

MISSISSIPPI POST-SECONDARY EDUCATION FINANCIAL ASSISTANCE BOARD



IHL Executive Offices, Teleconference and Room 212
3825 Ridgewood Road, Jackson, MS 39211

July 9, 2018 at 2:00 p.m.

Agenda

CALL TO ORDER

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April 23, 2018 Called Board Meeting Minutes2

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ADJOURNMENT

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BE IT REMEMBERED, that the Mississippi Postsecondary Education Financial Assistance Board held its regular meeting on Monday, April 23, 2018 at 1:00 p.m. Members of the media and public were invited to attend the meeting in Room 432 of the Education and Research Center, 3825 Ridgewood Road, Jackson, Mississippi, 39211.

The following members participated:

- Lee Bush, MCCB appointee
- Louanne Langston, MCCB Institutional appointee
- Sharon Ross, Governor's appointee
- Jim Turcotte, Governor's appointee and Chairman

The following members participated via teleconference:

- Ben Burnett, MAICU appointee
- Al Rankins, IHL Institutional appointee

The following members did not participate:

- Mack Grubbs, Lt. Governor's appointee
- Cynthia Melvin, MAICU appointee
- C.D. Smith, IHL Board appointee

Also in attendance were:

- Kelsey Davis, Reporter, Mississippi Today
- Kim Gallaspy, IHL Director of Legislative Services
- Stephanie Ganuchau, Special Assistant Attorney General, Office of the Attorney General, Universities and Colleges Division
- Josh Harkins, Chairman, Senate Universities and Colleges Committee
- Meg Harris, Assistant Director of Operations, Student Financial Aid
- Audra Kimble, Mississippi Community College Board
- Nolan Mettetal, Chairman, House of Representatives Universities and Colleges Committee
- Jennifer Rogers, Director of Student Financial Aid and Postsecondary Director
- Apryll Washington, Assistant Director of Policy and Planning, Student Financial Aid

The meeting was called to order at 1:05 p.m. by Dr. Jim Turcotte, Chairman.

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On motion by Dr. Burnett, seconded by Ms. Ross, all Board Members legally present and participating voted unanimously to approve the Minutes of the regular board meeting held on September 25, 2017.

On motion by Ms. Ross, seconded by Ms. Langston, all Board Members legally present and participating voted unanimously to approve the Minutes of the teleconference meeting held on January 8, 2018.

MINUTES

REGULAR AGENDA ITEMS

1. Approval of FY 2019 Award Budget:

On motion by Mr. Bush, seconded by Dr. Burnett, all Board Members legally present and participating voted unanimously to approve Regular Agenda Item #1.

Summary:

The Mississippi Office of Student Financial Aid requests approval of a scaled award budget for the 2018-19 academic year, due to insufficient funds to award all students on all programs. The 2018 Mississippi Legislature passed SB 2946, Appropriation; IHL – Student Financial Aid. The FY 2019 appropriation is \$42.3 million or 9.1% below the amount requested in the Mississippi Budget Request (MBR), which was developed by the Office and approved by the Postsecondary Board in June 2017.

FY 2019 Appropriation			
Source	Amount Requested (MBR)	SB 2946	Difference
General Funds	\$ 45,140,243	\$ 39,661,874	(\$ 5,478,369)
Spending Authority - Collections	\$ 1,300,000	\$ 1,950,000	\$ 750,000
Spending Authority from Special Source	\$ 59,000	\$ 559,000	\$ 500,000
TOTAL AVAILABLE	\$ 46,499,243	\$ 42,270,874	(\$ 4,228,369)

Exhibit 1 (Page 16) - FY 2019 Proposed Award Budget

- The blue column shows the original budget created for the MBR in June 2017.
- The red column shows projections revised during the 2018 Legislative session. As actual applicant counts became available during the spring of 2018, the Office adjusted the projected need.
- The green column shows the proposed award budget based on the appropriation.

Exhibit 2 (Page 17) - Measures to Reduce Shortfall

Per Miss. Code Ann. § 37-106-14 (2), award grants first and limit loans to renewal applicants only on a first-come, first-served basis with preference for renewals. If grants are fully funded, the budget still faces a deficit. Therefore, no loans will be awarded, except in the programs that receive specific appropriation through the appropriation bill. The appropriation bill provides specific appropriation for the Speech-Language Pathologist Forgivable Loan (SLPL), the Teacher Education Scholars Forgivable Loan (TES), and the SREB Regional Contract Program (SREB).

Exhibit 3 (Page 18)- Award Budget Comparisons

Exhibit 3 shows a comparison of the proposed award budget for 2017-18, the actual awards made during 2017-18, and the proposed award budget for 2018-19.

Recommendation:

The proposed award budget has been reviewed by the Office of the Attorney General. Board approval is recommended.

-9.1%

MINUTES

Exhibit 1						
FY 2019 Proposed Award Budget	Projected Applicants for MBR	Projected Budget for MBR	Scenario 1B: Revised Full Funding Request	Scenario 1B: Revised Full Funding Request	AOB	AOB
GENERAL FUND PROGRAMS						
Mississippi Resident Tuition Assistance Grant (MTAG)	19,509	\$ 11,314,942	19,509	\$ 11,120,130	19,509	\$ 11,120,130
Mississippi Eminent Scholars Grant (MESG)	2,505	\$ 6,012,240	3,000	\$ 7,032,000	3,000	\$ 7,032,000
Higher Education Legislative Plan for Needy Students (HELP)	3,580	\$ 22,353,683	3,635	\$ 22,173,500	3,635	\$ 22,173,500
Subtotal MTAG, MESG, and HELP	25,594	\$ 39,680,865	26,144	\$ 40,325,630	26,144	\$ 40,325,630
(LAW)	21	\$ 237,300	15	\$ 169,500	15	\$ 169,500
Subtotal Other Undergraduate Grant Programs	21	\$ 237,300	15	\$ 169,500	15	\$ 169,500
TOTAL GRANTS	25,615	\$ 39,918,165	26,159	\$ 40,495,130	26,159	\$ 40,495,130
MS Teacher Loan Repayment (MTLR)	200	\$ 600,000	200	\$ 600,000	0	\$ -
Subtotal Loan Repayment Programs	200	\$ 600,000	200	\$ 600,000	0	\$ -
Teacher Education Scholarships (TES)	50	\$ 750,000	30	\$ 450,000	3	\$ 45,000
William Winter Teacher Education Program (WWTS)	190	\$ 760,000	136	\$ 400,000	0	\$ -
(WWAR)	2	\$ 8,000	1	\$ 4,000	0	\$ -
Subtotal Undergraduate Teacher Loan Programs	242	\$ 1,518,000	167	\$ 854,000	3	\$ 45,000
Nursing Education - Bachelor's (NELB)	190	\$ 760,000	136	\$ 542,857	0	\$ -
Nursing Education - RN to BSN (NELR)	52	\$ 208,000	37	\$ -	0	\$ -
Subtotal Undergraduate Health Care Loan Programs	242	\$ 968,000	173	\$ 542,857	0	\$ -
Critical Needs Dyslexia Therapy (CNDT)	40	\$ 200,000	40	\$ 200,000	0	\$ -
Counseling and School Administration (CSA)	18	\$ 43,200	13	\$ 30,857	0	\$ -
Graduate Teacher (GTS)	60	\$ 120,000	43	\$ 85,714	0	\$ -
Speech-Language Pathologist (SLPL)	8	\$ 70,000	8	\$ 70,000	0	\$ -
Subtotal Graduate Teacher Loan Programs	126	\$ 433,200	104	\$ 386,571	0	\$ -
Nursing Education - Masters (NELM)	80	\$ 320,000	57	\$ 228,571	0	\$ -
Nursing Education - Ph.D. (NELP)	18	\$ 90,000	13	\$ 64,286	0	\$ -
Nursing Education - RN to MSN (NERM)	12	\$ 48,000	9	\$ 34,286	0	\$ -
Nursing Teaching Stipend (NTSP)	18	\$ 198,000	13	\$ 141,429	0	\$ -
State Dental Education (DENT)	6	\$ 180,000	3	\$ 90,000	0	\$ -
State Medical Education (MED)	6	\$ 180,000	2	\$ 60,000	0	\$ -
SREB Regional Contract Program (SREB)	37	\$ 710,400	36	\$ 691,200	36	\$ 691,200
Graduate and Professional Degree Program (STSC)	1	\$ 18,700	1	\$ 7,950	0	\$ -
Subtotal Graduate Health Care Loan Programs	178	\$ 1,745,100	133	\$ 1,317,721	36	\$ 691,200
TOTAL LOAN REPAYMENT/FORGIVABLE LOANS	988	\$ 5,264,300	777	\$ 3,701,150	39	\$ 736,200
TOTAL LOANS, SCHOLARSHIPS, AND GRANTS	26,603	\$ 45,182,465	26,936	\$ 44,196,280	26,198	\$ 41,231,330
ADMINISTRATION						
Salaries & Fringe Benefits		\$ 699,778		\$ 703,367		\$ 703,367
Travel		\$ 8,000		\$ 8,000		\$ 8,000
Contractual Services		\$ 550,000		\$ 700,000		\$ 700,000
Commodities		\$ 10,000		\$ 10,000		\$ 10,000
Capital Outlay		\$ 10,000		\$ 10,000		\$ 10,000
TOTAL ADMINISTRATION		\$ 1,277,778		\$ 1,431,367		\$ 1,431,367
TOTAL GENERAL FUNDS	26,603	\$ 46,460,243	26,936	\$ 45,627,647	26,198	\$ 42,662,697
SPENDING AUTHORITY PROGRAMS						
GEAR UP Mississippi Scholarship (GUMS)	3	\$ 12,000	3	\$ 12,000	3	\$ 12,000
Nissan (NISS)	3	\$ 27,000	3	\$ 27,000	3	\$ 27,000
TOTAL SPENDING AUTHORITY	6	\$ 39,000	6	\$ 39,000	6	\$ 39,000
TOTAL STATE-SUPPORTED BUDGET	26,609	\$ 46,499,243	26,942	\$ 45,666,647	26,204	\$ 42,701,697
FY 19 MBR Requested Operating Budget			Revised Budget		FY 19 AOB	
			Scenario 1B (\$5.6 million)		Actual Budget	
Unrestricted General Funds (Sect. 1)		\$45,140,243		\$43,261,346		\$39,661,874
Total Spending Authority (Sect. 2)		\$ 1,359,000		\$ 2,509,000		\$ 2,609,000
Total Original Appropriation		\$46,499,243		\$45,770,346		\$42,270,874
Less Projected Expenditures		\$46,499,243		\$45,666,647		\$42,701,697
Total Available		\$ -		\$ 103,699		\$ (430,823)
Shortfall			Shortfall		Shortfall	
Actual Appropriation less MBR			Actual less Revised		Actual less AOB	
		\$ (4,228,369)		\$ (3,395,773)		\$ (430,823)
Exhibit 2						
Measures to Reduce Shortfall			# of Students Impacted	Projected Budget Reduction		Shortfall
Shortfall based on projections at time of MBR (June/July 2017)						\$ (4,228,369)
Shortfall based on revised projections for Legislature (Spring 2018)						\$ (3,395,773)
STATUTORY GUIDANCE: Award grants first and restrict loans to first-come, first-served with preference for renewals.			738	\$ 2,964,950		
Remaining shortfall for AOB						\$ (430,823)
TOTAL Reduction			738	\$ 2,964,950		

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Exhibit 3									
Comparison	Projected Awards 2017-18	Projected Budget 2017-18	Actual Awards 2017-18	Actual Budget 2017-18	Projected Awards 2018-19	Projected Budget 2018-19	Diff +/- Projected 2018-19 / Actual 2017-18 Awards	Diff +/- Projected 2018-19 / Actual 2017-18 Budget	
GENERAL FUND PROGRAMS									
Mississippi Resident Tuition Assistance Grant (MTAG)	19,126	\$11,056,531	18,298	\$10,065,743	19,509	\$11,120,130	1,211	\$ 1,054,387	
Mississippi Eminent Scholars Grant (MESG)	2,444	\$ 5,750,732	2,923	\$ 6,476,226	3,000	\$ 7,032,000	77	\$ 555,774	
Higher Education Legislative Plan for Needy Students (HELP)	3,280	\$19,503,559	3,338	\$19,728,807	3,635	\$22,173,500	297	\$ 2,444,693	
Subtotal MTAG, MESG, and HELP	24,850	\$36,310,822	24,559	\$36,270,776	26,144	\$40,325,630	1,585	\$ 4,054,854	
MS Law Enforcement Officers and Firemen Scholarship (LAW)	21	\$ 226,800	11	\$ 116,237	15	\$ 169,500	4	\$ 53,263	
Subtotal Other Undergraduate Grant Programs	21	\$ 226,800	11	\$ 116,237	15	\$ 169,500	4	\$ 53,263	
Total Grants	24,871	\$36,537,622	24,570	\$36,387,013	26,159	\$40,495,130	1,589	\$ 4,108,117	
MS Teacher Loan Repayment (MTLR)	100	\$ 300,000	29	\$ 86,678	0	\$ -	-29	\$ (86,678)	
Subtotal Loan Repayment Program	100	\$ 300,000	29	\$ 86,678	0	\$ -	-29	\$ (86,678)	
Teacher Education Scholars (TES)	22	\$ 330,000	20	\$ 270,000	3	\$ 45,000	-17	\$ (225,000)	
William Winter Teacher Education Program (WWTS)	26	\$ 104,000	5	\$ 10,000	0	\$ -	-5	\$ (10,000)	
William Winter Teacher Ed. Alternate Route Program (WWAR)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	
Subtotal Undergraduate Teacher Loan Programs	48	\$ 434,000	25	\$ 280,000	3	\$ 45,000	-22	\$ (235,000)	
Nursing Education - Bachelor's (NELB)	22	\$ 88,000	4	\$ 9,000	0	\$ -	-4	\$ (9,000)	
Nursing Education - RN to BSN (NELR)	11	\$ 44,000	0	\$ -	0	\$ -	0	\$ -	
Health Care Professions (HCP-UG)	1	\$ 3,000	1	\$ 1,500	0	\$ -	-1	\$ (1,500)	
Subtotal Undergraduate Health Care Loan Programs	34	\$ 135,000	5	\$ 10,500	0	\$ -	-5	\$ (10,500)	
Critical Needs Dyslexia Therapy (CNDT)	20	\$ 100,000	8	\$ 41,653	0	\$ -	-8	\$ (41,653)	
Counseling and School Administration (CSA)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	
Graduate Teacher (GTS)	2	\$ 3,000	0	\$ -	0	\$ -	0	\$ -	
Speech-Language Pathologist (SLPL)	8	\$ 70,000	1	\$ 8,544	0	\$ -	-1	\$ (8,544)	
Subtotal Graduate Teacher Loan Programs	30	\$ 173,000	9	\$ 50,197	0	\$ -	-9	\$ (50,197)	
Nursing Education - Masters (NELM)	11	\$ 44,000	6	\$ 20,000	0	\$ -	-6	\$ (20,000)	
Nursing Education - Ph.D. (NELP)	7	\$ 35,000	2	\$ 5,313	0	\$ -	-2	\$ (5,313)	
Nursing Education - RN to MSN (NERM)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	
Nursing Teaching Stipend (NTSP)	6	\$ 60,000	0	\$ -	0	\$ -	0	\$ -	
Health Care Professions (HCP-GR)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	
State Dental Education (DENT)	12	\$ 340,896	10	\$ 295,230	0	\$ -	-10	\$ (295,230)	
State Medical Education (MED)	12	\$ 341,172	7	\$ 206,864	0	\$ -	-7	\$ (206,864)	
SREB Regional Contract Program (SREB)	33	\$ 617,100	32	\$ 598,400	36	\$ 691,200	4	\$ 92,800	
Graduate and Professional Degree Program (STSC)	3	\$ 56,100	1	\$ 7,950	0	\$ -	-1	\$ (7,950)	
Veterinary Medicine Minority Program (VMMP)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	
Subtotal Graduate Health Care Loan Programs	84	\$ 1,494,268	58	\$ 1,133,757	36	\$ 691,200	-22	\$ (442,557)	
Total Loan Repayment/Forgivable Loan Programs	296	\$ 2,536,268	126	\$ 1,561,132	39	\$ 736,200	-87	\$ (824,932)	
TOTAL LOANS, SCHOLS, AND GRANTS	25,167	\$39,073,890	24,696	\$37,948,145	26,198	\$41,231,330	1,502	\$ 3,283,185	
ADMINISTRATION									
Salaries & Fringe Benefits		\$ 666,456		\$ 666,456		\$ 703,367		\$ 36,911	
Travel		\$ 8,000		\$ 8,000		\$ 8,000		\$ -	
Contractual Services		\$ 520,000		\$ 520,000		\$ 700,000		\$ 180,000	
Commodities		\$ 10,000		\$ 10,000		\$ 10,000		\$ -	
Capital Outlay		\$ 10,000		\$ 10,000		\$ 10,000		\$ -	
TOTAL ADMINISTRATION		\$ 1,214,456		\$ 1,214,456		\$ 1,431,367		\$ 216,911	
TOTAL GENERAL FUNDS	25,167	\$40,288,346	24,696	\$39,162,601	26,198	\$42,662,697	1,502	\$ 3,500,096	
SPENDING AUTHORITY PROGRAMS									
GEAR UP Mississippi Scholarship (GUMS)	61	\$ 244,000	45	\$ 152,506	3	\$ 12,000	-42	\$ (140,506)	
Nissan (NISS)	2	\$ 18,000	2	\$ 13,127	3	\$ 27,000	1	\$ 13,873	
TOTAL SPENDING AUTHORITY PROGRAMS	63	\$ 262,000	47	\$ 165,633	6	\$ 39,000	-41	\$ (126,633)	
TOTAL STATE-SUPPORTED BUDGET	25,230	\$40,550,346	24,743	\$39,328,234	26,204	\$42,701,697	1,461	\$ 3,373,463	

2. Approval of Updates to APA Part 601 – Authority and Responsibilities:

On motion by Mr. Bush, seconded by Ms. Langston, all Board Members legally present and participating voted unanimously to approve Regular Agenda Item #2.

The Board previously approved updates to APA Part 601 in April 2017. APA Part 601 is included as Appendix 1, beginning on page 57.

MINUTES

A. Chapter 1, Rule 1.1 and Chapter 3, Rule 3.1 to Change the Authority of the IHL and Postsecondary Boards

Summary:

The Legislature passed and the Governor signed into law SB 2193, which transferred authority from the Board of Trustees of State Institutions of Higher Learning to the Postsecondary Board. This transfer of authority should be reflected in APA Part 601 – Authority and Responsibilities.

Chapter 1: Authority of the Board of Trustees of State Institutions of Higher Learning

Rule 1.1 Authority of the Board of Trustees of State Institutions of Higher Learning. The Board of Trustees of State Institutions of Higher Learning, hereafter referred to as the Agency, is granted authority by the State of Mississippi for oversight of the Mississippi Office of Student Financial Aid and for administration of various state-supported student financial assistance programs. Authority is granted by the legal statutes authorizing such programs, as follows:

Program Name	Authorizing Code Section
Undergraduate Grant and Scholarship Programs	
GEAR UP Mississippi Scholarship – Cohort 1 (GUMS)	Federal Matching Grant
GEAR UP Mississippi Scholarship – Cohort 2 (GUMS)	Federal Matching Grant
Summer Development Program Grant (SUMD)	Miss. Code Ann. § 27-103-203
Nissan Scholarship	Miss. Code Ann. § 57-74-3 and § 57-75-11

Source: Miss. Code Ann. § 37-106-9; and Miss. Code Ann. § 27-103-203; ~~Miss. Code Ann. § 57-74-3; Miss. Code Ann. § 57-75-11.~~

Part 601 Chapter 3: Authority of the Mississippi Postsecondary Education Financial Assistance Board

Rule 3.1 Authority of the Mississippi Postsecondary Education Financial Assistance Board. The Postsecondary Education Financial Assistance Board is granted authority by the State of Mississippi for administration of various state student financial assistance programs. Authority is granted by the legal statutes authorizing such programs as follows:

Program Name	Authorizing Code Section
Undergraduate Grant and Scholarship Programs (Parts 610-619)	
Mississippi Resident Tuition Assistance Grant (MTAG)	Miss. Code Ann. § 37-106-29
Mississippi Eminent Scholars Grant (MESG)	Miss. Code Ann. § 37-106-31
Higher Education Legislative Plan for Needy Students (HELP)	Miss. Code Ann. § 37-106-75
Law Enforcement Officers and Firemen Scholarship Program (LAW)	Miss. Code Ann. § 37-106-39
Southwest Asia Prisoner of War/Missing in Action Scholarship Program (POW) – <i>Inactive</i>	Miss. Code Ann. § 37-106-41
Nissan Scholarship (NISS)	Miss. Code Ann. § 37-106-11
Graduate Grant and Scholarship Programs (Parts 620-629)	
Mississippi Public Management Graduate Intern Program (PMGT)	Miss. Code Ann. § 37-106-43
Undergraduate Forgivable Loan Programs (Parts 630-649)	

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Critical Needs Alternate Route Teacher Forgivable Loan (CNAR)	<i>Miss. Code Ann. § 37-106-55</i>
Critical Needs Teacher Forgivable Loan (CNTP)	<i>Miss. Code Ann. § 37-106-55</i>
Teacher Education Scholars Forgivable Loan (TES)	<i>Miss. Code Ann. § 37-106-37</i>
William Winter Alternate Route Teacher Forgivable Loan (WWAR)	<i>Miss. Code Ann. § 37-106-57</i>
William Winter Teacher Forgivable Loan (WWTS)	<i>Miss. Code Ann. § 37-106-57</i>
Mississippi Teaching Fellows Forgivable Loan	<i>Miss. Code Ann. § 37-106-77</i>
Undergraduate and Graduate Forgivable Loan Programs (Parts 650-659)	
Health Care Professions Forgivable Loan (HCP)	<i>Miss. Code Ann. § 37-106-67</i>
Nursing Education Forgivable Loan, BSN (NELB); RN to BSN (NELR); MSN (NELM); RN to MSN (NERM); and Ph.D./DNP (NELP)	<i>Miss. Code Ann. § 37-106-59</i>
Family Protection Specialist Social Worker Forgivable Loan (SWOR)	<i>Miss. Code Ann. § 37-106-69</i>
Graduate Forgivable Loan Programs (Parts 660-679)	
Counselor and School Administrator Forgivable Loan (CSA)	<i>Miss. Code Ann. § 37-106-47</i>
Graduate Teacher Forgivable Loan (GTS)	<i>Miss. Code Ann. § 37-106-47</i>
Southern Region Education Board Doctoral Scholars Forgivable Loan (SDSP)	<i>Miss. Code Ann. § 37-106-47</i>
Critical Needs Dyslexia Therapy Teacher Forgivable Loan (CNDT)	<i>Miss. Code Ann. § 37-106-71</i>
Nursing Teacher Stipend (NTSP)	<i>Miss. Code Ann. § 37-106-59</i>
State Dental Education Forgivable Loan (DENT)	<i>Miss. Code Ann. § 37-106-63</i>
State Medical Education Forgivable Loan (MED)	<i>Miss. Code Ann. § 37-106-61</i>
Southern Regional Education Board Regional Contract Forgivable Loan (SREB)	<i>Miss. Code Ann. § 37-106-47</i>
Graduate and Professional Degree Forgivable Loan (STSC)	<i>Miss. Code Ann. § 37-106-65</i>
Veterinary Medicine Minority Forgivable Loan (VMMP)	<i>Miss. Code Ann. § 37-106-47</i>
Speech-Language Pathologists Forgivable Loan (SLPL)	<i>Miss. Code Ann. § 37-106-73</i>
Loan Repayment and Other Programs (Parts 680-689)	
Mississippi Teacher Loan Repayment Program (MTLR)	<i>Miss. Code Ann. § 37-106-55</i>
Teacher Education Alternate Route Certification Scholars Forgivable Loan (TESA)	<i>Miss. Code Ann. § 37-106-79</i>

Source: [Miss. Code Ann. § 37-106-11](#); *Miss. Code Ann. § 37-106-29*; *Miss. Code Ann. § 37-106-31*; *Miss. Code Ann. § 37-106-35*; *Miss. Code Ann. § 37-106-37*; *Miss. Code Ann. § 37-106-39*; *Miss. Code Ann. § 37-106-41*; *Miss. Code Ann. § 37-106-43*; *Miss. Code Ann. § 37-106-47*; *Miss. Code Ann. § 37-106-55*; *Miss. Code Ann. § 37-106-57*; *Miss. Code Ann. § 37-106-59*; *Miss. Code Ann. § 37-106-61*; *Miss. Code Ann. § 37-106-63*; *Miss. Code Ann. § 37-106-65*; *Miss. Code Ann. § 37-106-67*; *Miss. Code Ann. § 37-106-69*; *Miss. Code Ann. § 37-106-71*; *Miss. Code Ann. § 37-106-73*; *Miss. Code Ann. § 37-106-75*; *Miss. Code Ann. § 37-106-77*; and *Miss. Code Ann. § 37-106-79*.

Recommendation:

The recommended changes have been reviewed by the Office of the Attorney General. Board approval is recommended, contingent upon completion of the Administrative Procedures Act process.

MINUTES

B. Chapter 2, Rule 2.4 to Alter the Board Meeting Schedule

Summary:

The Postsecondary Board schedule of meeting in March, June, September, and October has changed frequently in recent years. The Annual Report will typically be approved in early January and the award budget must be approved in April. The Board has not met in December for the last two years. Statute does not require the quarterly schedule.

Part 601 Chapter 2: Mississippi Postsecondary Education Financial Assistance Board

Rule 2.4 Meetings of the Mississippi Postsecondary Education Financial Assistance Board.

- I. The Postsecondary Board will establish a meeting schedule and publish the schedule on the Mississippi Office of Student Financial Aid website.
- ~~II. Typically, the Board will meet on a quarterly basis with meetings scheduled on the third Monday of June, September, December and March at a time and place to be agreed upon by the Board.~~
- III. Notice of Board meetings will be provided at least five (5) days prior to the scheduled Board meeting in accordance with the Open Meetings Act.
- IV. Special meetings of the Board may be called upon the occurrence of events which warrant the consideration and attention of the Board.

Source: *Miss. Code Ann.* § 37-106-9 and § 25-41-1 through § 25-41-17.

Recommendation:

The recommended changes have been reviewed by the Office of the Attorney General. Board approval is recommended, contingent upon completion of the Administrative Procedures Act process.

C. Chapter 8, Rule 8.3 to Address the Timing of Balancing and Refunds

Summary:

Statute requires the institutions to submit a complete and accurate roster of the eligibility status of students each term and to refund monies in certain situations of ineligibility. The proposed language was drafted to encourage the institutions to complete these required processes in a more timely manner.

Part 601 Chapter 8: Rights and Responsibilities

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

- I. Submit grade files by the deadline each term.
- II. Submit enrollment files by the deadline each term.
- III. Review award, disbursement, and balance 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 of attendance.

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- 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. A balancing statement and certification statement, verifying monies disbursed to all students, must be submitted ~~before~~ at the end of the semester or trimester to the Board. Funds for a given term will not be disbursed until the balancing process for the previous term is complete.
- IX. Refunds due to the Board 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:

The recommended changes have been reviewed by the Office of the Attorney General. Board approval is recommended, contingent upon completion of the Administrative Procedures Act process.

3. Approval of Updates to APA Part 605 – General Administration Rules and Regulations:

On motion by Dr. Burnett, seconded by Mr. Bush, all Board Members legally present and participating voted unanimously to approve Regular Agenda Item #3, upon correction of a typographical error occurring in Part G (Part 605, Section V, I, 3).

The Board previously approved updates to APA Part 605 in March 2017. APA Part 605 is included as Appendix 2, beginning on page 71.

A. Sections I, C, 2. and II, D, 2, b) to Address Legal Custody and Emancipation in Relation to Dependency Status

Summary:

The Office follows the federal rules for determining a student's dependency status. The federal rules require that a student in a legal guardianship be treated as an independent student for financial aid. The federal rules do not address legal custody, but state attorneys indicate that guardianship and custody are terms often used interchangeably by Mississippi courts. The proposed language adds the term "legal custody" to the document description for "legal guardianship" and to the qualifications of an "independent" student. The proposed language also clarifies that "emancipation" is not recognized as a determinant for dependency status.

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.

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2. Dependency Documentation – Students with certain family circumstances may be considered “independent” for purposes of receiving financial aid. The student may be asked to verify such circumstances by providing documentation. In some cases, the Office may defer to the institution’s decision concerning the student’s dependency status.
 - a) Legal Guardianship or Custody – The student must provide court documents proving legal guardianship or legal custody of student by someone other than the student’s parents.

...

II. DETERMINING ELIGIBILITY:

D. Special Issues Related to Determining Eligibility

2. Dependency Status
 - a) For the purpose of awarding state financial aid, the Office will follow the federal guidelines for classifying a student as “dependent” or “independent.”
 - b) To be “independent”, a student must:
 - (1) Be at least 24 years old;
 - (2) Be married;
 - (3) Be pursuing a graduate degree;
 - (4) Be serving on active duty in the U.S. Armed Forces for purposes other than training;
 - (5) Be a veteran of the U.S. Armed Forces;
 - (6) Have a child or children for which the student provides more than half of the support;
 - (7) Have other dependents who live with the student for which the student provides more than half of the support;
 - (8) At any time since the age of 13, both parents of the student have been deceased, the student has been in foster care, or the student has been a dependent ward of the court;
 - (9) Be in a legal guardianship or legal custodial relationship as determined by a court in Mississippi; or

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- (10) Be an unaccompanied youth who is homeless or self-supporting and at risk of being homeless as determined by the high school or school district homeless liaison, by the director of an emergency shelter or transitional housing program funded by the U.S. Department of Housing and Urban Development, or by the director of a runaway or homeless youth basic center or transitional living program.
- (11) Emancipation solely for purposes of financial aid is not recognized to establish independent student status.

Recommendation:

The recommended changes have been reviewed by the Office of the Attorney General. Board approval is recommended, contingent upon completion of the Administrative Procedures Act process.

B. Section I, C, 3, b) to Add a Description of Homeschool Transcript Requirements in the List of Acceptable Merit Documentation

Summary:

The current policy lists the Official High School Transcript as one of the acceptable forms of support documentation, but the policy assumes the transcript is from a traditional public or private high school. The proposed language completes the document description by detailing what is required for homeschool transcripts.

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.
 - 3. Merit Documentation - The Office will collect documents to determine a student's academic or merit eligibility for state student financial aid.
 - b) Official High School Transcript - The official high school transcript should include all courses attempted, completed or in progress; the GPA on a 4.0 scale; and the ACT/SAT score if available. A homeschool transcript must be signed and notarized.

Recommendation:

The recommended changes have been reviewed by the Office of the Attorney General. Board approval is recommended, contingent upon completion of the Administrative Procedures Act process.

C. Section II, D, 1, g) to Address Eligibility for Aid When a Parent Moves Out of State Mid-Year

Summary:

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The current policy reflects the statute regarding the residency status of a dependent student when the parent moves out of state. The proposed language addresses the awarding of aid in such situations.

II. DETERMINING ELIGIBILITY

D. Special Issues Related to Determining Eligibility

1. Residency

- g) Effect of Removal of Parents from Mississippi (§ 37-103-11) - If the parents of a dependent who is enrolled as a student in an institution of higher learning move their legal residence from the State of Mississippi, the dependent is immediately classified as a non-resident student. If a student is determined to be a non-resident before state financial aid funds are disbursed to the school, the funds will be cancelled. The student will not be eligible for state financial aid since the student is considered a non-resident. If a student is determined to be a non-resident after state financial aid funds are disbursed to the school, the student may keep the funds for that term. However, the student will not be eligible for state financial aid for subsequent terms.

Recommendation:

The recommended changes have been reviewed by the Office of the Attorney General. Board approval is recommended, contingent upon completion of the Administrative Procedures Act process.

D. Section II, D, 3, f) to Address Eligibility for Aid When a Student Participates in an Internship Program

Summary:

Statute states that students must maintain continuous enrollment, unless granted an exception for cause; examples for cause may include student participation in a cooperative program, internship program or foreign study program. The current policy addresses cooperative programs (co-ops) and study abroad programs but does not address internships. The proposed language addresses eligibility for aid when a student fails to maintain continuous full-time enrollment due to participation in an internship.

II. DETERMINING ELIGIBILITY

D. Special Issues Related to Determining Eligibility

3. Continuous Full-Time Enrollment

- f) Internships and Continuous Full-time Enrollment - A student who experiences a break in continuous full-time enrollment due to the completion of a qualifying internship during the fall, winter, or spring term(s) may submit an appeal to receive aid the following term. To qualify, an internship must either be required by the attending institution or lead to earned credit hours.

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Recommendation:

The recommended changes have been reviewed by the Office of the Attorney General. Board approval is recommended, contingent upon completion of the Administrative Procedures Act process.

E. Section II, D. to Define “First-time College Student”

Summary:

Students who take dual credit, dual enrollment, AP, IB, and other college-level courses frequently graduate from high school with college credit. Some even enter college with more than 12 college credits, thereby clouding the definition of a first-time college student. The proposed policy change attempts to define first-time college students in such a way as to ensure that high-achieving students are not penalized for earning college credit before full-time college enrollment.

II. DETERMINING ELIGIBILITY

D. Special Issues Related to Determining Eligibility

3. First-time College Student

a) A first-time college student is any student who has fewer than 12 hours of postsecondary academic credit.

(1) Postsecondary academic credit earned prior to or during the summer immediately subsequent to receiving a high school diploma or earned while dually enrolled in secondary and postsecondary educational institutions, or while enrolled in the early admission program of a postsecondary institution shall not be considered when determining if a student is a first-time college student.

(2) Postsecondary academic credit granted by an institution for Advanced Placement (AP) or International Baccalaureate (IB) courses completed in high school shall not be considered when determining if a student is a first-time college student.

Recommendation:

The recommended changes have been reviewed by the Office of the Attorney General. Board approval is recommended, contingent upon completion of the Administrative Procedures Act process.

F. Section II, E, to Update the Appeal Process

Summary:

Since the Board changed the definition of full-time from 12 hours to 15 hours in 2016-17, the Office has seen a substantial increase in the number of student appeals. From 2007-08 through 2015-16, the Office considered an average of 69 appeals per year. The most appeal requests considered in a year was 95. In 2016-17, the Office considered 557 appeals. The appeal process

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was updated by the Board during the 2016-17 aid year, but the Office is seeking further guidance. The proposed policy changes address the appeal process as well as common appeal-related issues.

II. DETERMINING ELIGIBILITY

E. Appealing Determinations of Ineligibility

1. A student who applies for state financial aid and is determined to be ineligible due to 1) full-time enrollment status, 2) continuous full-time enrollment status, or 3) satisfactory academic progress may appeal to the Office in writing.
2. The Office will not hear appeals related to deadline dates, residency, grade point average (either high school or college), and ACT/SAT scores. If the Office has made a determination of eligibility based on an incomplete/incorrect transcript or grade verification, the student should have the high school or college submit an official updated grade verification directly to the Office.
3. The appeal process is as follows:
 - a) Student submits a Mississippi Office of Student Financial Aid Appeal Form ~~written appeal~~ which addresses the reason why the student was deemed ineligible and the reason why the Office should consider making an exception to the eligibility requirement. Acceptable reasons for appeal include:
 - (1) Student or, in some cases, an immediate family member undergoes a significant personal event that prevents the student from maintaining continuous full-time enrollment, such as serious illness, personal injury, divorce, or death of an immediate family member.
 - (a) An immediate family member is defined as a parent, spouse, sibling, or child.
 - o(b) A significant personal event includes serious medical problem or illness, accident or injury, divorce, abuse, death of an immediate family member, or military service.
 - (2) Student is nearing degree completion and does not have enough hours remaining to warrant continuous full-time enrollment. ~~For the 2016-17 academic year, students with 6 to 17 credit hours remaining in the course of study may appeal for an exception for a single term. Students with 18-29 credit hours remaining in the course of study may appeal for an exception~~

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~~for two terms, BUT one semester must carry at least 12 hours and the other semester must carry at least six 6 hours. Such students may appeal for an exception for a single term. No appeal will be accepted, and no aid will be disbursed for any semester carrying less than 6 hours. Beginning with the 2017-18 academic year, only students with 6-14 credit hours remaining may appeal for an exception for a single term.~~

(3) ~~Student experiences a break in continuous full-time enrollment due to the completion of a qualifying internship during the fall, winter, or spring term(s). To qualify, an internship must either be required by the attending institution or lead to earned credit hours.~~

⊖
b) The personal event appeal should be accompanied by appropriate supporting documentation. ~~The nearing degree appeal should be accompanied by a letter on institutional letterhead from the appropriate dean, director, or academic advisor. The letter from the faculty/administrator should indicate 1) the expected graduation date, 2) the total number of hours the student needs to complete his/her degree, and 3) the number of hours the student intends to take each term.~~

(1) ~~For a medical problem or serious illness (physical or mental), the supporting documentation must include appropriate medical reports that identify the inception and duration of the illness. Supporting document(s) should clearly indicate whether the medical condition is under control, thus allowing the student to meet all eligibility requirements. Supporting documents should include, but are not limited to, medical reports and letters from a doctor or professional counselor.~~

(2) ~~For an accidents or injury, the supporting documentation must identify the date of the accident or injury and describe the resultant medical problems. Supporting documents should include, but are not limited to, police and medical reports.~~

(3) ~~For a family problem such as divorce, abuse, and death or serious illness of an immediate family member, the supporting documentation must identify the student's relationship to the family member(s) involved and the inception and duration of the problem. Clearly state what actions have been taken to manage the problem, thus allowing the student to meet all eligibility requirements. Appropriate supporting documents~~

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include, but are not limited to, police and/or medical report(s), death certificate, divorce decree, and letter(s) from a professional counselor.

(4) For military service, supporting documentation must identify the dates and status of the student's military tours of duty. Appropriate supporting documents include military orders and discharge papers.

c) Only one appeal will be considered per personal event. Any additional appeals must demonstrate a new mitigating circumstance beyond the student's control.

d) The nearing degree appeal should be accompanied by a letter on institutional letterhead from the appropriate dean, director, or academic advisor. The letter from the faculty/administrator should indicate 1) the expected graduation date, 2) the total number of hours the student needs to complete his/her degree, and 3) the number of hours the student intends to take each term.

e) The internship appeal should be accompanied by a letter on institutional letterhead from the appropriate dean, director, or academic advisor that states the date of the internship, the number of credits received, and if required by the institution.

•f) The ~~written appeal~~ Mississippi Office of Student Financial Aid Appeal Form and supporting documentation ~~and~~ should be mailed to the Mississippi Office of Student Financial Aid, 3825 Ridgewood Road, Jackson, MS 39211. The ~~appeal~~ Appeal Form and documentation may also be faxed to 601-432-6527 or emailed to sfa@mississippi.edu.

•g) The ~~written appeal~~ Mississippi Office of Student Financial Aid Appeal Form along with supporting documentation is reviewed by a Program Administrator to ensure that the issue may be considered for appeal.

•h) The Program Administrator presents the Mississippi Office of Student Financial Aid Appeal Form ~~written appeal~~, supporting documentation, and any other necessary documentation/data related to the student's file to the Appeals Committee.

•i) The Appeals Committee reviews information. The Committee may request additional information from the student and/or other parties.

•j) The Appeals Committee issues a decision. The Committee's decision is final. The Director of Student

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Financial Aid is not authorized to overturn the decision of the Appeals Committee.

•k) The decision is delivered in writing to the student and a copy is kept for the student's file.

•l) There is no deadline for appeals. Appeals are received and considered year-round.

Recommendation:

The recommended changes have been reviewed by the Office of the Attorney General. Board approval is recommended, contingent upon completion of the Administrative Procedures Act process.

G. Section V. to Add a Section on Loan Servicing and Repayment Process

Summary:

The current policy does not address how the Office handles the servicing of loans or the loan repayment process. The proposed language adds a new section to the General Administration Rules to address loan servicing and repayment.

V. Loan Repayment and Servicing Process

A. Third-party Servicer

1. A third-party vendor will service all the state's forgivable loan accounts.
2. The vendor will provide an online platform where a student may electronically participate in Entrance Counseling and sign the Master Contract and Note before receiving funds.
3. The vendor will complete all billing and collections functions on behalf of the Office.
4. The vendor will supply online account access for every student borrower, where the borrower may make payments, download and file deferment and cancellation forms, set up automatic payments, etc.
5. The vendor will provide customer service representatives to answer questions related to the deferment, cancellation, and repayment of forgivable loans.

B. Loan Recipient Responsibilities

1. While receiving funds, the loan recipient must at all times keep the Office informed of the recipient's current, correct, and complete contact information. This information may be updated via the student account online at www.mississippi.edu/financialaid. Once in repayment, the recipient must at all times keep the loan servicer informed of the recipient's current, correct, and complete contact information until the debt is completely satisfied.

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2. A loan recipient should address in writing to the Office or the loan servicer any special circumstances regarding enrollment status, withdrawal from school, or failure to complete the approved program of study.

C. Repayment

1. A forgivable loan recipient enters repayment when the recipient completes the approved program of study, withdraws from school, fails to complete the approved program of study, or fails to obtain the necessary license (if required for employment).
2. Repayment with service or money must begin by the month after the applicable event outlined in section V.C.1.a) above, unless the recipient is granted a grace period, in which case repayment must begin by the month after the expiration of the grace period.
3. The recipient may repay the loan debt either through service or by making monetary payments.

D. Grace Period and Other Deferments

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

1. Grace Period

- a) Loan recipients who complete their approved program of study receive a grace period, which is outlined in the Master Contract and Note signed by the student prior to receiving any award from the Office.
- b) Most forgivable loans carry a 12-month grace period, but some carry only a 1-month grace period. The Master Contract and Note details the duration of the grace period.
- c) The student borrower may utilize the grace period to seek and secure qualifying employment.
- d) A loan recipient who does not complete the approved program of study will not be granted a grace period and will enter repayment immediately upon separation from the approved program of study. In some cases, such a recipient may be eligible for an in-school deferment.

2. Residency Deferment

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a) A residency deferment is available to students in specific loan programs. These deferments are outlined in the Master Contract and Note.

b) At the beginning of each year of residency, the loan recipient should submit a Residency Deferment Form.

3. In-School Deferment

a) A loan recipient who does not complete the approved program of study, but remains enrolled at least part-time, may request deferment for the purpose of remaining in school.

b) The in-school deferment must be requested in writing to the loan servicer and must be accompanied by verification of at least part-time enrollment from the attending institution.

c) The in-school deferment must be requested by the recipient and approved every term (except Summer) throughout the duration of the deferment.

4. Temporary Disability Deferment

a) A loan recipient who is unable to secure or continue employment because of temporary disability may request deferment.

b) To qualify, a recipient must be unable to work and earn money due to the disability for at least sixty (60) days or be providing continuous care for a dependent or spouse during a period of at least (90) consecutive days.

c) The temporary disability deferment must be requested in writing to the loan servicer and must be accompanied by certification from a Doctor of Medicine or Osteopathy who is legally authorized to practice medicine.

d) The temporary disability deferment must be requested by the recipient and approved every six (6) months throughout the duration of the deferment and condition for a total period of time not to exceed three (3) years.

5. Military Service Deferment

a) In terms of military service, the following definitions shall apply:

(1) REQUIRED military service is that service which is required of an individual in the service of the Armed Forces of the United States; it does not include a military service obligation incurred to repay a grant, stipend or scholarship.

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(2) OBLIGATED or VOLUNTARY military service is that service which is performed by the individual in repayment of a debt owed the United States government as a result of military scholarships, ROTC scholarships, etc. received by the individual. Service is VOLUNTARY if the individual is not obligated to incur a period of military service but chooses to incur the service obligation.

b) A loan recipient may request deferment during the time of required military service.

c) The military deferment must be requested in writing to the loan servicer, stating the beginning and ending dates of the required military service, and must be accompanied by a copy of the military orders.

d) The military deferment must be requested and approved on a year-to-year basis (annually).

e) If a loan recipient continues military service for any reason beyond the REQUIRED time, then that person shall be declared ineligible for additional military deferment.

f) If a recipient obligates himself/herself to VOLUNTARY military service, then the recipient shall be declared ineligible for military deferment.

E. Repayment through Service

1. Service Deferment

a) The loan recipient who completes the approved program of study, earns the necessary license (if required), and obtains appropriate employment may request a service deferment.

b) The loan recipient must submit to the third-party servicer a Service Deferment Form at the beginning of each and every year of employment until the debt is paid in full.

c) The deferment form must be submitted by the month after the expiration of the grace period.

2. Service Cancellation

A cancellation is a clearing of all or part of the debt.

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- a) Loan recipients who render employment according to the terms of their Master Contract and Note may request service cancellation.
- b) For service cancellation, the loan recipient should submit to the third-party servicer a Service Cancellation Form at the end of each and every year of employment until the debt is paid in full.

F. Monetary Payments

- 1. The loan recipient who does not repay the loan through service must begin making payments by the month after the recipient completes the approved program of study, withdraws from school, fails to complete the approved program of study, fails to obtain the necessary license (if required for employment), or the expiration of the grace period if granted.
- 2. Amount, Frequency, and Duration of Payments
 - a) The loan recipient is liable for the sum of all loan awards made to that person less the corresponding amount of debt previously cancelled through service, plus a penalty of 5% of the outstanding principal, and interest on the combined outstanding principal and penalty.
 - b) The rate of interest is the current unsubsidized Federal Direct Loan rate at the time of the occurrence of one of the events outlined in section V.F.2.a). Interest begins accruing at the time of occurrence of one of the events outlined in Section V.F.2.a).
 - c) To keep the account current, loan recipients must repay the loan (principal, penalty, and interest) in equal consecutive monthly installments. The number of installments is outlined in the recipient's Master Contract and Note.
- 3. Past Due and Delinquent Accounts
 - a) An account becomes past due when the recipient fails to make the minimum monthly payment.
 - b) An account becomes delinquent when the account becomes 4 months past due.
 - c) A loan recipient with a past due or delinquent account may request to "reschedule" the minimum monthly payments to keep the account from being turned over to a collection recovery agency. "Rescheduled" accounts are still considered to be past due or delinquent until any past due balance is paid in full.

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d) Delinquent accounts are considered to be in default during the 5th month past due. At such time, the account is accelerated and placed with a collection recovery agency and submitted for tax offset.

(1) When an account is accelerated, the sum of the outstanding principal, penalty, and interest becomes the new balance due.

(2) A collection commission is applied to the new balance, and interest accrues on the sum of the new balance and collection commission.

G. Collection of Defaulted Forgivable Loan Accounts

1. Collection Agencies

a) The Office partners with third-party collection recovery agencies to collect on defaulted accounts.

b) Collection efforts by these agencies include, but are not limited to paper correspondence, electronic correspondence, and phone calls.

c) Collection costs are borrower-paid. When an account is placed with a collection agency, a collection commission is added to the accelerated balance. Interest then accrues on the combined accelerated balance and collection commission.

2. Tax Offset

a) When a borrower's account is placed with a collection agency, the third-party servicer also reports the account to the Mississippi Department of Revenue.

b) The Department of Revenue may intercept individual and joint State of Mississippi income tax returns in an effort to collect on defaulted forgivable loan balances.

c) The intercepted tax return is applied first to past due interest, then to current interest, and lastly to the outstanding principle balance.

d) Refunding of Tax Offset Intercepts

(1) If the tax offset payment is intercepted from a joint return, a not-at-fault spouse may be entitled to a portion of the refund. In this case, the borrower may appeal to the Office on behalf of the not-at-fault spouse in order to procure a portion of the refund for said spouse.

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(2) The Refund Process for State Tax Offset Payments is as follows:

- (a) The borrower receives the initial notification letter from the Mississippi Department of Revenue confirming their state tax refund has been intercepted by the Mississippi Institutions of Higher Learning to repay a defaulted forgivable loan debt.
- (b) The borrower may submit a written appeal to the Office for the portion of the refund due to the not-at-fault spouse.
- (c) The appeal must be received by the Office no later than 30 days after the date of issuance of the letter from the Department of Revenue.
- (d) The Office will request W-2 employment wage verification forms from each spouse to verify the proportionate amount of tax each spouse contributed within the last calendar year.
- (e) After reviewing the W-2 documents, the office will make a determination of the percentage of the refund attributed to the not-at-fault spouse.
- (f) A refund check reflecting the proportionate amount of tax available to return along with a finalization letter will be issued to the not-at-fault spouse.

H. Credit Reporting

- 1. State Forgivable Loans are reported to the credit bureaus monthly.
- 2. Credit reporting is completed by the third-party servicer.
- 3. Accounts are reported using the standard credit reporting codes.

I. Cancellation through Death or Disability

1. Death

- a) If a loan recipient dies, then the recipient's obligation to repay the loan or render service is canceled.

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- b) The Board shall require a copy of the death certificate or other proof of death that is acceptable under applicable State Law. If a death certificate or other acceptable proof of death is not available, the recipient's obligation for service or repayment on the loan is canceled only upon a determination by the Board on the basis of other evidence that the Board finds conclusive.
- c) The Board may not attempt to collect on the loan from the deceased recipient's estate.

2. Total and Permanent Disability

- a) If a loan recipient becomes totally and permanently disabled, the recipient may request cancellation of the outstanding balance.
- b) A recipient is not considered totally and permanently disabled on the basis of a condition that existed before he/she applied for the forgivable loan, unless the recipient's condition has substantially deteriorated since he/she submitted the forgivable loan application, so as to render the recipient totally and permanently disabled.
- c) To demonstrate total and permanent disability, the recipient or the recipient's representative must submit the Disability Cancellation Form. The form must include a certification from a physician, who is a doctor of medicine or osteopathy and legally authorized to practice, on a form provided or approved by the Board, that the recipient is totally and permanently disabled.
- d) Other documents may be requested.
- e) Collection efforts will continue until the physician certification is received or until notice is received from the physician stating that the certification has been requested and additional time is needed.
- f) The physician certification and all requested documents must be submitted within 60 days of the borrower's request for cancellation.
- g) The borrower's outstanding debt will be cancelled only after the borrower is deemed to be totally and permanently disabled in accordance with the physician certification and supporting documents.

1.3. State of Mississippi forgivable loans cannot be discharged or cancelled through bankruptcy.

2.4. Forgivable loan cancellation forms can be found at the following link: <http://www.mississippi.edu/repayment>.

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Recommendation:

The recommended changes have been reviewed by the Office of the Attorney General. Board approval is recommended, contingent upon completion of the Administrative Procedures Act process.

4. Approval of APA Part 621 – Nissan Scholarship (NISS) Rules and Regulations:

On motion by Mr. Bush, seconded by Ms. Langston, all Board Members legally present and participating voted unanimously to approve Regular Agenda Item #4.

The Postsecondary Board has never approved APA Part 621. The IHL Board previously approved Rules and Regulations for the Nissan Scholarship.

Summary:

The Nissan Scholarship has been administered by the Office since its creation, but the program was previously authorized by IHL rather than the Postsecondary Board. SB 2193 was passed during the 2018 Legislative Session to move the authority from IHL to the Postsecondary Board. The Postsecondary Board must approve the program rules and regulations. The Rules have been reformatted, but only substantive changes appear in red. Most of the redline changes were requested by Nissan North America.

Title 10: Education Institutions and Agencies

Part 621: Nissan Scholarship (NISS)

Part 621 Chapter 1: Nissan Scholarship (NISS) Rules and Regulations

Rule 1.1 Nissan Scholarship (NISS) Rules and Regulations. These Rules and Regulations are subject to change by the Mississippi Postsecondary Education Financial Assistance Board (Postsecondary Board).

I. GENERAL ELIGIBILITY

Only first-time entering freshmen are eligible for the Nissan scholarship.

II. INITIAL ELIGIBILITY REQUIREMENTS

A student is eligible to be selected as a Nissan scholar if he or she:

- A. Is a legal resident of the State of Mississippi;
- B. Will be graduating from a Mississippi high school;
- C. Will be enrolling as a full-time student at a public two-year college or four-year university in Mississippi;
- D. Has a high school grade point average of 2.5 or higher on a 4.0 grading scale and a minimum score of 20 on the national ACT;
- E. Submits an essay which demonstrates a desire to incorporate their career goal to support the automotive industry;
- F. Demonstrates financial need as determined by the Mississippi Office of Student of Financial Aid; and

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- G. Demonstrates leadership abilities through extracurricular participation in 3 or more activities during the 9th – 12th grades as outlined in the student's résumé and transcript.

III. NUMBER AND AMOUNT OF AWARDS

- A. The Nissan Scholarship Selection Committee will determine the number of Nissan scholarships to be awarded annually.
- B. Each scholarship will be in an amount that pays full tuition (and required fees) and a book allowance to be determined by the Nissan Scholarship Selection Committee, contingent upon the availability of funds.

IV. DISBURSEMENT OF SCHOLARSHIP

- A. The college or university shall certify that the student has met the general requirements for initial student eligibility and continuing eligibility.
- B. For each scholar who meets the requirements for initial eligibility under Section 2 and continuing eligibility under Section 10, the Mississippi Office of Student Financial Aid shall disburse one-half of the annual award for each semester (one-fourth for a quarter or one-third for each trimester) to the educational institution with each scholar designated as the recipient of a specified amount.
- C. Funds will be mailed directly to the institution, to be applied first to tuition.

V. SCHOLARSHIP LENGTH

- A. The length of the scholarship will vary depending upon the certificate or degree the student pursues.
- B. This scholarship will provide support for up to a maximum of four years of undergraduate work at a public four-year university (up to a maximum of two years of undergraduate work at a public four-year university if the scholar first completes two years of undergraduate work at a public two-year college).
- C. This scholarship will provide support for up to a maximum of two years of undergraduate work at a public two-year college.

VI. SELECTION PROCESS

- A. Upon recommendation by the Mississippi Office of Student Financial Aid, the Nissan Scholarship Selection Committee will determine the number of Nissan scholarships to be awarded annually.
- ~~B. — Each year, for which the NISSAN Scholarship is awarded, one recipient should be from Canton High School and one from Madison County Schools.~~
- ~~C.B.~~ There will be a Nissan Scholarship Selection Committee appointed each year. The committee shall consist of the following seven members: one member from Nissan North America, Inc. who will review and approve the list of recipients, two educator representatives appointed by the ~~State Board for Community and Junior Colleges~~ Mississippi Community College Board from within all community and junior college faculties, two educator representatives appointed by the Board of Trustees of State Institutions of Higher Learning from within the university faculties, one representative from the Office of Academic Affairs of the Board of Trustees of

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State Institutions of Higher Learning and the Director of Mississippi Student Financial Aid who shall act as coordinator of the selection committee.

~~D.C.~~ Selection of scholarship recipients will be based on the following criteria and scoring percentages:

1. Academic achievement (50%)
2. Extracurricular activities/work/leadership/community involvement (15%)
3. Quality of applicant's signed maximum 200-word essay described in Section 7 below (15%); and
4. Demonstrated financial need (20%)

~~i.D.~~ If the selection committee must select recipients from applicants with similarly scored applications, selection preference should go to applicant(s) from the Hinds, Madison, Rankin tri-county area.

VII. REQUIRED DOCUMENTS

Submission of the following on or before the deadline will constitute a "COMPLETE" application:

- A. Online application
- B. Resume
- C. Two documents verifying Mississippi residency
- D. Completed needs analysis form (Free Application for Federal Student Aid – FAFSA)
- E. High school transcript showing national ACT score and seven semester grades (through December). The GPA must be calculated on a 4.0 scale. Also, send a college transcript, if taking advanced placement courses.
- F. Signed maximum 200-word essay describing the applicant's plans for the future and reasons for choosing his/her particular field of study as it relates to the automotive industry.

VIII. APPLICATIONS

The application will be available ~~January-October~~ 1 each year on the Mississippi Office of Student Financial Aid's website at www.mississippi.edu/financialaid or you may contact:

Mississippi Office of Student Financial Aid
3825 Ridgewood Road
Jackson, MS 39211-6453
1-800-327-2980 or (601) 432-6997

IX. APPLICATION DEADLINE

Complete applications must be received in the office of Mississippi Student Financial Aid by **March 1** each year.

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X. CONTINUING ELIGIBILITY CRITERIA

A Nissan scholar is eligible to continue on the program if he or she:

- A. Attains a cumulative grade point average of 2.5 on a 4.0 scale at the end of each semester or quarter or trimester.
 - 1. The award may be renewed upon certification by the eligible institutions that the recipient meets the necessary qualifications.
 - 2. If any recipient transfers from one college or university to another, his or her award will be transferable, provided that he or she is otherwise eligible for the award;
- B. Demonstrates satisfactory academic progress toward the completion of a degree including continuous full-time enrollment; and
- C. Maintains good standing at the college or university.

XI. CONSEQUENCES OF A SCHOLAR'S FAILURE TO MEET THE CONTINUING ELIGIBILITY CRITERIA

- A. If a scholar loses eligibility due to having less than the required cumulative grade point average, the scholar shall receive no subsequent awards until the student regains eligibility. The scholar will regain eligibility when the cumulative grade point average is improved to the required minimum for the program.
- B. If a scholar fails to maintain continuous enrollment, he/she may submit a request for "exception for cause" to the Coordinator of the Nissan Scholarship Selection Committee. If the request is denied, the scholar shall receive no subsequent awards.
- C. A scholar, who receives an award for a period for which the Coordinator of the Nissan Scholarship Selection Committee subsequently determines the scholar was ineligible under the requirements in Section 10, shall, at the discretion of the Selection Committee, return all or a portion of the total amount of the scholarship funds received for the period during which he or she was ineligible.

Recommendation:

The recommended changes have been reviewed by the Office of the Attorney General. Board approval is recommended, contingent upon completion of the Administrative Procedures Act process.

5. Approval of Updates to APA Part 637 – William Winter Alternate Route Teacher Forgivable Loan Program (WWAR) to Remove References to Praxis 1:

On motion by Dr. Burnett, seconded by Mr. Bush, all Board Members legally present and participating voted unanimously to approve Regular Agenda Item #5.

The Board previously approved APA Part 637 in April 2017. APA Part 637 is included as Appendix 3, beginning on page 105.

Summary:

The Office seeks to align the WWAR program requirements with the program requirements of Mississippi's teacher education programs. Praxis Pre-Professional Skills Test, commonly known as the

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Praxis 1, results are no longer accepted for admission into the state's teacher education programs. The proposed policy removes references to the Praxis 1.

I. GENERAL ELIGIBILITY

- E. The applicant must have earned passing scores on all three of the ~~Praxis I Pre-Professional Skills Tests (PPST) (reading, writing, and mathematics)~~ or all three Praxis Core Academic Skills for Educators (Core) Tests (reading, writing, and mathematics).

...

II. APPLICATION REQUIREMENTS FOR FORGIVABLE LOAN APPLICANT

A. First time applicants must:

- 3. Earn passing scores on all three of the ~~Praxis I Pre-Professional Skills Tests (PPST) (reading, writing, and mathematics)~~ or all three Praxis Core Academic Skills for Educators (Core) Tests (reading, writing, and mathematics) and submit all three test scores to the Board as soon as possible. Scores must be received by June 30. Passing scores are indicated on the score report provided to the student by the testing service. Passing scores are also published online at www.mississippi.edu/financialaid.

Recommendation:

The recommended changes have been reviewed by the Office of the Attorney General. Board approval is recommended, contingent upon completion of the Administrative Procedures Act process.

6. Approval of Updates to APA Part 639 – William Winter Teacher Forgivable Loan Program (WWTS) to Remove References to ACT Subscores and Praxis 1:

On motion by Dr. Burnett, seconded by Mr. Bush, all Board Members legally present and participating voted unanimously to approve Regular Agenda Item #6.

The Board previously approved APA Part 639 in April 2017. APA Part 639 is included as Appendix 4, beginning on page 115.

Summary:

The Office seeks to align the WWTS program requirements with the program requirements of Mississippi's teacher education programs. Praxis Pre-Professional Skills Test, commonly known as the Praxis 1, results are no longer accepted for admission into the state's teacher education programs. The proposed policy removes references to the Praxis 1. The proposed policy also removes the ACT sub-score requirement for students with a composite score of 21 or higher on the ACT, because the sub-scores are no longer considered for program entry.

I. GENERAL ELIGIBILITY

- D. The applicant must have earned passing scores on all three of the ~~Praxis I Pre-Professional Skills Tests (PPST) (reading, writing, and mathematics)~~ or all three Praxis Core Academic Skills for Educators (Core) Tests (reading, writing, and mathematics), or must supply proof of exemption for Praxis testing by providing an ACT composite score of 21 or higher from a national test ~~with sub-scores of 18 or higher from that same test~~. A combined score of 990 on the Critical Reading and Math sections of the Old SAT or a score of 1060 on the New SAT will be accepted

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in lieu of the ACT. ACT or SAT scores must come from a test taken prior to enrollment into higher education.

...

II. APPLICATION REQUIREMENTS FOR FORGIVABLE LOAN APPLICANT

A. First time applicants must:

3. Earn passing scores on all three of the ~~Praxis I Pre-Professional Skills Tests (PPST) (reading, writing, and mathematics) or all three~~ Praxis Core Academic Skills for Educators (Core) Tests (reading, writing, and mathematics) and submit all three test scores to the Board as soon as possible. Scores must be received by June 30. Passing scores are indicated on the score report provided to the student by the testing service. Passing scores are also published online at www.mississippi.edu/financialaid. Applicants may supply proof of exemption for Praxis testing by providing an ACT composite score of 21 or higher from a national test ~~with sub-scores of 18 or higher from that same test~~. A combined score of 990 on the Critical Reading and Math sections of the Old SAT or a score of 1060 on the New SAT will be accepted in lieu of the ACT. ACT or SAT scores must come from a test taken prior to enrollment into higher education. If submitted in lieu of Praxis ~~I~~ scores, ACT or SAT scores must be received by the document deadline of April 30.

Recommendation:

The recommended changes have been reviewed by the Office of the Attorney General. Board approval is recommended, contingent upon completion of the Administrative Procedures Act process.

7. **Approval of Updates to Program Rules and Regulations to Clarify When the ACT Must Be Taken for Eligibility**

On motion by Ms. Ross, seconded by Mr. Bush, all Board Members legally present and participating voted unanimously to approve Regular Agenda Item #7.

A. **APA Part 611 – Mississippi Tuition Assistance Grant (MTAG) Rules and Regulations, Section II, A, 3.**

The Board previously approved APA Part 611 in April 2017. APA Part 611 is included as Appendix 5, beginning on page 125.

Summary:

MTAG requires the ACT to be taken before the applicant begins college. The proposed language seeks to clarify when the ACT should be taken

II. APPLICATION REQUIREMENTS

A. First-time applicants must:

...

3. If the applicant is considered to be a first-time college student (completed fewer than twelve (12) credit hours), submit by the document deadline of October 15:

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- a) Proof of graduation from high school with a minimum cumulative GPA of 2.5 on a 4.0 scale certified by the high school counselor or other authorized school official and proof of an ACT composite score of 15 or higher from a national test taken prior to being enrolled as a first-time college student. A combined score of 720 on the Old SAT Critical Reading and Math sections, a combined score of 1060 on the Old SAT Critical Reading and Math plus Writing sections, or a score of 810 on the New SAT will be accepted in lieu of the ACT; or
- b) Proof of attendance at a home education program during grade levels 9 through 12 and proof of an ACT composite score of 15 or higher from a national test taken prior to being enrolled as a first-time college student. A combined score of 720 on the Old SAT Critical Reading and Math sections, a combined score of 1060 on the Old SAT Critical Reading and Math plus Writing sections, or a score of 810 on the New SAT will be accepted in lieu of the ACT; or
- c) Proof of successful completion of the International Baccalaureate Program, with a minimum cumulative GPA of 2.5 on a 4.0 scale, based on that school's grading system and proof of an ACT composite score of 15 or higher from a national test taken prior to being enrolled as a first-time college student. A combined score of 720 on the Old SAT Critical Reading and Math sections, a combined score of 1060 on the Old SAT Critical Reading and Math plus Writing sections, or a score of 810 on the New SAT will be accepted in lieu of the ACT; or
- d) Proof of satisfactory completion of a high school equivalency diploma and proof of an ACT composite score of 15 or higher from a national test taken prior to being enrolled as a first-time college student. A combined score of 720 on the Old SAT Critical Reading and Math sections, a combined score of 1060 on the Old SAT Critical Reading and Math plus Writing sections, or a score of 810 on the New SAT will be accepted in lieu of the ACT.

Recommendation:

The recommended changes have been reviewed by the Office of the Attorney General. Board approval is recommended, contingent upon completion of the Administrative Procedures Act process.

B. APA Part 613 – Mississippi Eminent Scholars Grant (MESG) Rules and Regulations, Section I, C.

The Board previously approved APA Part 613 in April 2017. APA Part 613 is included as Appendix 6, beginning on page 131.

Summary:

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MESG requires the ACT to be taken before the applicant begins college. The proposed language seeks to clarify when the ACT should be taken

I. GENERAL ELIGIBILITY

...

C. The applicant must meet one of the following sets of academic criteria:

1. Graduated from high school or earned the equivalent in high school subjects acceptable for credit toward a diploma, as verified by the institution before disbursement of awards, with a minimum cumulative grade point average (GPA) of 3.5 on a 4.0 scale based on the high school's grading system and certified by the high school counselor or other authorized school official, and scored an ACT composite score of 29 or higher from a national test taken prior to being enrolled as a first-time college student. A combined score of 1290 on the Old SAT Critical Reading and Math sections, a combined score of 1940 on the Old SAT Critical Reading and Math plus Writing sections, or a score of 1350 on the New SAT will be accepted in lieu of the ACT; or
2. Attended a home education program during grade levels 9 through 12 and scored an ACT composite score of 29 or higher from a national test taken prior to being enrolled as a first-time college student. A combined score of 1290 on the Old SAT Critical Reading and Math sections, a combined score of 1940 on the Old SAT Critical Reading and Math plus Writing sections, or a score of 1350 on the New SAT will be accepted in lieu of the ACT; or

Recommendation:

The recommended changes have been reviewed by the Office of the Attorney General. Board approval is recommended, contingent upon completion of the Administrative Procedures Act process.

C. **APA Part 615 – Higher Education Legislative Plan for Needy Students Grant (HELP) Rules and Regulations, Section II, A, 2, c).**

The Board previously approved APA Part 615 in September 2017. APA Part 615 is included as Appendix 7, beginning on page 136.

Summary:

HELP requires the ACT to be taken before the applicant begins college. The proposed language seeks to clarify when the ACT should be taken

II. APPLICATION REQUIREMENTS

A. First-time applicants must:

...

1. Submit by the document deadline of April 30:

...

MINUTES

- c) Proof of completion of the American College Test (ACT). The applicant must earn a composite score of at least twenty (20) on the ACT from a national test taken prior to being ~~awarded HELP funds~~ enrolled as a first-time college student. A combined score of 950 on the Old SAT Critical Reading and Math sections, a combined score of 1410 on the Old SAT Critical Reading and Math plus Writing sections, or a score of 1020 on the New SAT will be accepted in lieu of the ACT.

Recommendation:

The recommended changes have been reviewed by the Office of the Attorney General. Board approval is recommended, contingent upon completion of the Administrative Procedures Act process.

INFORMATION ITEMS

8. Update on Old Business:

The Board received an update on the status of the online application for student financial aid and the student financial aid redesign project.

A. Online Application Rewrite

In November 2017, IHL, on behalf of the Office of Student Financial Aid, entered into a Master Agreement with Mississippi State University, on behalf of the National Strategic Planning & Analysis Research Center (NSPARC). The agreement allows NSPARC to issue Work Orders on a continuing basis for the maintenance and development of the SFA online application. The first Work Order has been issued in the amount of \$18,000 for NSPARC to assume control and maintenance of the existing application from ITS. The next Work Order will be issued for the development of the new application. The anticipated cost of the new application is expected to be around \$200,000, which is considerably less than the \$350,000 cost initially quoted by Mississippi Interactive. Also, NSPARC will not charge a fixed annual fee for maintenance and ongoing development. They will only charge for the actual costs incurred for annual maintenance, estimating about \$30,000 to \$35,000 each year, compared to the \$70,000 estimated by Mississippi Interactive.

B. Student Financial Aid Redesign Project

A formal request was submitted to and approved by the LifeTracks Board to address the following research questions:

1. Do beneficiaries of each of the following financial aid programs experience better outcomes (i.e. persist and graduate at higher rates, find employment at higher rates, earn higher average incomes, etc.) than similar (i.e. income, race, academic prep in high school, etc.) students who do not receive aid?
 - a. Mississippi Tuition Assistance Grant
 - b. Mississippi Eminent Scholars Grant
 - c. Higher Education Legislative Plan for Needy Students
2. Does the availability of the Mississippi Eminent Scholars Grant increase in-state enrollment of high-achieving students?

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3. Do forgivable loan recipients stay in appropriate fields of employment after completing the service obligation?

A feasibility study was conducted, the research methodology was approved, and the study is currently underway.

Next Steps:

- Draft study results are expected by the end of April or early May.
- The Office will have an opportunity to review the results and ask questions.
- The study will be finalized, and a report will be published. The final report is anticipated by late May or early June.
- A Task Force (legislators, college presidents, financial aid directors, board members, others) will be convened to review the report, identify opportunities for change or improvement, and develop recommendations for consideration by the 2019 Legislature.
- A moderator will be selected to lead discussions and facilitate the work of the Task Force.
- The Office will support the Task Force by conducting financial analysis and modeling.

9. Update on Office of Student Financial Aid Operations:

The Board received an update on the student financial aid website and staffing.

A. Website

The Mississippi Office of Student Financial Aid's online presence is part of the state's college access portal. The portal, branded as Rise Up, was first created in 2007. It was redesigned in 2013. The P-20 collaborative, which includes IHL, MCCB, MDE, SFA and Get2College, are in the process of redesigning the website. With this redesign, the site will also be rebranded as My Way Mississippi.

B. Staffing

Apryll Washington was promoted in July 2017 to Assistant Director of Policy and Planning. Meg Harris' title was changed to Assistant Director of Operations to reflect her revised duties. Corey Hicks, Loan Repayment Specialist, will be leaving at the end of May. A position announcement has been posted to fill his position.

ADDITIONAL AGENDA ITEMS IF NECESSARY

The Board did not consider any additional agenda items.

OTHER BUSINESS/ANNOUNCEMENTS

The Board did not consider any other business. No announcements were made.

EXECUTIVE SESSION IF DETERMINED NECESSARY

On motion by Mr. Bush, seconded by Ms. Ross, all Board members legally present and participating voted unanimously to close the meeting to determine whether or not it should declare an Executive Session. On motion by Mr. Bush, seconded by Ms. Langston, all Board

MINUTES

members legally present and participating voted unanimously to go into Executive Session for the reason reported to the public and stated in these minutes, as follows:

Discussion of a student financial aid appeal.

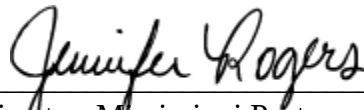
During Executive Session, the following matters were discussed and voted upon:

Upon request by an applicant's parent, the Board reviewed the Director's decision, which had been upheld by the Appeals Committee, to deny the awarding of the Mississippi Resident Tuition Assistance Grant (MTAG) during the fall of the 2017-18 academic year. Initially, the applicant was denied MTAG because the applicant did not enroll in 15 credit hours each term to establish continuous full-time enrollment. The applicant submitted an appeal that the requirement be waived because the student was nearing degree completion and only needed to take 14 credit hours each term, plus three additional hours in the summer. The Appeal Committee denied the appeal by upholding the Board policy to grant an appeal for only one term for students nearing degree completion. On motion by Ms. Langston, seconded by Ms. Ross, all Board members legally present and participating voted unanimously to uphold the decision of the Appeal Committee to deny the awarding of MTAG to the applicant until for Fall 2017.

On motion by Ms. Langston, seconded by Ms. Ross, all Board members legally present and participating voted unanimously to adjourn Executive Session and return to Open Session.

ADJOURNMENT

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



Director, Mississippi Postsecondary Education Financial
Assistance Board

REGULAR AGENDA

1. Approval of the FY 2020 Budget Request

The Mississippi Office of Student Financial Aid requests approval of the FY 2020 Legislative Budget Request. 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.”

Exhibit 1 – FY 2020 Budget Request (Page 15)

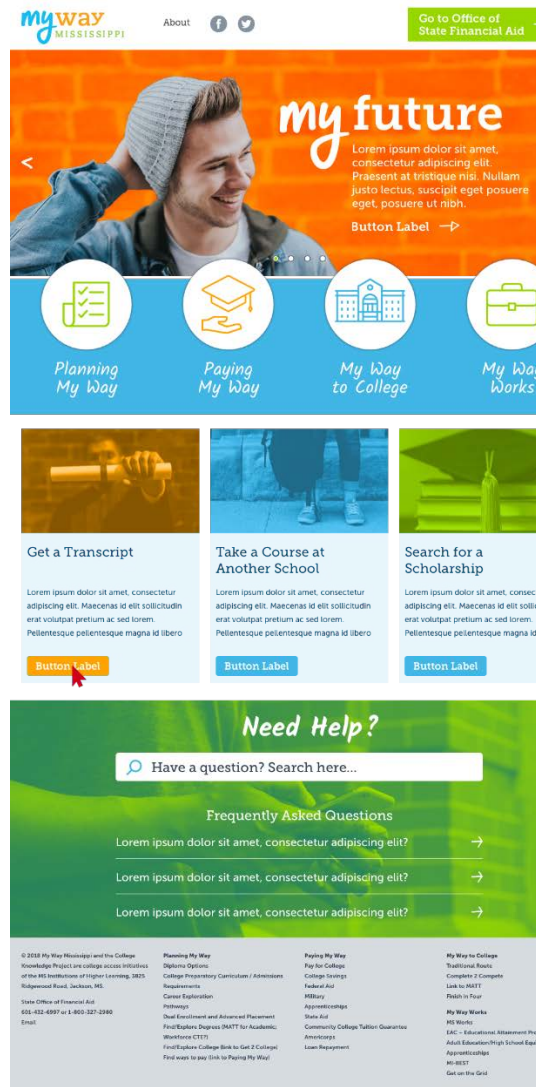
Exhibit 2 – FY 2020 Budget Narrative (Page 17)

INFORMATION AGENDA

2. Update on Website and Mississippi Office of Student Financial Aid Visual Identity

The Mississippi Office of Student Financial Aid has partnered with other offices in IHL, the Mississippi Department of Education, the Mississippi Community College Board, and the Woodward-Hines Education Foundation to create a new college and career information website for Mississippi. The existing site, Rise Up (www.riseupms.com), will be replaced by My Way Mississippi (www.mywayms.org). The soft launch of the new site is slated for July 23 with a public launch on July 30. A press conference will be held at 10:00 a.m. to reveal the new website.

The web presence for the Office will exist on the My Way MS website, just as it currently exists on the Rise Up website. However, the Office has developed a new brand identity that will signify a separate identity from My Way MS. Notices announcing the new brand identity and new web location are going out to all applicants, high school counselors, and the institutions.



myway
MISSISSIPPI

MISSISSIPPI
OFFICE of
STUDENT
FINANCIAL AID

Exhibit 1

MBR - FY 2020	2018 Awards	FY 2018 Amount	2019 Awards	FY 2019 Amount	Additional Awards	Additional Needs	2020 Awards	FY 2020 Amount	Additional Awards	Additional Needs	Change
1- Administration											
Salaries, Wages and Fringes		\$ 666,456		\$ 699,972		\$ 33,516		\$ 748,206		\$ 48,234	
Travel		\$ 8,000		\$ 8,000		\$ -		\$ 8,000		\$ -	
Contractual Service		\$ 520,000		\$ 700,000		\$ 180,000		\$ 550,000		\$ (150,000)	
Commodities		\$ 10,000		\$ 10,000		\$ -		\$ 10,000		\$ -	
Equipment		\$ 10,000		\$ 10,000		\$ -		\$ 10,000		\$ -	
Total Administration		\$ 1,214,456		\$ 1,427,972		\$ 213,516		\$ 1,326,206		\$ (101,766)	-7.1%
2- MTAG/MESG and HELP											
MTAG	18,123	\$ 10,019,593	18,300	\$ 10,607,452	177	\$ 587,859	18,666	\$ 10,826,280	366	\$ 218,828	
MESG	2,901	\$ 6,444,721	3,000	\$ 7,032,000	99	\$ 587,279	3,075	\$ 7,380,000	75	\$ 348,000	
HELP	3,331	\$ 19,703,290	3,635	\$ 22,173,500	304	\$ 2,470,210	4,135	\$ 26,484,675	500	\$ 4,311,175	
Total MTAG/MESG and HELP	24,355	\$ 36,167,604	24,935	\$ 39,812,952	580	\$ 3,645,348	25,876	\$ 44,690,955	941	\$ 4,878,003	12.3%
3 - Forgivable Loan and Repayment Programs											
Teacher Programs:											
GTS	0	\$ -	0	\$ -	0	\$ -	60	\$ 120,000	60	\$ 120,000	
CSA	0	\$ -	0	\$ -	0	\$ -	18	\$ 43,200	18	\$ 43,200	
WWTS	5	\$ 10,000	0	\$ -	-5	\$ (10,000)	190	\$ 760,000	190	\$ 760,000	
WWAR	0	\$ -	0	\$ -	0	\$ -	2	\$ 8,000	2	\$ 8,000	
CNDT	8	\$ 39,203	0	\$ -	-8	\$ (39,203)	40	\$ 200,000	40	\$ 200,000	
MTLR	29	\$ 86,678	0	\$ -	-29	\$ (86,678)	200	\$ 600,000	200	\$ 600,000	
TES and Alternate Rte. TES	20	\$ 283,631	8	\$ 120,000	-12	\$ (163,631)	50	\$ 750,000	42	\$ 630,000	
Nursing Programs:											
NELB	4	\$ 9,000	0	\$ -	-4	\$ (9,000)	190	\$ 760,000	190	\$ 760,000	
NELM	6	\$ 20,000	0	\$ -	-6	\$ (20,000)	80	\$ 320,000	80	\$ 320,000	
NELP	2	\$ 5,313	0	\$ -	-2	\$ (5,313)	18	\$ 90,000	18	\$ 90,000	
NELR	0	\$ -	0	\$ -	0	\$ -	52	\$ 208,000	52	\$ 208,000	
NERM	0	\$ -	1	\$ 1,500	1	\$ 1,500	12	\$ 48,000	11	\$ 46,500	
NTSP	0	\$ -	0	\$ -	0	\$ -	18	\$ 198,000	18	\$ 198,000	
Health/Science Related Programs:											
SLPL	1	\$ 8,544	1	\$ 8,750	0	\$ 206	8	\$ 70,000	7	\$ 61,250	
SREB	32	\$ 598,400	36	\$ 691,200	4	\$ 92,800	34	\$ 652,800	-2	\$ (38,400)	
STSC	1	\$ 7,950	0	\$ -	-1	\$ (7,950)	0	\$ -	0	\$ -	
MED	7	\$ 206,864	0	\$ -	-7	\$ (206,864)	0	\$ -	0	\$ -	
DENT	10	\$ 295,230	0	\$ -	-10	\$ (295,230)	0	\$ -	0	\$ -	
HCP	1	\$ 3,000	0	\$ -	-1	\$ (3,000)	0	\$ -	0	\$ -	
Total Forgivable Loan/Repayment Programs	126	\$ 1,573,813	46	\$ 821,450	-80	\$ (752,363)	972	\$ 4,828,000	926	\$ 4,006,550	487.7%

Exhibit 1

4 - Other											
LAW	11	\$ 113,402	15	\$ 169,500	4	\$ 56,098	20	\$ 230,000	5	\$ 60,500	
GEAR UP Scholarships	45	\$ 154,506	3	\$ 12,000	-42	\$ (142,506)	0	\$ -	-3	\$ (12,000)	
Nissan	2	\$ 13,127	3	\$ 27,000	1	\$ 13,873	4	\$ 36,000	1	\$ 9,000	
Total Other	58	\$ 281,035	21	\$ 208,500	-37	\$ (72,535)	24	\$ 266,000	3	\$ 57,500	27.6%
Grants	24,539	\$ 38,022,452	25,002	\$ 40,842,902	463	\$ 2,820,450	26,872	\$ 49,784,955	1,870	\$ 8,942,053	21.9%
TOTAL	24,539	\$ 39,236,908	25,002	\$ 42,270,874	463	\$ 3,033,966	26,872	\$ 51,111,161	1,870	\$ 8,840,287	20.9%
General Funds		\$37,661,346		\$39,661,874				\$49,775,161			
Total General Funds		\$37,661,346		\$39,661,874		\$ 2,000,528		\$49,775,161		\$10,113,287	25.5%
Special Funds											
Spending Authority - Investments		\$ 167,633		\$ 39,000		\$ (128,633)		\$ 36,000		\$ (3,000)	
Spending Authority - Collections		\$ 2,721,367		\$ 2,570,000		\$ (151,367)		\$ 1,300,000		\$ (1,270,000)	
Spending Authority - LAW funds		\$ -		\$ -				\$ -			
Spending Authority - Other		\$ -		\$ -				\$ -			
Total Special Funds		\$ 2,889,000		\$ 2,609,000		\$ (280,000)		\$ 1,336,000		\$ (1,273,000)	-48.8%
ORIGINAL SFA OPERATING BUDGET		\$40,550,346		\$42,270,874		\$ 1,720,528		\$51,111,161		\$ 8,840,287	20.9%
(Special Funds Unavailable)		\$ -		\$ -				\$ -			
FINAL SFA OPERATING BUDGET		\$40,550,346		\$42,270,874				\$51,111,161			
Separately Appropriated Funds											
Ayers		\$ -		\$ -		\$ -		\$ -		\$ -	
Total Separately Appropriated Funds		\$ -		\$ -		\$ -		\$ -		\$ -	
TOTAL SFA BUDGET		\$40,550,346		\$42,270,874		\$ 1,720,528		\$51,111,161		\$ 8,840,287	20.9%

Exhibit 2

NARRATIVE FY 2020 BUDGET REQUEST

State Student Financial Aid

The Mississippi Office of Student Financial Aid (MOSFA) 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.

MOSFA 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 information through high school counselors, college nights, parent association meetings, college fairs, and publications. 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 postsecondary education, and their families are expected to seek financial assistance.

On behalf of the students and the state of Mississippi, MOSFA requests **\$51,111,161**, which represents **an increase of \$8,840,287 or 20.9%** over the original FY 2019 appropriated dollars. The FY 2020 request represents **an increase of \$10,113,287 or 25.5% in General Funds** and a **decrease of \$1,273,000 or -48.8% in Special Funds**.

1-Administration

- I. Program Description: MOSFA 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: MOSFA 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 (FY 19 Estimated and FY20 Increase/Decrease for continuations) of MBR-1-03 and designated Budget Unit Decisions columns of MBR-1-03-A:
(D) Additional Needs – **(\$101,766)**: Funds are requested to provide cost of living salary increases for all employees and a salary alignment for one employee. In FY19, funds were earmarked for the conversion and rewriting of the online state aid application. The overall decrease in funds reflects a return to the typical cost of operations following completion of that project.

2-MTAG/MESG and HELP

- I. Program Description: MOSFA 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 (FY 19 Estimated and FY 20 Increase/Decrease for continuations) of MBR-1-03 and designated Budget Unit Decisions columns of MBR-1-03-A:
(D) Additional Needs - **\$4,878,003**: The cost of MTAG decreased during FY 2017 because the state transitioned from a definition of full-time enrollment as 12 hours per term to 15 hours per term. The 2017 Legislature then passed two rules that is further impacting program participation rates and projections. The Office can no longer award MTAG in conjunction with other state grant aid, which caused MTAG expenditures to again drop significantly in FY2019. Also, the Office must now check grades at the completion of every term, rather than annually, which was expected to cause MESG and HELP expenditures to drop modestly. Neither MESG nor HELP experienced decreases. Rather, both programs saw substantial growth. The income threshold for HELP eligibility was scheduled to increase to \$42,500 in the 2016-17 academic year, but the threshold has been frozen at \$39,500 since the FY17 SFA appropriation bills. This budget anticipates that the freeze will continue in future years. The **MTAG request is \$10,826,280**, which represents an **increase of \$218,828 over FY19 projections**. The **MESG request is \$7,380,000**, which represents an **increase of \$348,000 over FY19 projections**. The **HELP request is \$26,484,675**, which represents an **increase of \$4,311,175 over FY19**.

3-FORGIVABLE LOAN AND REPAYMENT PROGRAMS

- I. Program Description: MOSFA operates the following student financial aid teacher programs: Graduate Teacher Forgivable Loan Program (GTS), Counselor and School Administrator Forgivable Loan Program (CSA); William F. Winter Teacher Forgivable Loan Program (WWTS) and William Winter Alternate Route Teacher Forgivable Loan Program (WWAR); Critical Needs Dyslexia Therapy Teacher Forgivable Loan Program (CNDT); Mississippi Teacher Loan Repayment Program (MTLR); and the Teacher Education Scholars Forgivable Loan (TES) Program. MOSFA operates the following student financial aid nursing programs: Nursing Education Forgivable Loan Programs for baccalaureate, masters, and Ph.D. study

(NELB, NELR, NELM, NERM, and NELP) and Nursing Teacher Stipends (NTSP). MOSFA operates the following student financial aid health/science related programs: Speech-Language Pathologist Forgivable Loan Program (SLPL); Southern Regional Education Board Forgivable Loan Program for optometry (SREB); Graduate and Professional Degree Forgivable Loan Program for study in chiropractic medicine, orthotics, prosthetics, or podiatrics (STSC); Medical and Dental Education Forgivable Loan Programs (MED and DENT); and Health Care Professions Forgivable Loan Program (HCP).

- 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 (FY 19 Estimated and FY 20 Increase/Decrease for continuations) of MBR-1-03 and designated Budget Unit Decisions columns of MBR-1-03-A:
(D) Additional Needs - **\$4,006,550**: An overall increase in expenditures for the Forgivable Loan and Repayment Programs is expected. Increases and decreases are requested as follows for the following forgivable loan and repayment programs based on increases and decreases in demand and eligibility.

TEACHER PROGRAMS:

The Graduate Teacher Forgivable Loan (GTS) and Counselor and School Administrator Forgivable Loan (CSA) Programs support classroom teachers and administrators who seek graduate level education to improve their skills and abilities, desperately needed in Mississippi's public schools. Due to budget constraints, funding wasn't available for GTS or CSA during FY19. The **GTS request is \$120,000**, which represents an **increase of \$120,000 over FY19**. The **CSA request is \$43,200**, which represents an **increase of \$43,200 over FY19**. The requested amount should fully fund both programs, based on 70% anticipated demand. Demand will be down following years without funding.

The William Winter Teacher Forgivable Loan (WWTS) and William Winter Alternate Route Teacher Forgivable Loan (WWAR) Programs seek to relieve the state's teacher shortage. Due to budget constraints, no applicants were awarded during FY19. The **WWTS request is \$760,000**, which represents an **increase of \$760,000 over FY19**. The **WWAR request is \$8,000**, which represents an **increase**

of \$8,000 over FY19. The requested amount should fully fund both programs, based on 70% anticipated demand. Demand will be down following years without full funding.

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. Due to budget constraints, no applicants were awarded during FY19. The **CNDT request is \$200,000**, which represents full funding of two cohorts and an **increase of \$200,000 over FY19.**

The Mississippi Teacher Loan Repayment Program (MTLR) funds are used 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. Due to budget constraints, no applicants were awarded during FY19. The **MTLR request is \$600,000**, which represents full funding and an **increase of \$600,000 over FY19.**

The Teacher Education Scholars Forgivable Loan Program (TES) was established by the 2013 Legislature to make awards of up to \$15,000 to students with a 28 ACT who commit to teach in a public school for five years following degree completion and licensure. Due to budget constraints, only renewal applicants were awarded TES during FY19. The **TES request is \$750,000**, which represents full funding of the anticipated demand and an **increase of \$630,000 over FY19.**

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) funds assist the state's efforts to recruit and retain nurses. Master's and Ph.D. level nursing students will also have the education required to teach in nursing education programs. Due to budget constraints, no applicants were awarded during FY19, except one partial NERM renewal. The **NELB request is \$760,000**, which represents an **increase of \$760,000 over FY19.** The **NELM request is \$320,000**, which represents an **increase of \$320,000 over FY19.** The **NELP request is \$90,000**, which represents an **increase of \$90,000 over FY19.** The **NELR request is \$208,000**, which represents an **increase of \$208,000 over FY18.** The **NERM request is \$48,000**, which represents an **increase of \$46,500 over FY19.** The requested amount should fully fund all programs, based on 70% anticipated demand. Demand will be down following years without full funding.

The Nursing Teacher Stipend Forgivable Loan Program (NTSP) funds eligible Master's and Ph.D. level nursing students in nursing education tracks who commit to serve as nurse educators upon completion of their education. Due to budget constraints, funding wasn't available for NTSP during FY19. The **NTSP request is \$198,000**, which represents an **increase of \$198,000 over FY19.** The requested amount should fully fund the program, based on 70% anticipated demand. Demand will be down following years without full funding.

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 is \$70,000, which represents an increase of \$61,250 over FY19.**

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 previously contracted 11 seats per entering class, for a total of 44 contract seats each year. The 2017 Legislature reduced the number of contracted seats from 11 to 9. The cost of each contract seat increases annually. The contract seat cost was \$19,200 per seat in FY19 and will remain the same in FY20. **The SREB request is \$652,800 for 34 seats, which represents a decrease of \$38,400 from FY19.**

The Graduate and Professional Degree Forgivable Loan Program (STSC) places students in out-of-state programs in chiropractic, orthotic, prosthetic, or podiatric programs which are not offered in Mississippi. The 2017 Legislature stopped funding for new awards. Due to budget constraints, no awards were made in FY19. **Funding is not requested for FY20.**

The State Family Medical Education Forgivable Loan (MED) and State Dental Education Forgivable Loan (DENT) Programs award family doctors and dentists who commit to practice in Mississippi after becoming licensed. The 2017 Legislature stopped funding for new awards. Due to budget constraints, no awards were made in FY19. **Funding is not requested for FY20.**

The Health Care Professions Forgivable Loan Program (HCP) provides funds to students who agree to work in speech, physical, or occupational therapy at the state's hospitals and medical facilities. The 2017 Legislature stopped funding for new awards. Due to budget constraints, no awards were made in FY19. **Funding is not requested for FY20.**

4. OTHER

- I. Program Description: MOSFA operates the following student financial aid programs in other areas: Public Management Graduate Intern Program (PMGT) and Law Enforcement Officers and Firemen Scholarship Program (LAW). MOSFA also operates the following programs, which are funded through special source funds for which MOSFA must request spending authority: GEAR UP Scholarships and Nissan Scholarships.

- 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.
- III. Current program activities as supported by the funding in Columns 5-12 (FY 19 Estimated and FY 20 Increase/Decrease for continuations) of MBR-1-03 and designated Budget Unit Decisions columns of MBR-1-03-A: (D) Additional Needs – **\$57,500**: 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 Law Enforcement Officers and Firemen Scholarship Program (LAW) provides education to the dependents of deceased or disabled service men and women. The **LAW request is \$230,000**, which represents an **increase of \$60,500 over FY19**.

The GEAR UP Scholarship Program (GUMS) provides scholarships to Mississippi students who participated in the state GEAR UP program during the 7th through 12th grades. FY 2018 represented the fourth and final year of awards to the second cohort of GEAR UP students, but a few students who did not receive four years of funding were eligible to receive their final award in 2018-19. No GUMS awards will be made in FY20 and **funding is not requested**.

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 \$36,000**, which represents an **increase of \$9,000 over FY19**.