education Legislative Plan for Needy Students (HELP) by also meeting certain academic requirements. The HELP program provides full tuition scholarships to students with demonstrated financial need who are college ready upon graduating from high school. The program grew rapidly in recent years, but the rapid annual growth has stabilized as expected. A modest growth rate of 1% is anticipated in the number of recipients for HELP through FY 2027. The HELP Grant program budget also anticipates tuition increases of 3% every year.

The Office will administer the state's forgivable loan programs according to law to help the state achieve the goal of a more educated citizenry while alleviating critical workforce needs in specific service areas. As a part of these efforts, the Office will work with the State Department of Education to monitor the teacher shortage issue to effectively project needed resources and to propose necessary program enhancements which promote teacher education, specifically at the undergraduate level. Data show forgivable loan programs to be ineffective and inefficient. The Office will continue to work with the Postsecondary Board and legislators to make data-driven recommendations for the elimination, consolidation, and/or conversion to loan repayment programs of the state's many forgivable loan programs.

The Office will administer the Dual Enrollment/Dual Credit Scholarship Program according to law to help the state achieve the goal of a more educated citizenry by encouraging more high school students to get a head start on college level coursework. The DEDC Scholarship Program will currently cover the tuition for only six credit hours (typically two courses, either academic or CTE) at a participating Mississippi college or university. However, a joint coalition representing K-12, the community colleges, and the universities requested the program cover up to 15 hours per student. The FY 2025 request will provide adequate funding to cover up to 9 hours per student. Additional funding will then be requested in FY 2026 and FY 2027 to gradually expand the program to cover up to 15 hours.

5. Agency's External/Internal Assessment:

External Assessment:

- a) Funding - Funding instability is an ongoing threat to the effective and efficient administration of student financial aid. Annually, the Office requests the funds needed to fully award all students who demonstrate eligibility for the programs as established by state law. When the amount appropriated is less than the amount needed, the Office must work with the Postsecondary Board to make difficult decisions regarding who will be awarded and who will not in order to balance the budget as required by law. Mississippi law requires that awards be made first to all undergraduate grant applicants, then to loan applicants on a first-come, first-served basis. If funds are still inadequate, then grant funds must be pro-rated. In recent years, the uncertainty of receiving a deficit appropriation resulted in late awards and student frustration and fear.
- b) Timing – The timing of the budget process coupled with the uncertainty of full funding results in SFA making award offers to students in July before the plan to start college in August. Ideally, a mechanism to “forward fund” financial aid would be created so that the appropriation received in one year would actually fund the awards made in the next aid year. This would require two years worth of funding in the initial year but would allow the Office to make award offers to students as they apply and become eligible rather than waiting until a month before school starts in August to make awards.

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- c) Newly Created Programs - The creation of new state student financial aid programs places an increased administrative burden on the Office. Although funding is often appropriated for the purpose of making awards through newly created programs, additional funding for administration is typically not provided. Adequate time for implementation often is not allowed. The Office cannot implement a grant or loan program in three to five months. A full aid year is needed between the creation of a program and the anticipated implementation.
- d) Need-Based Aid – Despite the growth of the HELP grant, additional need-based aid is needed to improve college access and affordability to help the state meet its education attainment goal, Ascent to 55%.
- e) Program Changes - Legislative changes to existing programs will impact student eligibility rates, award rates, and the amount of money needed to award eligible students.
- f) Student Choice - Student choice and performance continuously impact award rates and award amounts. College of enrollment and major can impact whether or not a student is eligible for some state aid as well as the amount of aid for which the student is eligible. Academic performance, such as hours completed and GPA, can also impact whether or not a student establishes and/or maintains aid eligibility.
- g) Federal Expected Family Contribution (EFC) - Changes to the auto-zero EFC income threshold for federal aid eligibility impacts eligibility for the Mississippi Resident Tuition Assistance Grant. An increase to the threshold will decrease eligibility for MTAG. A decrease to the threshold will increase eligibility for MTAG. The federal EFC is changing to the Student Aid Index (SAI) in 2024-25 and will include negative figures. Projections from national organizations indicate that more students nationally will be eligible for maximum Pell grants. However, lack of information from Federal Student Aid has prevented SFA from modeling this change to determine its impact on projected program costs.
- h) FAFSA Simplification – Congress recently passed legislation to simplify the FAFSA form and to change other rules related to the premier federal aid programs. SFA is working with a task force of other states to create models to understand how the federal aid changes will impact state aid.
- i) Federal Rules - Reauthorization of the Higher Education Act is overdue. It is believed that the reauthorization legislation will likely provide for a new Federal-State Partnership program to provide additional need-based financial aid in the states. In order for the state to participate, such a program would require an increased investment in need-based aid to meet the matching requirements for the state to participate.
- j) Interest Rate - The interest rate charged on state forgivable loans is equal to the unsubsidized federal student loan rate at the time a student enters repayment. As the federal rate increases and decreases, so does the state rate. The federal rate changes annually with the 10-Year Treasury Note. Due to the future variability of federal student loan interest rates, it is difficult to estimate the future revenue stream from interest income collected on the repayment of state forgivable loans.
- k) Collections - As a result of past efforts to improve default prevention practices, more students are completing the service obligation and fewer are defaulting or entering repayment. Also, fewer loans have been issued in recent years due to the budget shortfalls. Therefore, the revenue collected on the repayment of loans declined significantly in FY 2023 and is expected to remain depressed in future years as fewer students enter monetary repayment, leaving the Office more dependent upon General Fund appropriations to meet budgetary demands.
- l) Administrative Burden - Federal regulations can impact the administration of state financial aid, particularly the administration of loans. In recent years, the Office has responded to new regulations requiring multiple disclosures on all non-federal loans (even state loans); intensified identity theft protection rules; changes to allowable collection costs; and restrictions on the use of telephone technology to contact borrowers. The Office incurs costs to comply with new federal and state regulations.

Internal Assessment:

- a) All funds administered by the Board shall be accounted for in an annual report that shall be submitted to the Legislature within ten (10) days after the convening of each new legislative session. The report should detail for each grant, scholarship, or forgivable loan program the

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number of recipients, the total amount of awards made, and the average award amount. The report shall include the number of students at each institution receiving financial assistance and the amount of such assistance. For forgivable loan programs, the report shall also include a summary of the repayment status and method of repayment for student cohorts as well as an accounting of the receipt of funds in repayment. Furthermore, all funds received and expended shall be reported and otherwise accounted for in accordance with the provisions of Section 37-106-11, Mississippi Code of 1972, except where individual identifying information must be withheld pursuant to the Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g; 34 CFR Part 99.

- b) The Office continuously assesses the state's financial aid programs.
1. The Office worked with the Harvard University Kennedy School of Government on a project using Regression Discontinuity Design Method to evaluate the Mississippi Eminent Scholars Grant (MESG) and the Mississippi Resident Tuition Assistance Grant (MTAG) on their impact on in-state enrollment and degree completion.
 2. The Office applied for and received "Technical Assistance" from the Education Commission of the States as part of its Redesigning State Financial Aid project. ECS reviewed Mississippi's state aid programs through the lens of four principles of redesign. These four principles maintain that 1) aid programs should be student centered; 2) aid programs should be goal driven and data informed; 3) aid programs should be timely and flexible; and 4) aid programs should be broadly inclusive.
 3. Lifetracks has been expanded to include data from Student Financial Aid. NSPARC published a report regarding the effectiveness of state aid programs. The report found:
 - a. First-year retention rates and six-year graduation rates are higher for state aid recipients in every program (MTAG, MESG, and HELP) than for similar (racially, socio-economically, academically, etc.) non-recipients. The study addresses questions of academic success and suggests that each program promotes improved outcomes for enrolled students.
 - b. The study does not address questions related to access for MTAG and HELP. For example, the study cannot tell us whether low-income students are more likely to pursue a college degree because of state grant availability.
 - c. The study indicates that MESG does not increase or impact in-state enrollment rates but does increase enrollment in four-year colleges over two-year colleges.
 4. The Office continues to work with the Postsecondary Board to develop recommendations to be presented to the Mississippi Legislature for redesigning the state student financial aid programs to be more effective and efficient.

Internal Management System

The Office operates under the auspices of the Mississippi Institutions of Higher Learning, which oversees the daily administration of state student financial aid. The Office works closely with the Mississippi Postsecondary Education Financial Assistance Board, which bears authority for all aspects of the state financial aid programs and the administrative rules governing those programs. The Postsecondary Board meets about four or five times a year to address program and budget-related issues.

6. Agency Goals, Objectives, Strategies and Measures for FY 2025 through FY 2029:

BUDGET PROGRAM 1: Administration

GOAL A: Effectively and efficiently administer the state's many, diverse financial assistance programs.

OBJECTIVE A.1.: Assess the availability of resources and budget available resources in a responsible manner.

Outcome: Percentage of eligible applicants receiving state financial aid.

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STRATEGY A.1.1.: Use applicable trend data (related to high school graduation, college-going, out-migration/in-migration, tuition/Cost of Attendance, etc.) to predict future take-up rates for various financial aid programs.

Output: Accurate projection model to determine future budget needs as indicated by minimal difference between projected award amounts on the MBR (budget request) and actual expenditures on awards.

Explanatory: The accuracy of the projection model is greatly impacted by the factors identified in the external assessment in section 5, particularly the creation of new programs and changes to existing programs.

STRATEGY A.1.2.: Allocate appropriated funds in compliance with statute.

Output: Total amount of Annual Operating Budget

Output: Number of Financial Aid Programs administered

Output: Eligible applicants receiving student financial aid through programs administered by the Office

Output: Total amount of aid awarded to students through programs administered by the Office

Efficiency: Annual cost to administer the state's financial aid programs.

Efficiency: Administrative cost per eligible financial aid recipient.

Efficiency: Administrative cost as a percentage of the Annual Operating Budget.

OBJECTIVE A.2.: Provide support and guidance to the Postsecondary Education Financial Assistance Board.

Outcome: The Postsecondary Board responds in a timely manner to questions related to the administration of state financial aid programs as indicated by the average response time in days.

Outcome: Compliance with all statutes, policies, and rules governing the state's student financial aid programs.

Outcome: Compliance with the APA guidelines for changing program Rules and Regulations.

Outcome: Compliance with all federal laws related to financial aid, privacy, lending, collection of debt, etc.

STRATEGY A.2.1.: Annually review the Board-approved Rules and Regulations for each program and the General Administration Rules and Regulations

Output: Agenda items to address issues and concerns related to program and administration rules

Output: Number of Postsecondary Board meetings

OBJECTIVE A.3.: Effectively and efficiently manage the annual State Aid application, award, and disbursement process.

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Outcome: Provide access to all State Aid related information online.

Outcome: Limit the wait time for receipt of government services by communicating electronically, as evidenced by the availability of all communication in electronic format.

Outcome: Minimize the cost of human capital required to process the ever-increasing number of applications by utilizing technology, as evidenced by the number of full-time employees.

Outcome: Effective and efficient delivery of student financial aid dollars to the colleges and universities for distribution to students

STRATEGY A.3.1.: Annually update the online application for State Aid.

Output: Number of applications processed annually.

Output: Number of documents processed annually.

GOAL B: Maximize the role State Aid plays in recruiting and retaining students in higher education.

OBJECTIVE B.1.: Promote awareness of the available state-supported financial aid programs among students, parents, and school counselors.

Outcome: Increase the number of state applications completed, as evidenced by the percent increase over the previous year.

Outcome: Increase the number of students receiving aid, as evidenced by the percent increase over the previous year.

Outcome: Effective and efficient communication with counselors, students, and parents regarding financial aid opportunities

STRATEGY B.1.1.: Conduct workshops for high school counselors, attend college fairs, and present at college nights/parent nights.

Output: Number of workshops conducted, college fairs attended, and/or presentations at college nights/parents nights

STRATEGY B.1.2.: Contribute to student-focused publications.

Output: Number of ads and/or articles in publications.

STRATEGY B.1.3.: Utilize technology and social media to meet students where they are.

Output: Number of unique pageviews for www.mississippi.edu/financialaid and www.msfinancialaid.org

Output: Bounce rate for www.mississippi.edu/financialaid and www.msfinancialaid.org

Output: Number of Facebook followers

Output: Number of Twitter followers

OBJECTIVE B.2.: Communicate the accomplishments, needs, and value of the state's financial assistance programs to various constituency groups.

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Outcome: Public high school counselors are knowledgeable of state aid programs and capable of helping students, as evidenced by the rate of participation in the counselor web portal.

Outcome: Private high school counselors are knowledgeable of state aid programs and capable of helping students, as evidenced by the rate of participation in the counselor web portal.

Outcome: Legislators continue to invest in state aid programs to make college more accessible and affordable for Mississippi students, as evidenced by the percent of need met by appropriations.

STRATEGY B.2.1.: Develop an understanding of program rules, general administration policies, and procedures among institutional financial aid administrators, college access organizations, and aid recipients.

Output: Updates delivered at MASFAA, Counselor workshops (MCA, MDE Counselor Institute, SACAC Drive-in, ESF New Counselor Workshops, etc.)

Output: Emails delivered to State Aid recipients.

Output: Letters delivered to State Aid recipients.

STRATEGY B.2.2.: Promote program values and needs to policymakers and other change agents.

Output: Updates to the Education Achievement Council, education leaders, and State Legislators at JLBC Hearings, etc.

GOAL C: To reduce the rate of default on the state's forgivable loan programs and increase the percentage of forgivable loan recipients who repay with service rather than money.

OBJECTIVE C.1.: Implement default prevention programs for all forgivable loans.

Outcome: Anticipated overall rate of default on all state forgivable loan programs for all cohorts.

Outcome: Anticipated rate of on-time repayment through service on all state forgivable loan programs for all cohorts.

STRATEGY C.1.1.: Maintain a Loan Repayment Specialist on staff to address all issues related to loan repayment or forgiveness.

Output: Separation, grace-ending, service deferment/cancellation, and past due notices mailed/emailed

Output: Funds collected in repayment of forgivable loans

Output: Tax offset funds collected

BUDGET PROGRAM 2: MTAG/MESG and HELP

GOAL A: To increase college access and improve affordability for Mississippi families.

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OBJECTIVE A.1.: Make financial aid awards to Mississippi residents who qualify for one or more of the state's primary undergraduate grant programs (MTAG, MESH, and HELP) in compliance with appropriate state laws and rules.

Outcome: Mississippi residents receive financial aid to attend college in Mississippi, making college more accessible and affordable.

STRATEGY A.1.1.: Administer the primary undergraduate grant programs.

Output: Total number of students receiving financial aid through the primary undergraduate grant programs (MTAG, MESH, and HELP)

Output: Total amount of funds awarded through the primary undergraduate grant programs (MTAG, MESH, and HELP)

Output: Total number of primary undergraduate grant programs

Efficiency: Average student award through the primary undergraduate grant programs

STRATEGY A.1.2.: Administer the Mississippi Resident Tuition Grant Program (MTAG), created in 1995 to assist with the cost of tuition for Mississippi students with a 15 ACT and/or 2.5 GPA who are not eligible for a full federal Pell grant.

Output: Number of MTAG recipients

Output: Amount of MTAG awarded

Efficiency: Average student award through the MTAG program

STRATEGY A.1.3.: Administer the Mississippi Eminent Scholars Grant Program (MESH), created in 1995 to reward Mississippi students for excellent academic achievement (29 ACT and 3.5 GPA) in high school and to encourage high achieving students to stay in-state for college.

Output: Number of MESH recipients

Output: Amount of MESH awarded

Efficiency: Average student award through the MESH program

STRATEGY A.1.4.: Administer the Higher Education Legislative Plan for Needy Students (HELP) scholarship, created in 1997 to provide financial assistance for needy students who demonstrate college readiness with a 20 ACT, 2.5 GPA, and completion of a rigorous high school curriculum.

Output: Number of HELP recipients

Output: Amount of HELP awarded

Efficiency: Average student award through the HELP program

BUDGET PROGRAM 3: Forgivable Loan Programs

GOAL A: To help the state achieve the goal of a more educated citizenry while alleviating critical workforce needs in specific service areas.

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OBJECTIVE A.1.: Make financial aid awards to students who qualify for one of the state's forgivable loan or repayment programs.

Outcome: Meet demonstrated critical shortages in the fields of medicine, nursing, nursing education, physical and natural sciences, and teacher education.

Outcome: Attract, educate and retain qualified teachers and medical personnel to serve the people of Mississippi.

Outcome: Ensure that the best interest of Mississippi is served by providing students with financial assistance for programs of study not offered in regularly supported Mississippi institutions.

Outcome: To manifest the belief that the continued growth and development of Mississippi requires improved levels of postsecondary educational attainment.

STRATEGY A.1.1.: Administer the state forgivable loan programs.

Output: Total number of students receiving financial aid through the forgivable loan programs

Output: Total amount of funds expended on the forgivable loan programs

Output: Total number of forgivable loan and repayment programs

Efficiency: Average student award through the state forgivable loan and repayment programs

STRATEGY A.1.2.: Administer forgivable loan programs for graduate teacher education, including the Critical Needs Dyslexia Therapy Teacher Forgivable Loan (CNDT), which is available to Mississippi teachers who are seeking a Class AA Educator's License with a 203 Endorsement for Dyslexia Therapy.

Output: Number of CNDT awards

Output: Amount of CNDT awards

Efficiency: Average student award through the CNDT program

Explanatory Note: Due to budget constraints, full funding wasn't available from FY17 through FY22. Although funding was available, no awards were made in FY23, so no renewal funds were budgeted for FY24 and no funds are requested for FY25. SFA, under advisement from the Mississippi Postsecondary Education Financial Assistance Board (Postsecondary Board or Board), requests the Legislature target available funds to ensure full funding of the undergraduate grant programs and for loan repayment programs. *Miss. Code Ann.* § 37-106-14 (2) requires the Board to award grants first and limit loans to renewal applicants only on a first-come, first-served basis with preference for renewals. Therefore, funds are not requested for future years.

STRATEGY A.1.3.: Administer forgivable loan programs for graduate health-related education, including the Speech-Language Pathologist Forgivable Loan Program (SLPL), which awards master's degree students in Speech-Language Pathology, Communicative Disorders, or Communication Sciences and Disorders who plan to serve as licensed speech-language pathologists in a Mississippi public or charter school.

Output: Number of SLPL awards

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Output: Amount of SLPL awards

Efficiency: Average student award through the SLPL program

Explanatory Note: Due to budget constraints, full funding wasn't available from FY17 through FY22. Awards were made in FY23 and funds for renewal awards are budgeted for FY24. SFA, under advisement from the Mississippi Postsecondary Education Financial Assistance Board (Postsecondary Board or Board), requests the Legislature target available funds to ensure full funding of the undergraduate grant programs. *Miss. Code Ann. § 37-106-14 (2)* requires the Board to award grants first and limit loans to renewal applicants only on a first-come, first-served basis with preference for renewals. Therefore, funds are not requested for future years.

STRATEGY A.1.4.: Administer forgivable loan programs for graduate health-related education, including the Southern Regional Education Board Forgivable Loan Program (SREB), which awards Mississippi students in out-of-state optometry programs contracted through the SREB Regional Contract Program.

Output: Number of SREB awards

Output: Amount of SREB awards

Efficiency: Average student award through the SREB program

Explanatory Note: Mississippi currently contracts 9 seats per entering class, for a total of 36 contract seats each year. The cost of each contract seat increases annually. *Miss. Code Ann. § 37-106-14 (2)* requires the Board to award grants first and limit loans to renewal applicants only on a first-come, first-served basis with preference for renewals. SFA, under direction of the Postsecondary Board, requests the Legislature phase out the SREB program in order to target all available funds for the undergraduate grant programs or loan repayment programs. To phase out the program, SFA would award renewal students only. Therefore, the annual request for funds will decrease each year until funds are no longer requested after FY28.

BUDGET PROGRAM 4: Other Programs

GOAL A: To improve college access and affordability for students with special circumstances and interests.

OBJECTIVE A.1.: Make financial aid awards to students who qualify for one of the state's other programs.

Outcome: To manifest the belief that the continued growth and development of Mississippi requires improved levels of postsecondary educational attainment.

STRATEGY A.1.1.: Administer the state's other programs.

Output: Total number of students receiving financial aid through other programs

Output: Total amount of funds expended on the other programs

Output: Total number of programs

Efficiency: Average student award through the other state programs

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STRATEGY A.1.2.: Administer a loan repayment program for teacher education, called the William F. Winter – Jack Reed, Sr. Teacher Loan Repayment Program (WRTR), which provides funds to repay a portion of the undergraduate loans of eligible Mississippi teachers in exchange for their service or continued teaching service in Mississippi's public schools. The program was established by the 2021 Legislature; 150 teachers were funded in FY22; 300 teachers were funded in FY23, and 450 teachers were funded in FY24. Funds are requested for FY25 and beyond to maintain 450 teachers in the program at all times.

Output: Number of WRTR awards

Output: Amount of WRTR awards

Efficiency: Average award through the WRTR program

STRATEGY A.1.3.: Administer other programs for undergraduate education, including the Law Enforcement Officers and Firemen Scholarship Program (LAW), which provides education to the dependents of deceased or disabled service men and women.

Output: Number of LAW awards

Output: Amount of LAW awards

Efficiency: Average student award through the LAW program

Explanatory Note: A slight increase in award cost is anticipated in future years as tuition costs increase.

STRATEGY A.1.4.: Administer other programs for undergraduate education, including the Nissan Scholarship Program (NISS), which provides aid to students at public institutions who major in a field that will advance the automotive industry in Mississippi.

Output: Number of NISS awards

Output: Amount of NISS awards

Efficiency: Average student award through the NISS program

Explanatory Note: Awards are made from investment dollars set aside for this purpose. Costs are expected to remain around the same amount each year.

STRATEGY A.1.5.: Administer other programs for undergraduate education, including the Rep. Bill Kinkade Fostering Access and Inspiring True Hope (FAITH) Scholarship Program. The FAITH Scholarship was created by the 2022 Legislature to provide up to full cost of attendance awards to students who have interacted with the state's foster care system. The first awards will be made in FY24.

Output: Number of FAITH awards

Output: Amount of FAITH awards

Efficiency: Average student award through the FAITH program

Explanatory Note: Awards are made from EEF dollars appropriated for this program. Costs are expected to escalate as the program grows.

BUDGET PROGRAM 5: Dual Enrollment/Dual Credit Scholarship Program

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GOAL A: To improve college access and affordability for high school students.

OBJECTIVE A.1.: Make financial aid awards to dual enrolled or dual credit high school students.

Outcome: To manifest the belief that the continued growth and development of Mississippi requires improved levels of postsecondary educational attainment.

STRATEGY A.1.1.: Administer the DEDC Scholarship established by the 2023 Legislature to help high school students get an affordable head start on college by taking college-level courses in high school. The scholarship will currently cover the tuition for only six credit hours (typically two courses, either academic or CTE) at a participating Mississippi college or university. However, a joint coalition representing K-12, the community colleges, and the universities requested the program cover up to 15 hours per student. Additional funding will be requested in FY 2026 and FY 2027 to gradually expand the program to cover up to 15 hours.

Output: Number of DEDC awards

Output: Amount of DEDC awards

Efficiency: Average award through the DEDC program

Item 4: Dr. Rogers requested initial approval of APA Part 691: Dual Enrollment/Dual Credit Rules and Regulations. On motion by Dr. Watson, seconded by Dr. Keenum, all Board Members legally present and participating voted unanimously to approve the request.

4. Approve APA Part 691: Dual Enrollment/Dual Credit Rules and Regulations:

Request

The Mississippi Office of Student Financial aid requests approval of APA Part 691 Dual Enrollment/Dual Credit (DEDC) Rules and Regulations.

Summary:

The Dual Enrollment/Dual Credit Scholarship program was created by the 2023 Mississippi Legislature to provide funds for Mississippi students to earn college credit while still in high school. The promulgation of Rules and Regulations to guide the administration of the program is required of the Mississippi Postsecondary Education Financial Assistance Board. The proposed rules have been circulated among all stakeholder groups to review and provide feedback.

Title 10: Education Institutions and Agencies

Part 691: Dual Enrollment/Dual Credit Scholarship Rules and Regulations

Part 691 Chapter 1: Dual Enrollment/Dual Credit (DEDC) Scholarship Rules and Regulations

Rule 1.1 Dual Enrollment/Dual Credit (DEDC) Scholarship Rules and Regulations. The Dual Enrollment/Dual Credit Scholarship program was created by the 2023 Mississippi Legislature to provide funds for Mississippi students to earn college credit while still in high school. These Rules and Regulations serve to guide the administration of the program and are subject to change by the Mississippi Postsecondary Education Financial Assistance Board.

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I. GENERAL STUDENT ELIGIBILITY

- A. The applicant must be a current legal resident of Mississippi. Resident status for purposes of receiving DEDC 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., except for Section 37-103-17.
- B. The applicant must be classified as a junior or senior and enrolled in a Mississippi public high school or charter high school.
- C. The applicant must be a dual enrolled student as defined in Section 37-15-38(1)(a) or a dual credit student as defined in Section 37-15-38(1)(b) who is enrolled in an eligible course in an eligible, participating public or not-for-profit postsecondary institution in Mississippi.
- D. The applicant must meet the criteria outlined in the published *Procedures Manual for the State of Mississippi Dual Enrollment and Accelerated Programs*.
- E. The applicant must not be considered an “early college” student.
- F. The applicant must submit the Dual Enrollment/Dual Credit application online at www.msfinancialaid.org by the deadline date.

II. STUDENT APPLICATION REQUIREMENTS

- A. Complete the application for the Dual Enrollment/Dual Credit Scholarship program online at www.msfinancialaid.org on or before March 15 during the spring of the academic year for which the student is seeking assistance. After the inaugural year, the application will open for all terms on April 1 each year.
- B. Be classified as eligible by an authorized official at the high school. To be classified as eligible by the high school, an applicant must:
 - 1. Be a Mississippi resident.
 - 2. Be classified as a junior or senior in a Mississippi public high school or charter high school. Applicants cannot be high school graduates.
 - 3. Meet the criteria outlined in the published *Procedures Manual for the State of Mississippi Dual Enrollment and Accelerated Programs*.
- C. Be verified by an eligible, participating public or not-for-profit postsecondary institution in Mississippi as a dual enrolled student as defined in Section 37-15-38(1)(a) or a dual credit student as defined in Section 37-15-38(1)(b) who is enrolled in an eligible course listed in the *Procedures Manual for the State of Mississippi Dual Enrollment and Accelerated Programs*.

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- D. Participate in an advising component related to the Mississippi Articulation and Transfer Tool (MATT) to understand how postsecondary course credits transfer.

III. LENGTH AND AMOUNT OF AWARD

- A. Scholarship recipients may enroll in up to six (6) credit hours in an eligible, participating postsecondary institution at no cost for tuition.
- B. Scholarship recipients may use the award during a single term or spread the award over multiple terms.
- C. Scholarship recipients may use the award at a single institution during any given term.
- D. Eligible participating institutions will be reimbursed at the rate of forty percent (40%) of the average community college credit hour tuition for the current academic year for each DEDC scholarship recipient.
- E. Books, course materials, tools, supplies, lab fees, transportation costs and other applicable course fees are not included in the amount to be reimbursed and are ultimately the responsibility of the student.
- F. All awards are dependent upon the availability of funds. Selection of recipients shall be based on a first-come, first-served basis of all eligible applicants.
- G. Payment of DEDC awards shall be disbursed directly to the educational institutions.

IV. INSTITUTIONAL AND HIGH SCHOOL REQUIREMENTS AND RESPONSIBILITIES

- A. Institutional participation is optional.
- B. Any public state-supported two-year or four-year institution or any eligible not-for-profit private institution in Mississippi may choose to participate in the DEDC program.
- C. Participating institutions may choose to exclude specific centers, branch campuses, collegiate academies, and middle colleges within their governance from participating in the DEDC program.
- D. To participate in the DEDC program, institutions and high schools must adhere to all guidelines prescribed in the *Procedures Manual for the State of Mississippi Dual Enrollment and Accelerated Programs*.
- E. To participate in the DEDC program, institutions must agree to charge DEDC scholarship recipients a tuition rate equal to forty percent (40%) of the average community college credit hour tuition for the current academic year.
- F. To participate in the DEDC program, institutions must work with high schools to verify that all DEDC scholarship recipients meet the academic or other requirements prescribed in the *Procedures Manual for the State of Mississippi Dual Enrollment and Accelerated Programs*.

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and are enrolled in eligible courses. Institutions will verify student eligibility by including the student on the enrollment verification report that is submitted each term to the Mississippi Office of Student Financial Aid.

- G. The Board may conduct annual audits of any participating high school, student, and/or institution to ensure compliance with these Rules and Regulations and the authorizing statute.

Source: *Miss. Code Ann.* § 37-106-85 through § 37-106-93.

Recommendation:

Board approval is recommended, contingent upon completion of the Administrative Procedures Act process.

Item 5: Dr. Rogers requested approval of an update to APA Part 687 Nurse Retention Loan Repayment (NULR) Rules and Regulations to add proof of Mississippi residency as an application requirement. On motion by Ms. Ross, seconded by Dr. Watson, all Board Members legally present and participating voted unanimously to approve the request.

5. Approve Updates to APA Part 687: Nurse Retention Loan Repayment Rules and Regulations

Request

The Mississippi Office of Student Financial aid requests approval of updates to APA Part 687 Nurse Retention Loan Repayment (NULR) Rules and Regulations.

Summary

The 2023 Mississippi Legislature created the Nurse Retention Loan Repayment program to provide up to \$6,000 per year in loan repayment for up to three (3) years for recent LPN and RN graduates who have gained employment for the first time as full-time nurse in a general acute care hospital or skilled nursing facility. The Board approved the rules in April 2023. The Office requests the Board update the rules to require one proof of Mississippi residency. The requirement was inadvertently omitted from the original rules.

Title 10: Education Institutions and Agencies

Part 687: Nurse Retention Loan Repayment Program (NULR) Rules and Regulations

Part 687 Chapter 1: Nurse Retention Loan Repayment Program (NULR) Rules and Regulations

Rule 1.1 Nurse Retention Loan Repayment Program (NULR) Rules and Regulations. The Skilled Nursing Home and Hospital Nurses Retention Loan Repayment Program was established by the 2023 Legislature. These Rules and Regulations are promulgated to govern the program and are subject to change by the Mississippi Postsecondary Education Financial Assistance Board (hereinafter referred to as the "Board").

I. GENERAL ELIGIBILITY

- A. The applicant must be a U.S. citizen and current legal resident of Mississippi. Resident status for purposes of receiving NULR under this act shall be determined in the same manner as resident status for tuition

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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 have obtained a current relevant Mississippi professional license.
- C. First-time applicants must have gained employment within the preceding year for the first time as a full-time licensed practical nurse or licensed registered nurse at a skilled nursing home in the State of Mississippi or a general acute care hospital in the State of Mississippi that is licensed by the Mississippi State Department of Health.
- D. Renewal applicants must be employed as a full-time licensed practical nurse or licensed registered nurse at a skilled nursing home in the State of Mississippi or a general acute care hospital in the State of Mississippi that is licensed by the Mississippi State Department of Health.
- E. The applicant must work full-time as a licensed practical nurse or licensed registered nurse at a single qualified skilled nursing home or general acute care hospital in the State of Mississippi for a period of not less than one (1) calendar year.
- F. The applicant must have outstanding qualifying educational loans. Qualifying educational loans include the principal, interest, and related expenses such as the required interest premium on the unpaid balances of government (federal, state or local) and commercial loans obtained by the recipient for postsecondary educational expenses. *Perkins loans do not qualify for repayment under NULR.*
- G. The applicant must not have received funds from the Nursing Education Forgivable Loan Program – BSN (NELB), Nursing Education Forgivable Loan Program – RN to BSN (NELR), Nursing Education Forgivable Loan Program – MSN (NELM), Nursing Education Forgivable Loan Program – RN to MSN (NERM), Nursing Education Forgivable Loan Program – PHD/DNP (NELP), Nursing Teacher Stipend Forgivable Loan Program (NTSP) or any other state forgivable loan.
- H. The applicant must not presently be in default or delinquent on any federal, state, local or commercial qualifying educational loan.

II. APPLICATION REQUIREMENTS FOR LOAN REPAYMENT APPLICANT

- A. First time applicants must:
 - 1. Complete the Mississippi Aid Application (MAAPP) online at www.msfinancialaid.org by the deadline date of June 30 of the nurse's first year of nursing. The deadline for applications submitted the inaugural year will be extended to September 15, 2023.

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2. Submit the following documents to the Board by July 31. The deadline for the following documents to be submitted for the inaugural year will be extended to October 15, 2023.
 - a) One form of proof of Mississippi residency. A valid Mississippi Driver's License or Identification number submitted during the online application process will fulfill this requirement.
 - a)b) Proof of the applicant's current practical nursing license or registered nursing license.
 - b)c) A complete, executed employment verification form documenting dates of full-time employment in a qualified skilled nursing home or general acute care hospital in the State of Mississippi.
 - e)d) A completed Loan Data Verification form. (This form is completed as part of the online application process.)
 - d)e) Documentation from the lender or loan servicer for state, local, or commercial loans that shows the loan's current balance, status (deferred, repayment, etc.), type, and date of disbursement. (Additional documentation will be collected only for private loans for which information is unavailable on the National Student Loan Data System, NSLDS.)

B. Renewal applicants must:

1. Complete the Mississippi Aid Application (MAAPP) online at www.msfinancialaid.org by the deadline date of June 30.
2. Submit the following documents to the Board by July 31.
 - a) One form of proof of continued Mississippi residency. A valid Mississippi Driver's License or Identification number submitted during the online application process will fulfill this requirement.
 - a)b) A complete and properly executed employment verification form documenting dates of full-time employment in a qualified skilled nursing home or general acute care hospital in the State of Mississippi.
 - b)c) A completed Loan Data Verification form. (This form is completed as part of the online application process.)
 - e)d) Documentation from the lender or loan servicer for state, local, or commercial loans that shows the loan's current balance, status (deferred, repayment, etc.), type, and date of disbursement. (Additional

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documentation will be collected only for private loans for which information is unavailable on the National Student Loan Data System, NSLDS.)

III. AWARD RECIPIENTS

- A. Awards will be made to applicants with outstanding postsecondary educational loans. Qualifying educational loans include the principal, interest, and related expenses such as the required interest premium on the unpaid balances of government (federal, state, or local) and commercial loans obtained by the recipient for postsecondary educational expenses. *Perkins loans do not qualify for repayment under NULR.*
- B. Recipients shall be selected on a first-come, first-served basis of all eligible applicants and shall be limited by available funding.
- C. In the second and subsequent years of the program, priority consideration shall first be given to renewal applicants.

IV. AMOUNT AND LENGTH OF LOAN REPAYMENT

- A. Awards shall be up to six thousand dollars (\$6,000) per year for a maximum of three (3) years.
- B. The annual award amount shall never exceed the outstanding balance of the qualifying educational loan.
- C. Awards shall be granted annually, and recipients shall have no obligation to seek a future award.
- D. Awards shall be paid annually to the recipient's lender/loan servicer and applied to the outstanding balance. Monies paid on the recipient's behalf toward qualifying educational loans prior to receiving a NULR award will not be eligible for repayment through the NULR program.
- E. Funds are provided for the repayment of postsecondary education loans only. Funds are not provided for the repayment of personal loans, even if the personal loan was used to pay for postsecondary education.

V. RECIPIENT RESPONSIBILITIES

- A. The recipient must maintain a current relevant Mississippi professional license while participating in the program.
- B. The recipient must be employed full-time as a licensed practical nurse or licensed registered nurse at a skilled nursing home in the State of Mississippi or a general acute care hospital in the State of Mississippi that is licensed by the Mississippi State Department of Health.
- C. By July 31 at the conclusion of the recipient's employment year, the recipient must submit to the Board an annual Employment Verification

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Form. The form must be received for the Board to disburse the offered award amount to the loan servicer.

- D. While receiving funds, the NULR recipient must at all times keep the Board informed of the recipient's current, correct, and complete contact information. This information may be updated via the NULR recipient's MAAPP account online.

Source: *Miss. Code Ann.* § 37-106-XX.

Recommendation:

Board approval is recommended, contingent upon completion of the Administrative Procedures Act process.

Item 6: Dr. Rogers requested approval of updates to APA Part 601, Rule 8.3 to clarify the institution's responsibilities and create a new process to ensure that refunds are properly administered. On motion by Ms. Ross, seconded by Dr. Watson, all Board Members legally present and participating voted unanimously to approve the request.

6. Approve Update to APA Part 601: Authority and Responsibilities Rules and Regulations, Rule 8.3: Institutional Responsibilities

Request

The Mississippi Office of Student Financial aid requests approval of updates to APA Part 601: Authority and Responsibilities Rules and Regulations, Rule 8.3: Institutional Responsibilities.

Summary:

The public and private postsecondary institutions in Mississippi have certain institutional responsibilities as eligible institutions for the use of state-supported student financial aid. The responsibilities include returning funds to the State on behalf of students who are found to be ineligible and balancing with the State to ensure proper accounting. The updates proposed below clarify the institution's responsibilities and create a new process to ensure that refunds are properly credited to the correct student and fund in a timely manner.

The proposed changes accomplish the following:

- Eliminate repetition by combining I with VI and II with VII.
- Reduce confusion by using formal report names and defining the students to be included in each report.
- Facilitate the timely return of funds by requiring the Balancing Certification Statement to be accompanied by any outstanding refunds. Currently, institutions may acknowledge a refund is owed during the balancing process but might wait months to return the funds.
- Eliminate confusion related to refunds by requiring refunds to be accompanied by a Refund Roster. Some institutions already submit a roster with refunds, while others simply return funds with no documentation regarding where the funds should be credited.

Title 10: Education Institutions and Agencies

Part 601: Authority and Responsibilities Rules and Regulations

Chapter 8: Rights and Responsibilities

Rule 8.3 Institutional Responsibilities. It is the responsibility of each institution eligible for state student financial aid to:

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- I. Submit ~~a grade files~~Grade Report by the ~~deadline-fifth (5th) working day after the conclusion of each term for which aid is awarded.~~ The Grade Report is a complete and accurate report of each Mississippi resident student's cumulative grade point average on all college course work attempted as of the end of the previous term.
- II. Submit ~~an enrollment files~~Enrollment Verification Report by ~~immediately following the deadline-final add/drop date of each term for which aid is awarded.~~ The Enrollment Verification Report is a complete and accurate roster of the enrollment status of each Mississippi resident student.
- III. Review ~~award~~Award, ~~disbursement~~Disbursement, and ~~balance~~Balance reports Reports published by the Office each term.
- IV. Notify the Office of any discrepancies related to residency, citizenship, or financial need.
- V. Ensure that no state financial aid recipient receives an aid package that exceeds ~~cost~~Cost of ~~attendance~~Attendance.
- ~~VI. For all returning students, a complete and accurate report of the student's cumulative grade point average on all college course work attempted as of the end of the previous semester or trimester should be submitted to the Board within five (5) days of beginning of any given semester or trimester.~~
- ~~VII. For all students, a complete and accurate roster of the eligibility status of each recipient shall be submitted to the Board by the final add/drop date of each semester or trimester of the academic year the student receives a grant.~~
- ~~VIII.~~VI. A ~~balancing~~Balancing statement and certification Certification statementStatement, verifying monies ~~disbursed due from and owed to the Office on behalf of~~ to all students, must be submitted at the end of the semester or trimester to the Boardeach term for which aid is awarded. Any outstanding refunds owed to the Office must accompany the Balancing Certification Statement. Funds for a given term will not be disbursed until the balancing process for the previous term is complete.
- ~~VII.~~ All refunds due to the Office must be accompanied by a Refund Roster that details the student and program to which the funds should be credited.
- ~~IX.~~VIII. All rRefunds due to the ~~Board~~Office must be received and processed within thirty (30) days of the end of each aid year. Funds for the subsequent aid year will not be disbursed until all refunds have been received and processed for the preceding aid year.

Source: *Miss. Code Ann.* § 37-106-21; *Miss. Code Ann.* § 37-106-29; and *Miss. Code Ann.* § 37-106-31.

Recommendation:

Board approval is recommended, contingent upon completion of the Administrative Procedures Act process.

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Item 7: Dr. Rogers requested approval of an update to APA Part 605: General Administration Rules and Regulations, Section I.C.4. to clarify the documents the Office will accept as verification of marital separation. On motion by Dr. Jackson, seconded by Dr. Watson, all Board Members legally present and participating voted unanimously to approve the requested update.

7. Approve Updates to APA Part 605: General Administration Rules and Regulations

Request

The Mississippi Office of Student Financial Aid requests approval of updates to APA Part 605: General Administration Rules and Regulations, Section I.C.4. to clarify the documents the Office will accept as verification of marital separation.

Summary:

If the Office receives conflicting information from the FAFSA and the MAAPP, the Office must resolve the conflict. When the conflict involves a marital separation, the Office must document separate residences for the separated couple. The proposed update clarifies the Office will require two forms of documentation, and a cell phone statement will only be accepted as one form if the other form is a mortgage, lease, or rental agreement.

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.

I. APPLICATION PROCESS

- C. The following supporting documents may be requested to complete an application for state student financial aid. The documents are grouped according to the purpose for which they are requested.
 - 4. Documentation of Financial Need - For some programs, the Office will collect documents to determine a student's financial need.
 - a) Free Application for Federal Student Aid (FAFSA) - The FAFSA is the application for federal student aid. It is available online at www.fafsa.gov. The student must complete the FAFSA by the document deadline specified by the program. The Office will automatically receive the applicant's FAFSA results.
 - b) Household Verification Worksheet (HELP Worksheet) - The household verification worksheet is used to determine the number of dependents who live in the home with the applicant.
 - (1) HELP Worksheet/FAFSA Conflict – Additional information will be required if conflicting information is reported from the applicant's FAFSA and household verification worksheet. The student is

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required to contact the Office to receive instructions to resolve the conflicting information.

- (2) Marital Separation – The student must provide two forms of proof of separate addresses of each parent if a parent’s residency was incorrectly reported on the household verification worksheet. Current year state tax returns, current rental/purchase agreements, or utility bills ~~may will~~ be ~~requested~~ accepted for documentation. A cell phone bill will only be accepted as a second form of documentation if the other form is a rental/purchase agreement.

Recommendation:

Board approval is recommended, contingent upon completion of the Administrative Procedures Act process.

Item 8. Dr. Rogers presented updates and announcements. She introduced two new SFA staff members. Tiffany Barner is the new Program and Office Assistant. Adele Russel is the new Student Service Representative. Dr. Rogers also announced that Dr. Jason Dean would be the new independent college representative on the Board beginning July 1, as the term ends for Isabelle Higbee. Governor Reeves has not yet made an appointment for the position currently held by Sharon Ross, which ends June 30, 2023. A new appointment has been requested. Dr. Rogers thanked Ms. Ross for her 8 years of service to the Board and her active engagement and participation.

8. Updates and Announcements

ADDITIONAL AGENDA ITEMS IF NECESSARY

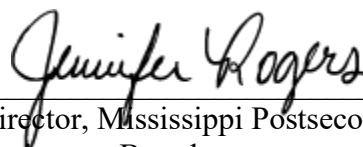
The Board did not consider any additional agenda items.

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 called the meeting adjourned.



Director, Mississippi Postsecondary Education Financial Assistance Board