

# MISSISSIPPI POST-SECONDARY EDUCATION FINANCIAL ASSISTANCE BOARD



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

September 27, 2024, at 10:00 a.m.

## Agenda

### CALL TO ORDER

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**EXECUTIVE SESSION IF DETERMINED NECESSARY**

**ADJOURNMENT**

## MINUTES

**BE IT REMEMBERED**, that the Mississippi Postsecondary Education Financial Assistance Board held a regular meeting on Friday, June 28, 2024 at 10:00 a.m. Members of the Board participated in the meeting remotely via Zoom or teleconference. Members of the media and public were invited to attend the meeting in the Technology Room of the Education and Research Center, 3825 Ridgewood Road, Jackson, Mississippi, 39211.

The following member(s) participated:

- Ben Burnett, MAICU institutional appointee (remote)
- Barney Daly, Lt. Governor's appointee (remote)
- Jason Dean, MAICU association appointee (remote)
- Mark Keenum, IHL institutional appointee (remote)
- Sue Stedman, Governor's appointee (remote)
- Jim Turcotte, Governor's appointee and Chairman (remote)
- Dianne Watson, MCCB Board appointee (remote)

The following member(s) did not participate:

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

The following Advisory Board member participated remotely:

- Representative Donnie Scoggin, Universities and Colleges Committee Chair

Also in attendance either in person or remotely were:

- Jennifer Rogers, Director of Student Financial Aid and Postsecondary Board Director
- Shirley Mitchell, Program Administrator, Student Financial Aid
- Adele Russell, Student Service Representative, Student Financial Aid
- Frances West, Program Administrator, Student Financial Aid
- Melissa Temple, Director of Nursing, IHL
- Heather Dearman, President of MASFAA, Mississippi Gulf Coast Community College
- Laura Diven-Brown, Director of Financial Aid, University of Mississippi

The meeting was called to order at 10:02 a.m. by Chairman Turcotte.

## MINUTES

On motion by Ben Burnett and seconded by Barney Daly, all Board Members legally present and participating voted unanimously to approve the minutes of the board meeting held on May 8, 2024, as originally drafted.

## ITEMS FOR CONSIDERATION

**Item 1:** Jennifer Rogers presented the final FY 2025 Annual Operating Budget for final approval. On motion by Barney Daly and seconded by Ben Burnett all Board Members legally present and participating voted unanimously to approved the FY 2025 Annual Operating Budget.

## MINUTES

### **1. Final Approval of the FY 2025 Annual Operating Budget**

Request:

The Mississippi Office of Student Financial Aid requests final approval of the Fiscal Year 2025 Annual Operating Budget and Program Allocation.

Summary:

The FY 2025 Annual Operating Budget and the 2024-25 Program Allocation were presented to the Board in May for approval. Since May, the amount available for the Nurse Retention Loan Repayment program decreased due to additional awards made in FY 2024, thereby decreasing the overall budget from \$64,973,222 to \$64,688,719. The fringe benefit rate also decreased from an estimated 34% to 33.5%, which decreased the Salaries, Wages, and Fringe line item from \$817,166 to \$814,116. To balance the budget, these administrative funds were moved to the Higher Education Legislative Grant Program line, increasing it from \$33,132,730 to \$33,135,780. No other changes have been made to the Operating Budget or the Program Allocation.

Exhibit 1 shows the FY 2025 Annual Operating Budget, which includes details of the FY 2024 Appropriation, the original FY 2025 MBR, the FY 2025 Revised Request, the FY 2025 Appropriation, and the change from FY 2024 and from the FY 2025 Revised Request. The only change from what was approved in May is highlighted in orange.

Exhibit 2 shows the 2024-25 Program Allocations. The FY 2024 AOB Awards and Amounts represent the amounts allocated for expenditure for the current year. The FY 2025 MBR Awards and Amounts represent the proposed allocation of awards and costs at the time of submitting the MBR in June 2023, and the FY 25 Adjusted Request represents the adjusted amounts requested near the end of the 2024 Legislative Session. The FY 2025 AOB Awards and Amounts represent the allocation of the Annual Operating Budget as appropriated. The final columns show the difference between the FY25 and the FY24 budgets. The changes from what was approved in May are highlighted in orange.

Recommendation:

Board staff recommends approval of this item.

Exhibit 1

MINUTES

<b>FY 2025 Annual Operating Budget</b>						
<b>COMBINED BUDGETS FY 2025 Funding Sources</b>	<b>FY24 Appropriation</b>	<b>FY25 MBR</b>	<b>Revised FY25 Request</b>	<b>FY25 Appropriation</b>	<b>(+/-) FY24</b>	<b>Change</b>
<b>SFA APPROPRIATION</b>						
<b>GOV. APPROPRIATIONS</b>						
General Support	\$ 50,649,256	\$ 51,811,202	\$ 51,951,416	\$ 51,952,895	\$ 1,303,639	2.6%
General Support Re-appropriated	\$ -	\$ -	\$ -	\$ -	\$ -	-
Other General Support - DE/DC	\$ 9,823,000	\$ 15,000,000	\$ 9,823,000	\$ -	\$ (9,823,000)	-100.0%
<b>EEF-New</b>						
FAITH & Winter-Reed	\$ -	\$ -	\$ -	\$ 3,000,000	\$ 3,000,000	-
FAITH	\$ 1,000,000	\$ 3,000,000	\$ 3,000,000	\$ -	\$ (1,000,000)	-100.0%
Winter-Reed	\$ 2,000,000	\$ 1,400,000	\$ 350,000	\$ -	\$ (2,000,000)	-100.0%
<b>EEF-Re-appropriated</b>						
FAITH & Winter-Reed	\$ -	\$ -	\$ -	\$ -	\$ -	-
FAITH	\$ 1,000,000	\$ -	\$ 100,000	\$ 100,000	\$ (900,000)	-90.0%
Winter-Reed	\$ 1,100,000	\$ 850,000	\$ 1,900,000	\$ 1,900,000	\$ 800,000	72.7%
<b>Total Gov. Appropriations</b>	<b>\$65,572,256</b>	<b>\$72,061,202</b>	<b>\$67,124,416</b>	<b>\$56,952,895</b>	<b>\$ (8,619,361)</b>	<b>-13.1%</b>
<b>OTHER SPECIAL FUNDS</b>						
<b>GRANTS AND CONTRACTS</b>						
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	-
State	\$ -	\$ -	\$ -	\$ -	\$ -	-
<b>Total Grants and Contracts</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
<b>INTEREST INCOME</b>						
Nissan	\$ -	\$ 10,000	\$ -	\$ -	\$ -	-
<b>Total Interest Income</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
<b>OTHER SOURCES</b>						
Law Fund	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	0.0%
<b>Total Other Sources</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>0.0%</b>
<b>CASH ON HAND</b>						
Estimated Collections	\$ 1,720,000	\$ 2,750,000	\$ 2,330,000	\$ 2,330,000	\$ 610,000	35.5%
<b>Total Cash on Hand</b>	<b>\$ 1,720,000</b>	<b>\$ 2,750,000</b>	<b>\$ 2,330,000</b>	<b>\$ 2,330,000</b>	<b>\$ 610,000</b>	<b>35.5%</b>
<b>Total Other Special Funds</b>						
<b>Total SFA Appropriation</b>	<b>\$67,312,256</b>	<b>\$74,841,202</b>	<b>\$69,474,416</b>	<b>\$59,302,895</b>	<b>\$ (8,009,361)</b>	<b>-11.9%</b>
<b>OTHER APPROPRIATION</b>						
<b>STATE SPECIAL FUNDS-ARPA</b>						
NULR/Reappropriation	\$ 6,000,000	\$ 6,000,000	\$ 5,670,327	\$ 5,385,824	\$ (614,176)	-10.2%
<b>TOTAL APPROPRIATIONS</b>	<b>\$73,312,256</b>	<b>\$80,841,202</b>	<b>\$75,144,743</b>	<b>\$64,688,719</b>	<b>\$ (8,623,537)</b>	<b>-11.8%</b>

**MINUTES**

Exhibit 2

2024-25 Program Allocation									
Expenditures by Program	FY24 AOB Awards	FY24 AOB Amounts	FY25 MBR Awards	FY25 MBR Amounts	FY25 Adusted Request	FY25 AOB Awards	FY25 AOB Amounts	(+/-) FY24 AOB Awards	(+/-) FY24 AOB Amounts
<b>1- Administration</b>									
Salaries, Wages and Fringes		\$ 842,081		\$ 944,883	\$ 823,264		\$ 814,116		\$ (27,965)
Travel		\$ 8,000		\$ 8,000	\$ 8,000		\$ 8,000		\$ -
Contractual Service		\$ 620,000		\$ 620,000	\$ 620,000		\$ 620,000		\$ -
Commodities		\$ 10,000		\$ 10,000	\$ 10,000		\$ 10,000		\$ -
Equipment		\$ 10,000		\$ 10,000	\$ 10,000		\$ 10,000		\$ -
<b>Total Administration</b>		<b>\$ 1,490,081</b>		<b>\$ 1,592,883</b>	<b>\$ 1,471,264</b>		<b>\$ 1,462,116</b>		<b>\$ (27,965)</b>
<b>2- MTAG/MESG and HELP</b>									
MTAG	18,060	\$ 10,298,249	18,060	\$ 10,473,044	\$ 10,473,044	18,060	\$ 10,473,044	0	\$ 174,795
MESG	3,564	\$ 8,005,496	3,600	\$ 8,222,790	\$ 8,222,790	3,600	\$ 8,222,790	36	\$ 217,294
HELP	4,647	\$ 31,755,322	4,693	\$ 33,616,235	\$ 33,616,235	4,693	\$ 33,135,780	46	\$ 1,380,458
<b>Total MTAG/MESG/HELP</b>	<b>26,271</b>	<b>\$50,059,067</b>	<b>26,353</b>	<b>\$52,312,069</b>	<b>\$52,312,069</b>	<b>26,353</b>	<b>\$51,831,614</b>	<b>82</b>	<b>\$ 1,772,547</b>
<b>3 - Forgivable Loan Programs</b>									
Teacher Programs:									
CNDT (Graduate)	0	\$ -	0	\$ -	\$ -	5	\$ 50,000	5	\$ 50,000
Winter-Reed Loan Repay	450	\$ 3,100,000	450	\$ 2,250,000	\$ 2,250,000	400	\$ 1,900,000	-50	\$ (1,200,000)
Health/Science Programs:									
SLPL (Graduate)	5	\$ 70,000	0	\$ -	\$ -	6	\$ 70,000	1	\$ -
SREB (Graduate)	33	\$ 652,608	25	\$ 500,000	\$ 707,000	35	\$ 712,915	2	\$ 60,307
<b>Total Forgivable Loan Programs</b>	<b>488</b>	<b>\$ 3,822,608</b>	<b>25</b>	<b>\$ 2,750,000</b>	<b>\$ 2,957,000</b>	<b>446</b>	<b>\$ 2,732,915</b>	<b>-42</b>	<b>\$ (1,089,693)</b>
<b>4 - Other</b>									
LAW	10	\$ 117,500	15	\$ 176,250	\$ 176,250	15	\$ 176,250	5	\$ 58,750
Nissan	0	\$ -	1	\$ 10,000	\$ -	0	\$ -	0	\$ -
FAITH Scholarship	200	\$ 2,000,000	300	\$ 3,000,000	\$ 3,000,000	300	\$ 3,100,000	100	\$ 1,100,000
<b>Total Other</b>	<b>210</b>	<b>\$ 2,117,500</b>	<b>766</b>	<b>\$ 5,436,250</b>	<b>\$ 5,426,250</b>	<b>315</b>	<b>\$ 3,276,250</b>	<b>105</b>	<b>\$ 1,158,750</b>
<b>5- Dual Enroll/Dual Credit Schol Prg</b>									
DEDC	24,560	\$ 9,823,000	25,000	\$ 15,000,000	\$ 9,823,000	0	\$ -	-24,560	\$ (9,823,000)
<b>Total DEDC</b>	<b>24,560</b>	<b>\$ 9,823,000</b>	<b>25,000</b>	<b>\$15,000,000</b>	<b>\$ 9,823,000</b>	<b>0</b>	<b>\$ -</b>	<b>-24,560</b>	<b>\$ (9,823,000)</b>
<b>TOTAL Loans, Schols, Grants</b>	<b>51,529</b>	<b>\$65,822,175</b>	<b>52,144</b>	<b>\$73,248,319</b>	<b>\$68,268,319</b>	<b>27,114</b>	<b>\$57,840,779</b>	<b>-24,415</b>	<b>\$ (7,981,396)</b>
<b>TOTAL SFA BUDGET</b>	<b>51,529</b>	<b>\$67,312,256</b>	<b>52,144</b>	<b>\$74,841,202</b>	<b>\$69,739,583</b>	<b>27,114</b>	<b>\$59,302,895</b>	<b>(24,415)</b>	<b>\$ (8,009,361)</b>
<b>2024-25 NULR Program Allocation</b>									
1 - NULR	300	\$6,000,000.00	333	\$ 6,000,000	\$ -	333	\$ 5,385,824	33	\$ (614,176)
<b>TOTAL NULR BUDGET</b>	<b>300</b>	<b>\$ 6,000,000</b>	<b>333</b>	<b>\$ 6,000,000</b>	<b>\$ -</b>	<b>333</b>	<b>\$ 5,385,824</b>	<b>33</b>	<b>\$ (614,176)</b>
<b>2024-25 Combined Program Allocation</b>									
SFA	51,529	\$ 67,312,256	52,144	\$ 74,841,202	\$ 69,739,583	27,114	\$ 59,302,895	(24,415)	\$ (8,009,361)
NULR	300	\$6,000,000.00	333	\$ 6,000,000	\$ -	333	\$ 5,385,824	33	\$ (614,176)
<b>TOTAL COMBINED BUDGETS</b>	<b>51,829</b>	<b>\$73,312,256</b>	<b>52,477</b>	<b>\$80,841,202</b>	<b>\$69,739,583</b>	<b>27,447</b>	<b>\$64,688,719</b>	<b>(24,382)</b>	<b>\$ (8,623,537)</b>

**Item 2:** Jennifer Rogers presented the FY 2026 Budget Request. On motion by Mark Keenum, seconded by Dianne Watson, all Board Members legally present and participating voted unanimously to approve the request.

**2. Approve the FY 2026 Budget Request**

Request:

The Mississippi Office of Student Financial Aid requests approval of the Fiscal Year 2026 Budget Request.

## MINUTES

### Summary:

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

Exhibit 3 is the 2025-26 Combined Program Allocation for the Budget Request. The chart includes the FY 2024 actual awards and expenditures, the FY 2025 Program Allocation, the FY 2026 Program Allocation for the MBR, and the change from FY 2025. Highlights of the Program Allocation for the MBR are as follows:

- Administration: Additional funds are requested in FY26 to provide 3% cost of living salary increases for all current employees.
- MTAG/MESG and HELP: MTAG is unavailable to students who qualify for the maximum federal Pell grant. The formula for determining eligibility for the federal Pell grant changed for the 2024-25 aid year. More Mississippi residents are expected to be eligible for the maximum Pell grant under the new formula. Therefore, fewer students will be eligible for MTAG. However, lack of information from the federal government has limited our ability to project program costs for the coming years, and the 2024-25 aid year is not yet underway. Due to this lack of information, the number of recipients is projected to remain unchanged for MTAG and HELP. A 1% increase in recipients is projected for MESG. The HELP Grant program budget also anticipates tuition increases of 1.75%.
- Forgivable Loan and Repayment Programs: SFA requests full funding for the legislatively authorized forgivable loan and loan repayment programs.
- Other: Fewer students have been seeking funding through the LAW program than in past years. SFA anticipates the Nissan trust will have grown enough to make an award in FY26. SFA anticipates the FAITH Scholarship program will grow steadily each year for the first five years of the program. FY26 will be the third year for awards, and SFA anticipates the annual program cost to be around \$4,000,000,
- NULR: The Nurse Retention Loan Repayment Program was funded with \$6,000,000 in Coronavirus State and Local Fiscal Recovery Funds to cover awards through December 2026. SFA anticipates no more than \$3,000,000 (likely less) will remain available for re-appropriation and awarding in FY26.

**MINUTES**

Exhibit 3

2025-26 Program Allocation for MBR									
Expenditures by Program	FY24 Actual Awards	FY24 Actual Expenditures	FY25 AOB Awards	FY25 AOB Amounts	FY26 MBR Awards	FY26 MBR Amounts	(+/-) FY25 AOB Awards	(+/-) FY25 AOB Amounts	Change
<b>1- Administration</b>									
Salaries, Wages and Fringes		\$ 800,000		\$ 814,116		\$ 841,680		\$ 27,564	
Travel		\$ 8,000		\$ 8,000		\$ 8,000		\$ -	
Contractual Service		\$ 620,000		\$ 620,000		\$ 620,000		\$ -	
Commodities		\$ 10,000		\$ 10,000		\$ 10,000		\$ -	
Equipment		\$ 10,000		\$ 10,000		\$ 10,000		\$ -	
<b>Total Administration</b>		<b>\$ 1,448,000</b>		<b>\$ 1,462,116</b>		<b>\$ 1,489,680</b>		<b>\$ 27,564</b>	<b>1.9%</b>
<b>2- MTAG/MESG and HELP</b>									
MTAG	17,307	\$ 9,783,128	18,060	\$ 10,473,044	18,060	\$ 10,473,044	0	\$ -	
MESG	3,515	\$ 8,073,428	3,600	\$ 8,222,790	3,636	\$ 8,305,018	36	\$ 82,228	
HELP	4,265	\$ 30,047,991	4,693	\$ 33,135,780	4,693	\$ 33,715,656	0	\$ 579,876	
<b>Total MTAG/MESG/HELP</b>	<b>25,087</b>	<b>\$47,904,547</b>	<b>26,353</b>	<b>\$51,831,614</b>	<b>26,389</b>	<b>\$52,493,718</b>	<b>36</b>	<b>\$ 662,104</b>	<b>1.3%</b>
<b>3 - Forgivable Loan &amp; Repayment Prgs</b>									
Teacher Programs:									
CNDT (Graduate)	0	\$ -	5	\$ 50,000	5	\$ 50,000	0	\$ -	
Winter-Reed Loan Repay	318	\$ 1,200,000	400	\$ 1,900,000	425	\$ 2,000,000	25	\$ 100,000	
Health/Science Programs:									
SLPL (Graduate)	1	\$ 14,010	6	\$ 70,000	6	\$ 70,000	0	\$ -	
SREB (Graduate)	34	\$ 672,384	35	\$ 712,915	36	\$ 762,624	1	\$ 49,709	
<b>Total Forgivable Loan Programs</b>	<b>353</b>	<b>\$ 1,886,394</b>	<b>446</b>	<b>\$ 2,732,915</b>	<b>472</b>	<b>\$ 2,882,624</b>	<b>26</b>	<b>\$ 149,709</b>	<b>5.5%</b>
<b>4 - Other</b>									
LAW	6	\$ 66,831	15	\$ 176,250	10	\$ 100,000	-5	\$ (76,250)	
Nissan	0	\$ -	0	\$ -	1	\$ 11,000	1	\$ 11,000	
FAITH Scholarship	199	\$ 1,900,000	300	\$ 3,100,000	400	\$ 4,000,000	100	\$ 900,000	
<b>Total Other</b>	<b>205</b>	<b>\$ 1,966,831</b>	<b>315</b>	<b>\$ 3,276,250</b>	<b>411</b>	<b>\$ 4,111,000</b>	<b>96</b>	<b>\$ 834,750</b>	<b>25.5%</b>
<b>5- Dual Enroll/Dual Credit Schol Prg</b>									
DEDC	7,230	\$ 2,108,136	0	\$ -	0	\$ -	0	\$ -	-
<b>Total DEDC</b>	<b>7,230</b>	<b>\$ 2,108,136</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>-</b>
<b>TOTAL Loans, Schols, Grants</b>	<b>32,875</b>	<b>\$53,865,908</b>	<b>27,114</b>	<b>\$57,840,779</b>	<b>27,272</b>	<b>\$59,487,342</b>	<b>158</b>	<b>\$ 1,646,563</b>	<b>2.8%</b>
<b>TOTAL SFA BUDGET</b>	<b>32,875</b>	<b>\$55,313,908</b>	<b>27,114</b>	<b>\$59,302,895</b>	<b>27,272</b>	<b>\$60,977,023</b>	<b>158</b>	<b>\$ 1,674,127</b>	<b>2.8%</b>
<b>NULR Combined Budget - FY 2026</b>									
1 - NULR	103	\$ 614,176.00	333	\$ 5,385,824	333	\$ 3,000,000	0	\$ (2,385,824)	-44%
<b>TOTAL NULR BUDGET</b>	<b>103</b>	<b>\$ 614,176</b>	<b>333</b>	<b>\$ 5,385,824</b>	<b>333</b>	<b>\$ 3,000,000</b>	<b>0</b>	<b>\$ (2,385,824)</b>	<b>-44.3%</b>
<b>COMBINED Budget Request - FY 2026</b>									
SFA	32,875	\$ 55,313,908	27,114	\$ 59,302,895	27,272	\$ 60,977,023	158	\$ 1,674,127	2.8%
NULR	103	\$ 614,176.00	333	\$ 5,385,824	333	\$ 3,000,000	0	\$ (2,385,824)	-44.3%
<b>TOTAL COMBINED BUDGETS</b>	<b>32,978</b>	<b>\$55,928,084</b>	<b>27,447</b>	<b>\$64,688,719</b>	<b>27,605</b>	<b>\$63,977,023</b>	<b>158</b>	<b>\$ (711,697)</b>	<b>-1.1%</b>

The FY 2024 AOB showed \$73,312,256 in available funds. Exhibit 3 above shows SFA expended only \$55,928,084, a difference of \$17,312,256. Exhibit 4 was added below to account for the unspent funds, some of which will lapse and some of which will be available for re-appropriation in FY 2025 and FY 2026. The unspent funds are attributable as follows:

- For the first time in more than ten years, SFA did not spend all the General Support funds appropriated due to an unexpected drop in HELP Grant recipients. SFA will have at least \$563,484 which can be re-appropriated in FY 2026.



**MINUTES**

- The Dual Enrollment/Dual Credit Scholarship program was funded for a full year at \$9.8 million, but SFA was only able to get the program operational for the Spring semester and was unable to spend all the funds appropriated. The program was not continued, so the approximately \$7.7 million will lapse.
- SFA utilized re-appropriated EEF funds for the Winter-Reed Teacher Loan Repayment Program in FY 2024, so about \$2 million has already been re-appropriated for FY 2025.
- SFA did not need to spend any of the cash on hand from collections for which spending authority was appropriated.
- 2023-24 was the first year for NULR awards. Because the program is funded with Coronavirus funds, the full \$6 million was appropriated for expenditure in FY 2024, but SFA only made \$614,176 worth of awards, so \$5,385,824 is available for expenditure in FY 2025 and FY 2026.

Exhibit 4

<b>Unspent Funds Available for Re-appropriation</b>				
<b>COMBINED BUDGETS FY 2026 Funding Sources</b>	<b>Unspent FY24</b>	<b>Available FY25</b>	<b>Available FY26</b>	
<i>End of Year Balance</i>	\$17,384,172			
<b>SFA APPROPRIATION</b>				
<b>GOV. APPROPRIATIONS</b>				
General Support	\$ 563,484	\$ -	\$ 563,484	
Other General Support - DE/DC	\$ 7,714,864	\$ -	\$ -	
EEF - FAITH	\$ 100,000	\$ 100,000	\$ -	
EEF - Winter-Reed	\$ 1,900,000	\$ 1,900,000	\$ -	
<b>Total Gov. Appropriations</b>	<b>\$10,278,348</b>	<b>\$ 2,000,000</b>	<b>\$ 563,484</b>	
<b>OTHER SOURCES</b>				
Law Fund	\$ -	\$ 20,000	\$ 20,000	
<b>Total Other Sources</b>	<b>\$ -</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	
<b>CASH ON HAND</b>				
Estimated Collections	\$ 1,720,000	\$ 2,330,000	\$ 2,330,000	
<b>Total Cash on Hand</b>	<b>\$ 1,720,000</b>	<b>\$ 2,330,000</b>	<b>\$ 2,330,000</b>	
	<b>\$11,998,348</b>	<b>\$ 4,350,000</b>	<b>\$ 2,913,484</b>	
<b>OTHER APPROPRIATION</b>				
<b>STATE SPECIAL FUNDS-ARPA</b>				
NULR/Reappropriation	\$ 5,385,824	\$ 5,385,824	\$ 3,000,000	
<b>TOTAL APPROPRIATIONS</b>	<b>\$17,384,172</b>	<b>\$ 9,735,824</b>	<b>\$ 5,913,484</b>	

Exhibit 5 is the FY 2026 Combined Budget Request with Funding by Source. The chart shows the FY 2024 AOB, the FY 2025 AOB, the FY 2026 MBR, and the difference between FY 2025 and FY 2026. This chart includes the funding sources for both the SFA and NULR budgets.

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Exhibit 5

<b>FY 2026 Budget Request (MBR)</b>					
<b>COMBINED BUDGETS FY 2026 Funding Sources</b>	<b>FY24 AOB</b>	<b>FY25 AOB</b>	<b>FY26 MBR</b>	<b>(+/-) FY25</b>	<b>Change</b>
<b>SFA APPROPRIATION</b>					
<i>GOV. APPROPRIATIONS</i>					
General Support	\$ 50,649,256	\$ 51,952,895	\$ 52,052,538	\$ 99,643	0.2%
General Support (Reappropriated)	\$ -	\$ -	\$ 563,484	\$ 563,484	-
Other General Support - DE/DC	\$ 9,823,000	\$ -	\$ -	\$ -	-
<i>EEF - New</i>					
FAITH & Winter-Reed	\$ -	\$ 3,000,000	\$ 6,000,000	\$ 3,000,000	100.0%
FAITH	\$ 1,000,000	\$ -	\$ -	\$ -	-
Winter-Reed	\$ 2,000,000	\$ -	\$ -	\$ -	-
<i>EEF - Reappropriated</i>					
FAITH & Winter-Reed	\$ -	\$ -	\$ -	\$ -	-
FAITH	\$ 1,000,000	\$ 100,000	\$ -	\$ (100,000)	-100.0%
Winter-Reed	\$ 1,100,000	\$ 1,900,000	\$ -	\$ (1,900,000)	-100.0%
<i>Total Gov. Appropriations</i>	<b>\$65,572,256</b>	<b>\$56,952,895</b>	<b>\$58,616,023</b>	<b>\$ 1,663,128</b>	<b>2.9%</b>
<i>OTHER SPECIAL FUNDS</i>					
<i>GRANTS AND CONTRACTS</i>					
Federal	\$ -	\$ -	\$ -	\$ -	-
State	\$ -	\$ -	\$ -	\$ -	-
<i>Total Grants and Contracts</i>	\$ -	\$ -	\$ -	\$ -	-
<i>INTEREST INCOME</i>					
Nissan	\$ -	\$ -	\$ 11,000	\$ 11,000	-
<i>Total Interest Income</i>	\$ -	\$ -	\$ 11,000	\$ 11,000	-
<i>OTHER SOURCES</i>					
Law Fund	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	0.0%
<i>Total Other Sources</i>	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	0.0%
<i>CASH ON HAND</i>					
Estimated Collections	\$ 1,720,000	\$ 2,330,000	\$ 2,330,000	\$ -	0.0%
<i>Total Cash on Hand</i>	<b>\$ 1,720,000</b>	<b>\$ 2,330,000</b>	<b>\$ 2,330,000</b>	<b>\$ -</b>	<b>0.0%</b>
<i>Total Other Special Funds</i>	<b>\$ 1,740,000</b>	<b>\$ 2,350,000</b>	<b>\$ 2,361,000</b>	<b>\$ 11,000</b>	<b>0.5%</b>
<i>Total SFA Appropriation</i>	<b>\$67,312,256</b>	<b>\$59,302,895</b>	<b>\$60,977,023</b>	<b>\$ 1,674,128</b>	<b>2.8%</b>
<b>OTHER APPROPRIATION</b>					
<i>STATE SPECIAL FUNDS-ARPA</i>					
Nursing Loan Repayment	\$ 6,000,000	\$ 5,385,824	\$ 3,000,000	\$ (2,385,824)	-44.3%
<b>TOTAL APPROPRIATIONS</b>	<b>\$73,312,256</b>	<b>\$64,688,719</b>	<b>\$63,977,023</b>	<b>\$ (711,696)</b>	<b>-1.1%</b>

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Exhibit 6 is the FY 2026 SFA Budget Narrative, which corresponds to the SFA budget.

## Exhibit 6

### NARRATIVE FY 2026 BUDGET REQUEST

#### **State Student Financial Aid**

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

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

#### **FY 2026 Appropriation Request**

On behalf of the students and the state of Mississippi, SFA requests **\$60,977,023 for FY26**, which represents **an increase of \$1,674,127 or 2.8%** over FY25. The FY26 request includes:

- **\$52,052,538 in General Support Funds**, which represents **an increase of \$99,643 or 0.2%** over FY25;
- **\$563,484 in Re-appropriated General Support Funds** for unspent funds from FY24;
- **\$6,000,000 in New Education Enhancement Funds** (\$4,000,000 for FAITH and \$2,000,000 for WRTR), which represents **an increase of \$3,000,000 or 100%** over FY25;
- **\$0 in Re-appropriated Education Enhancement Funds**;
- **\$2,361,000 in Other Special Funds** (includes Federal and State Grants and Contracts, Interest Income, Cash on Hand and Other Sources), which represents **an increase of \$11,000 or 0.5%** over FY25.

#### 1-Administration

- I. Program Description: SFA is responsible for the comprehensive planning, management and evaluation processes required to administer the state's many, diverse financial assistance programs. The office assesses and allocates resources, implements fiscal accountability measures, and annually evaluates all program components for compliance with statutes and legislative intent as well as for effectiveness in recruiting and retaining students in higher education in Mississippi.
- II. Program Objective: SFA seeks to administer the legislatively authorized state student financial aid programs; 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.

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- III. Current program activities as supported by the funding in Columns 5-12 (FY25 Estimated and FY26 Increase/Decrease for continuations) of MBR-1-03 and designated Budget Unit Decisions columns of MBR-1-03-A:  
(D) Additional Needs – **\$27,564**: Funds are requested to provide 3% cost of living salary increases for all current employees.

### 2-MTAG/MESG and HELP

- I. Program Description: SFA is responsible for the comprehensive management, including budgeting, disbursement of funds and evaluation, of three (3) grant programs. In March of 1995, two (2) grant programs, the Mississippi Tuition Assistance Grant (MTAG) and the Mississippi Eminent Scholars Grant (MESG), were created to assist Mississippi students who do not qualify for full Pell grants. In April of 1997, an additional grant program, the Higher Education Legislative Plan for Needy Students (HELP), was created to provide need-based financial assistance, as determined by parental adjusted gross income.
- II. Program Objective: Provide adequate resources to support the delivery of the three (3) grant programs and to ensure compliance with the appropriate state laws in delivering financial aid.
- III. Current program activities as supported by the funding in Columns 5-12 (FY25 Estimated and FY26 Increase/Decrease for continuations) of MBR-1-03 and designated Budget Unit Decisions columns of MBR-1-03-A:  
(D) Additional Needs – **\$662,104 or 1.3%**: MTAG is unavailable to students who qualify for the maximum federal Pell grant. The formula for determining eligibility for the federal Pell grant changed for the 2024-25 aid year. More Mississippi residents are expected to be eligible for the maximum Pell grant under the new formula. Therefore, fewer students will be eligible for MTAG. Lack of information from the federal government has limited our ability to project program costs for the coming years, and the 2024-25 aid year is not yet underway. Due to this lack of information, the number of recipients is projected to remain unchanged for MTAG and HELP. A 1% increase in recipients is projected for MESG. The HELP Grant program budget also anticipates tuition increases of 1.75%. The MTAG/MESG and HELP request includes:
- **\$10,473,044 for MTAG**, which represents **no change** from FY25;
  - **\$8,305,018 for MESG**, which represents an **increase of \$82,228** over FY25;
  - **\$33,715,656 for HELP**, which represents an **increase of \$579,876** over FY25.

### 3-FORGIVABLE LOAN AND REPAYMENT PROGRAMS

- I. Program Description: SFA operates one forgivable loan program, the Critical Needs Dyslexia Therapy Forgivable Loan Program (CNDT), and one loan repayment program, the Winter-Reed Teacher Loan Repayment Program (WRTR), to support teachers and education. SFA also administers two health/science related programs, the Speech-Language Pathologist Forgivable Loan Program (SLPL) and the Southern Regional Education Board Forgivable Loan Program for optometry (SREB).
- II. Program Objective: Student Financial aid programs have been authorized by the Legislature:
- 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; and

## MINUTES

- 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.

- III. Current program activities as supported by the funding in Columns 5-12 (FY25 Estimated and FY26 Increase/Decrease for continuations) of MBR-1-03 and designated Budget Unit Decisions columns of MBR-1-03-A:  
(D) Additional Needs – **\$149,709**: An increase in expenditures for the Forgivable Loan and Loan Repayment Programs is requested to fully fund the Winter-Reed Teacher Loan Repayment Program at \$2,000,000 as it has been for every year prior to FY25 and to award all 36 SREB Regional Contract Program seats at the projected rate for 2025-26.

### TEACHER PROGRAMS:

The Critical Needs Dyslexia Therapy Teacher Forgivable Loan (CNDT) funds are available to Mississippi teachers who are seeking a Class AA Educator's License with a 203 Endorsement for Dyslexia Therapy. The loan will be forgiven for recipients who serve as licensed dyslexia therapist in a Mississippi public or charter school for one year for each year of funding received. The **CNDT request for FY26 is \$50,000**, which represents **no change from FY25**.

The William F. Winter – Jack Reed, Sr. Teacher Loan Repayment Program (WRTR) helps teachers repay their student loans. The **FY26 WRTR request is \$2,000,000**, which represents an **increase of \$100,000 from FY25**. Additional funding was appropriated for WRTR in FY24 than was needed. The \$1,900,000 funding to be utilized in FY25 will be in re-appropriated funds unspent in FY24. For FY26, \$2,000,000 is requested in new EEF funds.

### HEALTH/SCIENCE RELATED PROGRAMS:

The Speech-Language Pathologist Forgivable Loan Program (SLPL) was first created by the 2012 Legislature for students seeking a first master's degree in Speech-Language Pathology, Communicative Disorders, or Communication Sciences and Disorders. The loan will be forgiven for recipients who serve as licensed speech-language pathologists in a Mississippi public or charter school for one year for each year of funding received. The **SLPL request for FY26 is \$70,000** which represents **no change from FY25**.

The Southern Regional Education Board Forgivable Loan Programs (SREB) awards students in out-of-state optometry programs contracted through the SREB Regional Contract Program. Mississippi contracts 9 seats per entering class, for a total of 36 contract seats each year. The cost of each contract seat typically increases annually. Rates for FY26 will be \$21,184. The **SREB request is \$762,624 for 36 seats**, which represents an **increase of \$49,709 from FY25**.

## 4. OTHER

- I. Program Description: SFA started operating the FAITH Scholarship beginning in the 2023-24 aid year. SFA operates the Law Enforcement Officers and Firemen Scholarship Program (LAW), which is funded by the Mississippi Legislature and partially through a special fund; the Nissan Scholarship (NISS), which is funded through the Nissan Trust; and the Fostering Access and Inspiring True Hope Scholarship (FAITH), which is funded through EEF funds deposited in the FAITH Scholarship Trust.

## MINUTES

- II. Program Objective: Student Financial aid programs have been developed:
- To manifest the belief that the continued growth and development of Mississippi requires improved levels of postsecondary educational attainment, and
  - To meet the needs of specific student groups.
- III. Current program activities as supported by the funding in Columns 5-12 (FY25 Estimated and FY26 Increase/Decrease for continuations) of MBR-1-03 and designated Budget Unit Decisions columns of MBR-1-03-A: (D) Additional Needs – **\$834,750**: An overall increase in expenditures for the Other programs is expected. Increases and decreases are requested as follows for the following programs based on increases and decreases in demand and eligibility.

The Law Enforcement Officers and Firemen Scholarship Program (LAW) provides education to the dependent children or spouses of deceased or disabled service men and women. The **FY26 LAW request is \$100,000**, which represents a **decrease of \$76,250 from FY25**.

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 \$11,000**, which represents an **increase of \$11,000 over FY25**.

The Representative Bill Kinkade Fostering Access and Inspiring True Hope (FAITH) Scholarship was created during the 2022 Legislative Session to make full awards to students who have interacted with the state's foster care system. SFA started making awards in 2023-24. The **FAITH FY26 request is a total of \$4,000,000**, which represents a **\$900,000 increase over the FY25 budget**. For the total requested, \$4,000,000 is requested in new EEF funds.

### **Funding Request Explanation:**

SFA requests a total of \$60,977,023 for FY26.

The request includes \$52,054,020 in General Funds (Section 1); \$8,361,000 in Special Funds (Section 2), and \$563,484 in Re-appropriated Funds unspent from FY24.

The \$52,054,020 General Fund request is for \$52,054,020 in new funds. The FY26 budget request also includes \$563,484 in re-appropriated funds that were unspent in FY24. According to Mississippi Code Section 37-106-14(3), "At the end of the fiscal year, any unexpended balances appropriated by the Legislature for the implementation or administration of programs provided for in this chapter shall not lapse into the State General Fund but shall carry over and be available for expenditure in the succeeding fiscal year, subject to appropriation therefor by the Legislature."

The \$8,361,000 Special Fund request includes \$6,000,000 in new EEF Funds (\$4,000,000 for FAITH and \$2,000,000 for WRTR) and \$2,361,000 in spending authority for investments (\$11,000 for NISS and \$20,000 for LAW) and cash on hand from collections (\$2,330,000).

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Exhibit 7 is the FY 2026 NULR Budget Narrative, which corresponds to the NULR budget.

### Exhibit 7

NARRATIVE  
FY 2026 BUDGET REQUEST

#### **Nurse Retention Loan Repayment Program**

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

#### **FY 2026 Appropriation Request**

SFA requests a re-appropriation of **\$3,000,000 for FY26**, which represents a **decrease of \$2,385,824 or 44.3%** from FY25.

#### 1-NULR

- I. Program Description: SFA is responsible for the comprehensive management of the Nurse Retention Loan Repayment Program.
- II. Program Objective: To minimize the healthcare industry's workforce shortages by creating an incentive and reducing barriers in the form of loan repayment program for RNs and LPNs to enter the nursing profession and become established on a solid career pathway.
- III. Current program activities as supported by the funding in Columns 5-12 (FY24 Estimated and FY25 Increase/Decrease for continuations) of MBR-1-03 and designated Budget Unit Decisions columns of MBR-1-03-A:  
(D) Additional Needs – (**\$2,385,824**): No additional funds are requested, but SFA requests a re-appropriation of \$3,000,000.

#### Recommendation:

Board staff recommends approval of this item.

**Item 3:** Jennifer Rogers presented a request for the Board to approve the FY 2026-30 Five-Year Strategic Plan. On motion by Barney Daly, seconded by Mark Keenum, all Board Members legally present and participating voted unanimously to approve the request.

#### **3. Approve the FY 2026-30 Five-Year Strategic Plan**

The Mississippi Office of Student Financial Aid requests approval of the FY 2026-30 Five-Year Strategic Plan. Board policy does not currently require approval of the Five-Year Strategic Plan, but the Plan is required annually by the Legislative Budget Office.

Exhibit 8 is the FY 2026-30 Five-Year Strategic Plan with Expenditures by Program. The plan includes the SFA budget, the NULR budget, and the Combined budgets. There is no written strategic plan for the NULR budget, because the program is funded with Coronavirus State and Local Fiscal Recovery Funds. Beyond the FY 2026 request noted above, the plan anticipates the following changes:

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- Administration: Funds are requested to provide 3% cost of living salary increases for all current employees.
- MTAG/MESG and HELP: Lack of information about the impact of the upcoming Pell formula changes has limited our ability to project program costs for the coming years. A modest growth rate of 1% is anticipated in the number of recipients for MESG through FY 2028. The HELP Grant program budget also anticipates tuition increases of 2% each year.
- Forgivable Loan Programs: SFA requests the Legislature either phase out or transition the remaining forgivable loan programs to loan repayment programs.
- Other: SFA anticipates growth of the FAITH Scholarship program during the first five award years, and then expects the program to stabilize beginning in FY 2029.
- NULR: No new funds will be requested, but SFA will request any remaining funds be re-appropriated through FY 2027, since all awards must be paid by December 2026.

Exhibit 9 is the FY 2026-30 Five-Year Strategic Plan with Funding by Source. The plan includes the SFA budget, the NULR budget, and the combined budgets.

Exhibit 10 is the FY 2026-30 SFA Five-Year Strategic Plan Narrative.

Recommendation:

Board staff recommends approval of this item.



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Exhibit 8

<b>5-Year Strategic Plan with Expenditures by Program (FY 2026 - FY 2030)</b>					
<b>Expenditures by Program</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>
<b>1- Administration</b>					
Salaries, Wages and Fringes	\$ 841,680	\$ 866,931	\$ 892,939	\$ 919,727	\$ 947,319
Travel	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
Contractual Service	\$ 620,000	\$ 620,000	\$ 620,000	\$ 620,000	\$ 620,000
Commodities	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Equipment	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
<b>Total Administration</b>	<b>\$ 1,489,680</b>	<b>\$ 1,514,931</b>	<b>\$ 1,540,939</b>	<b>\$ 1,567,727</b>	<b>\$ 1,595,319</b>
<b>2- MTAG/MESG and HELP</b>					
MTAG	\$ 10,473,044	\$ 10,473,044	\$ 10,473,044	\$ 10,473,044	\$ 10,473,044
MESG	\$ 8,305,018	\$ 8,388,068	\$ 8,471,949	\$ 8,471,949	\$ 8,471,949
HELP	\$ 33,715,656	\$ 34,389,969	\$ 35,077,769	\$ 35,779,324	\$ 36,494,911
<b>Total MTAG/MESG and HELP</b>	<b>\$52,493,718</b>	<b>\$53,251,081</b>	<b>\$54,022,761</b>	<b>\$54,724,317</b>	<b>\$55,439,903</b>
<b>3 - Forgivable Loan &amp; Repayment Prgs</b>					
Teacher Programs:					
CNDT (Graduate)	\$ 50,000	\$ 30,000	\$ -	\$ -	\$ -
Winter-Reed Loan Repay	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Health/Science Related Programs:					
SLPL	\$ 70,000	\$ 35,000	\$ -	\$ -	\$ -
SREB	\$ 762,624	\$ 606,285	\$ 428,436	\$ 113,536	\$ -
<b>Total Forgive Ln/Repay Programs</b>	<b>\$ 2,882,624</b>	<b>\$ 2,671,285</b>	<b>\$ 2,428,436</b>	<b>\$ 2,113,536</b>	<b>\$ 2,000,000</b>
<b>4 - Other</b>					
LAW	\$ 100,000	\$ 110,000	\$ 120,000	\$ 130,000	\$ 140,000
Nissan	\$ 11,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000
FAITH Scholarship	\$ 4,000,000	\$ 5,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000
<b>Total Other</b>	<b>\$ 4,111,000</b>	<b>\$ 5,132,000</b>	<b>\$ 6,142,000</b>	<b>\$ 6,152,000</b>	<b>\$ 6,162,000</b>
<b>TOTAL Lns, Schols, Grants</b>	<b>\$59,487,342</b>	<b>\$61,054,366</b>	<b>\$62,593,197</b>	<b>\$62,989,852</b>	<b>\$63,601,903</b>
<b>TOTAL SFA BUDGET</b>	<b>\$60,977,023</b>	<b>\$62,569,297</b>	<b>\$64,134,136</b>	<b>\$64,557,579</b>	<b>\$65,197,222</b>
<b>NULR 5-Year Strategic Plan (FY 2025 - FY 2029)</b>					
1 - NULR	\$ 3,000,000	\$ 1,500,000	\$ -	\$ -	\$ -
<b>TOTAL NULR BUDGET</b>	<b>\$ 3,000,000</b>	<b>\$ 1,500,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>COMBINED BUDGETS 5-Year Strategic Plan (FY 2025 - FY 2029)</b>					
SFA	\$ 60,977,023	\$ 62,569,297	\$ 64,134,136	\$ 64,557,579	\$ 65,197,222
NULR	\$ 3,000,000	\$ 1,500,000	\$ -	\$ -	\$ -
<b>TOTAL COMBINED BUDGETS</b>	<b>\$63,977,023</b>	<b>\$64,069,297</b>	<b>\$64,134,136</b>	<b>\$64,557,579</b>	<b>\$65,197,222</b>

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Exhibit 9

<b>5-Year Strategic Plan with Funding by Source (FY 2026 - FY 2030)</b>					
<b>COMBINED BUDGETS</b>					
<b>FY 26-30</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>
<b>Funding Source</b>					
<b>SFA APPROPRIATION</b>					
<b>GOV. APPROPRIATIONS</b>					
General Support	\$ 52,052,538	\$ 54,527,297	\$ 55,092,136	\$ 55,765,579	\$ 56,405,222
General Support (Re-appropriated)	\$ 563,484	\$ -	\$ -	\$ -	\$ -
Other General Support - DE/DC	\$ -	\$ -	\$ -	\$ -	\$ -
EEF - New					
FAITH & Winter-Reed	\$ 6,000,000	\$ 7,250,000	\$ 8,250,000	\$ 8,250,000	\$ 8,250,000
FAITH	\$ -	\$ -	\$ -	\$ -	\$ -
Winter-Reed	\$ -	\$ -	\$ -	\$ -	\$ -
EEF - Re-appropriated					
FAITH & Winter-Reed	\$ -	\$ -	\$ -	\$ -	\$ -
FAITH	\$ -	\$ -	\$ -	\$ -	\$ -
Winter-Reed	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Gov. Appropriations</b>	<b>\$58,616,023</b>	<b>\$61,777,297</b>	<b>\$63,342,136</b>	<b>\$64,015,579</b>	<b>\$64,655,222</b>
<b>OTHER SPECIAL FUNDS</b>					
<b>GRANTS AND CONTRACTS</b>					
Federal	\$ -	\$ -	\$ -	\$ -	\$ -
State	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Grants and Contracts</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>INTEREST INCOME</b>					
Nissan	\$ 11,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000
<b>Total Interest Income</b>	<b>\$ 11,000</b>	<b>\$ 22,000</b>	<b>\$ 22,000</b>	<b>\$ 22,000</b>	<b>\$ 22,000</b>
<b>OTHER SOURCES</b>					
Law Fund	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
<b>Total Other Sources</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>
<b>CASH ON HAND</b>					
Estimated Collections	\$ 2,330,000	\$ 750,000	\$ 750,000	\$ 500,000	\$ 500,000
<b>Total Cash on Hand</b>	<b>\$ 2,330,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>
<b>Total Other Special Funds</b>	<b>\$ 2,361,000</b>	<b>\$ 792,000</b>	<b>\$ 792,000</b>	<b>\$ 542,000</b>	<b>\$ 542,000</b>
<b>Total SFA Appropriation</b>	<b>\$60,977,023</b>	<b>\$62,569,297</b>	<b>\$64,134,136</b>	<b>\$64,557,579</b>	<b>\$65,197,222</b>
<b>OTHER APPROPRIATION</b>					
<b>STATE SPECIAL FUNDS-ARPA</b>					
Nursing Loan Repayment	\$ 3,000,000	\$ 1,500,000	\$ -	\$ -	\$ -
<b>TOTAL APPROPRIATIONS</b>	<b>\$63,977,023</b>	<b>\$64,069,297</b>	<b>\$64,134,136</b>	<b>\$64,557,579</b>	<b>\$65,197,222</b>

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## Exhibit 10

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

#### **2026-2030 Five-Year Strategic Plan**

#### **1. Comprehensive Mission Statement**

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

#### **2. Philosophy**

The Mississippi Office of Student Financial Aid is committed to the advancement of our state through education and workforce development. It is our belief that student financial assistance benefits not only the individual but also the general public. The philosophy of the Office is to alleviate the familial burden of paying for college, while being good stewards of the state's limited resources. The Office strives to operate efficiently by utilizing technology and leveraging partnerships; transparently by reporting on our operations and being accessible to the public; and safely by complying with all state and federal laws enacted for the protection of privacy.

#### **3. Relevant Statewide Goals and Benchmarks**

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

Relevant Benchmarks #1:

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

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

Relevant Benchmarks #2:

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

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

Relevant Benchmarks #3:

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

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

Relevant Benchmarks #5:

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

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

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

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

The accessibility of all state-funded financial aid programs will be evaluated annually through

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careful monitoring of program rules and regulations and the application process to determine if any such rules and regulations and/or the application process have consistently limited student access to a program or created an undue hardship to eligible applicants.

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

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

The Office will administer the residency-based Mississippi Resident Tuition Assistance Grant (MTAG) and the merit-based Mississippi Eminent Scholars Grant (MESG) according to law to make college more accessible and affordable for some Mississippi students. MTAG is unavailable to students who qualify for the maximum federal Pell grant. The formula for determining eligibility for the federal Pell grant changed for the 2024-25 aid year. More Mississippi residents are expected to be eligible for the maximum Pell grant under the new formula. Therefore, fewer students will be eligible for MTAG. Lack of information from the federal government has limited our ability to project program costs for the coming years. At this time, no increase in appropriation is requested for MTAG in the upcoming years. A modest growth rate of 1% is anticipated in the number of recipients for MESG through FY 2028.

The Office will continue to advocate for more need-based aid programs to ensure that low- and moderate-income Mississippi students have access to affordable higher education opportunities. Currently, low-income students (full Pell-eligible) cannot by law qualify for MTAG, but can qualify for the Higher Education Legislative Plan for Needy Students (HELP) by also meeting certain academic requirements. The HELP program provides full tuition scholarships to students with demonstrated financial need who are college ready upon graduating from high school. The program grew rapidly in recent years, but the rapid annual growth has stabilized as expected. The number of HELP recipients decreased unexpectedly in the 2023-24 aid year, but SFA believes the number will stabilize over the course of the 2024-25 and 2025-26 aid years. Additional growth is not projected beyond FY 2026. The HELP Grant program budget does anticipate modest tuition increases of 2% every year.

The Office will administer the state's forgivable loan programs according to law to help the state achieve the goal of a more educated citizenry while alleviating critical workforce needs in specific service areas. Nevertheless, data show forgivable loan programs to be ineffective and inefficient. The Office will continue to work with the Postsecondary Board and legislators to make data-driven recommendations for the elimination, consolidation, and/or conversion to loan repayment programs of the state's three remaining forgivable loan programs.

### **5. Agency's External/Internal Assessment:**

#### **External Assessment:**

- a) Funding - Funding instability is an ongoing threat to the effective and efficient administration of student financial aid. Annually, the Office requests the funds needed to fully award all students who demonstrate eligibility for the programs as established by state law. When the amount appropriated is less than the amount needed, the Office must work with the Postsecondary Board to make difficult decisions regarding who will and will not be awarded to balance the budget as required by law. Mississippi law requires that awards be made first to all undergraduate grant applicants, then to loan applicants on a first-come, first-served

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basis. If funds are still inadequate, then grant funds must be pro-rated. In recent years, the uncertainty of receiving a deficit appropriation resulted in late awards and student frustration and fear.

- b) Timing – The timing of the budget process coupled with the uncertainty of full funding results in SFA making award offers to students in July before they plan to start college in August. Ideally, a mechanism to “forward fund” financial aid would be created so that the appropriation received in one year could fund the awards made in the next aid year. This would require two years of funding in the initial year but would allow the Office to make award offers to students as they apply and become eligible rather than waiting until a month before school starts to make awards.
- c) Newly Created Programs - The creation of new state student financial aid programs places an increased administrative burden on the Office. Although funding is often appropriated for the purpose of making awards through newly created programs, additional funding for administration is typically not provided. Adequate time for implementation often is not allowed. The Office cannot implement a grant or loan program in three to five months. A full aid year is needed between the creation of a program and the anticipated implementation of said program.
- d) Need-Based Aid – Despite the growth of the HELP grant, additional need-based aid is needed to improve college access and affordability to help the state meet its education attainment goal, Ascent to 55%.
- e) Program Changes - Legislative changes to existing programs will impact student eligibility rates, award rates, and the amount of money needed to award eligible students.
- f) Student Choice - Student choice and performance continuously impact award rates and award amounts. The student’s institution and major can impact whether or not a student is eligible for some state aid as well as the amount of aid for which the student is eligible. Academic performance, such as hours completed and GPA, can also impact whether or not a student establishes and/or maintains aid eligibility.
- g) Student Aid Index (SAI, formerly known as Expected Family Contribution or EFC) - Changes to the SAI formula for federal aid eligibility impact eligibility for the Mississippi Resident Tuition Assistance Grant. There is an inverse relationship between SAI and MTAG eligibility. If more students qualify for a zero SAI (and maximum Pell grant), fewer students will qualify for MTAG. If fewer students qualify for a zero SAI, more students will qualify for MTAG. The new federal SAI formulas went into effect for the 2024-25 aid year. Projections from national organizations indicate that more students nationally will be eligible for maximum Pell grants. However, lack of information from Federal Student Aid has prevented SFA from modeling this change to determine its impact on projected program costs.
- h) Interest Rate - The interest rate charged on state forgivable loans is equal to the unsubsidized federal student loan rate at the time a student enters repayment. As the federal rate increases and decreases, so does the state rate. The federal rate changes annually with the 10-Year Treasury Note. Due to the future variability of federal student loan interest rates, it is difficult to estimate the future revenue stream from interest income collected on the repayment of state forgivable loans.
- i) Collections - As a result of past efforts to improve default prevention practices, more students are completing the service obligation and fewer are defaulting or entering repayment. Also, fewer loans have been issued in recent years due to budget shortfalls and the elimination of forgivable loan programs. Therefore, the revenue collected on the repayment of loans declined significantly in FY 2023 and is expected to remain depressed in future years as fewer students enter monetary repayment, leaving the Office more dependent upon General Fund appropriations to meet budgetary demands.
- j) Administrative Burden - Federal regulations can impact the administration of state financial aid, particularly the administration of loans. In recent years, the Office has responded to new regulations requiring multiple disclosures on all non-federal loans (even state loans); intensified identity theft protection rules; changes to allowable

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collection costs; and restrictions on the use of telephone technology to contact borrowers. The Office incurs costs to comply with new federal and state regulations.

### **Internal Assessment:**

- a) All funds administered by the Board shall be accounted for in an annual report that shall be submitted to the Legislature within ten (10) days after the convening of each new legislative session. The report should detail for each grant, scholarship, or forgivable loan program the number of recipients, the total amount of awards made, and the average award amount. The report shall include the number of students at each institution receiving financial assistance and the amount of such assistance. For forgivable loan programs, the report shall also include a summary of the repayment status and method of repayment for student cohorts as well as an accounting of the receipt of funds in repayment. Furthermore, all funds received and expended shall be reported and otherwise accounted for in accordance with the provisions of Section 37-106-11, Mississippi Code of 1972, except where individual identifying information must be withheld pursuant to the Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g; 34 CFR Part 99.
- b) The Office continuously assesses the state's financial aid programs.
  1. The Office worked with the Harvard University Kennedy School of Government on a project using Regression Discontinuity Design Method to evaluate the Mississippi Eminent Scholars Grant (MESG) and the Mississippi Resident Tuition Assistance Grant (MTAG) on their impact on in-state enrollment and degree completion.
  2. The Office applied for and received "Technical Assistance" from the Education Commission of the States as part of its Redesigning State Financial Aid project. ECS reviewed Mississippi's state aid programs through the lens of four principles of redesign. These four principles maintain that 1) aid programs should be student centered; 2) aid programs should be goal driven and data informed; 3) aid programs should be timely and flexible; and 4) aid programs should be broadly inclusive.
  3. Lifetracks has been expanded to include data from Student Financial Aid. NSPARC published a report in 2018 regarding the effectiveness of state aid programs; however, the report should be completed annually.
  4. The Office continues to work with the Postsecondary Board to develop recommendations to be presented to the Mississippi Legislature for redesigning the state student financial aid programs to be more effective and efficient.

### **Internal Management System**

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

## **6. Agency Goals, Objectives, Strategies and Measures for FY 2026 through FY 2030:**

### **Budget Program 1: Administration**

*Goal:* Effectively and efficiently administer the state's many diverse financial assistance programs.

*Objective:* Manage the application and award process for all programs as the primary function of the Mississippi Office of Student Financial Aid.

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*Outcome:* Number of new applicants supported as evidenced by the number of new applications received

*Outcome:* Number of renewal applicants supported as evidenced by the number of renewal applications received

*Outcome:* Number of applicants supported throughout the application process as evidenced by the number of applicants who receive awards

*Strategy:* Administer all Student Financial Aid programs and carry out the functions of the Mississippi Postsecondary Education Financial Assistance Board.

*Output:* Total cost of Administration program

*Output:* Total amount of SFA annual operating budget

*Output:* Number of full-time employees

*Efficiency:* Administrative cost as a percentage of the total budget

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

*Output:* Number of outreach events for students, parents, and counselors

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

*Output:* Number of social media followers

*Output:* Number of school districts and private high schools with an active data-sharing agreement in MAAPP

*Output:* Number of high school counselors with an active account in MAAPP

*Efficiency:* Administrative cost per applicant

*Efficiency:* Administrative cost per award recipient

*Objective:* Manage the servicing of the state forgivable loans programs.

*Outcome:* Minimized percentage of defaults on all state forgivable loan programs for all cohorts

*Outcome:* Maximized average rate of on-time repayment through service on all state forgivable loan programs for all cohorts

*Strategy:* Conduct default prevention activities and exercise due diligence in collection practices.

*Output:* Number of separation, grace-ending, service deferment/cancellation, and past due notices mailed/emailed

*Output:* Funds collected in repayment of forgivable loans



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*Output:* Tax offset funds collected

*Efficiency:* Average collections per repayment account

### **Budget Program 2: MTAG/MESG and HELP**

*Goal:* Effectively and efficiently administer the state's undergraduate grant programs.

*Objective:* Make financial aid awards to Mississippi residents who qualify for one of the state's primary undergraduate grant programs (MTAG, MESG, and HELP).

*Outcome:* Percentage of eligible applicants who receive an undergraduate grant award

*Strategy:* Administer the primary undergraduate grant programs.

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

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

*Output:* Total number of primary undergraduate grant programs

*Efficiency:* Average student award through the primary undergraduate grant programs

*Strategy:* Administer the Mississippi Resident Tuition Grant Program (MTAG) to assist with the cost of tuition for full-time Mississippi students with a 15 ACT and/or 2.5 GPA who are not eligible for a maximum federal Pell grant.

*Output:* Number of MTAG recipients

*Output:* Amount of MTAG awarded

*Efficiency:* Average student award through the MTAG program

*Strategy:* Administer the Mississippi Eminent Scholars Grant Program (MESG) to reward full-time Mississippi students for excellent academic achievement (29 ACT and 3.5 GPA) in high school and to encourage high achieving students to stay in-state for college.

*Output:* Number of MESG recipients

*Output:* Amount of MESG awarded

*Efficiency:* Average student award through the MESG program

*Strategy:* Administer the Higher Education Legislative Plan for Needy Students (HELP) scholarship to provide financial assistance for full-time Mississippi students with financial need who demonstrate college readiness with a 20 ACT, 2.5 GPA, and completion of a college prep curriculum.

*Output:* Number of HELP recipients

*Output:* Amount of HELP awarded

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*Efficiency:* Average student award through the HELP program

### **Budget Program 3: Forgivable Loan and Repayment Programs**

*Goal:* Effectively and efficiently administer the state's forgivable loan and loan repayment programs.

*Objective:* Make financial aid awards to Mississippi residents who qualify for one of the state's forgivable loan or loan repayment programs (CNDT, SLPL, SREB, or WRTR).

*Outcome:* Percentage of eligible applicants who receive a forgivable loan or loan repayment award

*Strategy:* Administer the state forgivable loan programs.

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

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

*Output:* Total number of forgivable loan and repayment programs

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

*Strategy:* Administer the Critical Needs Dyslexia Therapy Teacher Forgivable Loan (CNDT), which is available to Mississippi teachers who are seeking a Class AA Educator's License with a 203 Endorsement for Dyslexia Therapy.

*Output:* Number of CNDT awards

*Output:* Amount of CNDT awards

*Efficiency:* Average student award through the CNDT program

Explanatory Note: SFA requests the Legislature phase out remaining forgivable loan funds and target available funds to the undergraduate grant programs and loan repayment programs. To phase out the program, SFA would award renewal students only. Therefore, the annual request for funds will decrease each year until funds are no longer requested after FY27.

*Strategy:* Administer the Speech-Language Pathologist Forgivable Loan Program (SLPL), which awards master's degree students in Speech-Language Pathology, Communicative Disorders, or Communication Sciences and Disorders who plan to serve as licensed speech-language pathologists in a Mississippi public or charter school.

*Output:* Number of SLPL awards

*Output:* Amount of SLPL awards

*Efficiency:* Average student award through the SLPL program

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Explanatory Note: SFA requests the Legislature phase out remaining forgivable loan funds and target available funds to the undergraduate grant programs and loan repayment programs. To phase out the program, SFA would award renewal students only. Therefore, the annual request for funds will decrease each year until funds are no longer requested after FY27.

*Strategy:* Administer the Southern Regional Education Board Forgivable Loan Program (SREB), which awards Mississippi students in out-of-state optometry programs contracted through the SREB Regional Contract Program.

*Output:* Number of SREB awards

*Output:* Amount of SREB awards

*Efficiency:* Average student award through the SREB program

Explanatory Note: Mississippi currently contracts 9 seats per entering class, for a total of 36 contract seats each year. The cost of each contract seat increases annually. SFA requests the Legislature phase out remaining forgivable loan funds and target available funds to the undergraduate grant programs and loan repayment programs. To phase out the program, SFA would award renewal students only. Therefore, the annual request for funds will decrease each year until funds are no longer requested after FY29.

*Strategy:* Administer the William F. Winter – Jack Reed, Sr. Teacher Loan Repayment Program (WRTR), which provides funds to repay a portion of the student loans of eligible Mississippi teachers in exchange for their service in a Mississippi public or charter school.

*Output:* Number of WRTR awards

*Output:* Amount of WRTR awards

*Efficiency:* Average award through the WRTR program

### **Budget Program 4: Other**

*Goal:* Effectively and efficiently administer the state's other financial assistance programs.

*Objective:* Make financial aid awards to students who qualify for one of the state's other programs.

*Outcome:* Percentage of eligible applicants who receive an award through one of the state's other programs

*Strategy:* Administer the state's other programs.

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

*Output:* Total amount of funds expended on the other programs

*Output:* Total number of programs

*Efficiency:* Average student award through the other state programs

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*Strategy:* Administer the Law Enforcement Officers and Firefighters Scholarship Program (LAW), which provides education to the dependents of deceased or disabled service men and women.

*Output:* Number of LAW awards

*Output:* Amount of LAW awards

*Efficiency:* Average student award through the LAW program

*Strategy:* Administer the Nissan Scholarship Program (NISS), which provides aid to students at public institutions who major in a field that will advance the automotive industry in Mississippi.

*Output:* Number of NISS awards

*Output:* Amount of NISS awards

*Efficiency:* Average student award through the NISS program

*Explanatory Note:* Awards are made from investment dollars set aside for this purpose. Nissan determines annually how many students will be awarded.

*Strategy:* Administer the Rep. Bill Kinkade Fostering Access and Inspiring True Hope (FAITH) Scholarship Program. The FAITH Scholarship was created by the 2022 Legislature to provide up to full cost of attendance awards to students who have interacted with the state's foster care system.

*Output:* Number of FAITH awards

*Output:* Amount of FAITH awards

*Efficiency:* Average student award through the FAITH program

*Explanatory Note:* Awards are made from EEF dollars appropriated for this program. Costs are expected to escalate for the first five years as the program grows and then stabilize at around \$6,000,000 annually.

**Item 4:** Jennifer Rogers presented a request to update APA Part 685, the Rules and Regulations for the Winter-Reed Teacher Loan Repayment Program. On motion by Barney Daly, seconded by Ben Burnett, all Board Members legally present and participating voted unanimously to approve the request.

**4. Approve Updates to APA Part 685: Winter-Reed Teacher Loan Repayment Program Rules and Regulations:**

Request

The Mississippi Office of Student Financial aid requests additional changes to APA Part 685 Winter-Reed Teacher Loan Repayment Program (WRTR) Rules and Regulations.

Summary:

The Board made changes to the Winter-Reed Teacher Loan Repayment Program (WRTR) during the May 2024 meeting to implement changes enacted by the 2024 Mississippi Legislature to expand the program beyond first-year teachers with only undergraduate student loans. Additional

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changes are needed to fully align the Rules with the statute. MS Code section 37-106-36 (3) states that “Persons who have received funds from other forgivable loan programs established for teachers under Mississippi law...shall not be eligible for this program.” The previous rules excluded from eligibility any recipient who received funds through any of the undergraduate teacher loans. Because the program has been expanded to include teachers with graduate loans, the rules also need to be updated to exclude teachers who previously benefited from state forgivable loans for graduate programs, including the Graduate Teacher Forgivable Loan Program and the Counselor and School Administrator Forgivable Loan Program. Previous Mississippi Teacher Loan Repayment recipients should also be excluded.

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

#### **Part 681: Winter-Reed Teacher Loan Repayment Program (WRTR) Rules and Regulations**

##### **Part 681 Chapter 1: Winter-Reed Teacher Loan Repayment Program (WRTR) Rules and Regulations**

*Rule 1.1 Winter-Reed Teacher Loan Repayment Program (WRTR) Rules and Regulations.* The William F. Winter and Jack Reed, Sr. Teacher Loan Repayment Program was established by the 2021 Legislature. These Rules and Regulations are promulgated to govern the program and are subject to change by the Mississippi Postsecondary Education Financial Assistance Board (hereinafter referred to as the "Board").

#### **I. GENERAL ELIGIBILITY**

...

- G. The applicant must not have received funds from the William Winter Teacher Forgivable Loan Program (WWTS), William Winter Alternate Route Forgivable Loan Program (WWAR), Critical Needs Teacher Forgivable Loan Program (CNTP), Critical Needs Alternate Route Teacher Forgivable Loan Program (CNAR), ~~or~~ Teacher Education Scholars Forgivable Loan Program (TES), [Graduate Teacher Forgivable Loan Program \(GTS\)](#), [Counselor and School Administrator Forgivable Loan Program \(CSA\)](#), or [Mississippi Teacher Loan Repayment Program \(MTLR\)](#).

Source: *Miss. Code Ann.* § 37-106-36.

#### Recommendation:

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

### **ADDITIONAL AGENDA ITEMS IF NECESSARY**

The Board did not consider any additional agenda items.

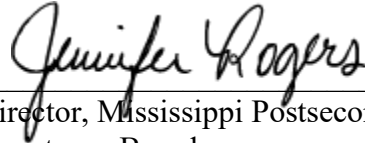
### **EXECUTIVE SESSION IF DETERMINED NECESSARY**

The Board did not determine the need for an Executive Session.

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**ADJOURNMENT**

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

A handwritten signature in black ink that reads "Jennifer Rogers". The signature is written in a cursive style with a large initial "J".

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Director, Mississippi Postsecondary Education Financial  
Assistance Board

## ITEMS FOR CONSIDERATION

### 1. Consider Naming Southeastern Baptist College an Eligible Institution

Summary:

On July 15, 2024, Southeastern Baptist College submitted a letter requesting to be considered an eligible institution for participation in the state's student financial aid programs.

The letter is included as Exhibit 1 on page 34.

APA Part 605 General Administration Rules and Regulations Section II, D, 10 defines Eligible Institutions as follows:

*All state financial aid programs require recipients to attend an eligible institution. Some state financial aid programs are not available to students at all "eligible" institutions. An eligible institution for state aid purposes is an institution of higher learning, public or private, located in Mississippi, which is accredited by the Southern Association of Colleges and Secondary Schools, or its equivalent, or a business, vocational, technical or other specialized school recognized and approved by the Board. In keeping with the Legislative intent established in Miss. Code Ann. § 37-101-241, the Board hereby approves any community, junior, or senior college or university with the main campus in Mississippi that was chartered, authorized, or approved by the Mississippi Commission on College Accreditation prior to July 1, 1988.*

Southeastern Baptist College is a private, not-for-profit, institution located in Laurel, Mississippi and fully accredited with national accreditation by the Association for Biblical Higher Education (ABHE) since 1988. The college was chartered in 1948 and was first authorized by the Mississippi Commission on College Accreditation in 1963. Southeastern Baptist College is also approved to participate in the National Council for State Authorization Reciprocity Agreements (NC-SARA). The college graduated 12 students in 2021-2022

Request:

SFA requests approval of the following updates to APA Part 605: General Administration Rules and Regulations to include Southeastern Baptist College as an eligible institution.

Title 10: Education Institutions and Agencies  
Part 605: General Administration Rules and Regulations

#### II. DETERMINING ELIGIBILITY

##### D. Special Issues Related to Determining Eligibility

10. Eligible Institutions - All state financial aid programs require recipients to attend an eligible institution. Some state financial aid programs are not available to students at all "eligible"

## ITEMS FOR CONSIDERATION

institutions. An eligible institution for state aid purposes is an institution of higher learning, public or private, located in Mississippi, which is accredited by the Southern Association of Colleges and Secondary Schools, or its equivalent, or a business, vocational, technical or other specialized school recognized and approved by the Board. In keeping with the Legislative intent established in Miss. Code Ann. § 37-101-241, the Board hereby approves any community, junior, or senior college or university with the main campus in Mississippi that was chartered, authorized, or approved by the Mississippi Commission on College Accreditation prior to July 1, 1988. Eligible institutions for the SREB Regional Contract Program are not in Mississippi.

a) Eligible In-State Institutions:

Alcorn State University
Delta State University
Jackson State University
Mississippi State University
Mississippi University for Women
Mississippi Valley State University
University of Mississippi
University of Mississippi Medical Center
University of Southern Mississippi
Coahoma Community College
Copiah-Lincoln Community College
East Central Community College
East Mississippi Community College
Hinds Community College
Holmes Community College
Itawamba Community College
Jones County Junior College
Meridian Community College
Mississippi Delta Community College
Mississippi Gulf Coast Community College
Northeast Mississippi Community College
Northwest Mississippi Community College
Pearl River Community College
Southwest Mississippi Community College
Belhaven University
Blue Mountain Christian University
Millsaps College
Mississippi College
Rust College



**ITEMS FOR CONSIDERATION**

<u>Southeastern Baptist College</u>
Tougaloo College
William Carey University

- b) Eligible Out-of-State Institutions (for certain programs)

Southern College of Optometry (TN)
University of Alabama Birmingham (AL)

**Recommendation:**

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

## ITEMS FOR CONSIDERATION

### Exhibit 1



July 15, 2024

Jennifer Rogers  
Director of Student Financial Aid  
3825 Ridgewood Road  
Jackson, MS 39211

Dear Ms. Rogers,

Southeastern Baptist College in Laurel, Mississippi, is a private 501(c)3 school serving students, primarily from Mississippi, for over 75 years. Though we participate in Title IV funding; the school is supported primarily by private donors whose goal is to continue the education and ministry of our students.

Southeastern Baptist College (SBC) is nationally accredited by the Association for Biblical Higher Education (ABHE); members of the National Council for State Reciprocity Agreements (NC-SARA); the Mississippi Commission on College Accreditation (MCCA); as well as the Council for Higher Education Accreditation (CHEA). Our college reports three times yearly to the Integrated Postsecondary Education Data System (IPEDS), a collection of interrelated surveys required by the National Center for Education Statistics ([www.nces.ed.gov/ipeds](http://www.nces.ed.gov/ipeds)). As you see, we report to the same entities as many other colleges and universities across the United States.

Southeastern Baptist College works with students transferring in from other colleges and universities by accepting comparable credits to apply toward their degrees. Likewise, we have obtained Memorandums of Understandings from many of our state colleges and universities stating they will accept from SBC students' comparable credits to transfer toward a degree. The Mississippi Tuition Assistance Grant (MTAG), Mississippi Eminent Scholars Grant (MESG), and the Higher Education Legislative Plan (HELP) are financial grants set aside for and to help students who live in Mississippi. Students from Mississippi are whom we primarily serve, and these students would benefit by being allowed to participate in these financial aid programs. Our administration is interested in fulfilling all requirements to participate in the MTAG, MESG, and HELP programs. Southeastern Baptist College is requesting to be added to the list of participating colleges so that our students could benefit from the support these programs offer.

Thank you for your consideration in this matter. If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

  
Dr. Scott Carson  
President

4229 Highway 15 North, Laurel, Mississippi 39440

Phone: 601.426.6346

## ITEMS FOR CONSIDERATION

### 2. **Presentation on HELP Grant Applications and Award Trends**

#### Summary:

During the June 28, 2024, meeting of the Postsecondary Board, Dr. Rogers shared with the Board that HELP awards were down considerably during the 2023-2024 aid year. She committed to researching the situation and reporting back to the Board.

#### Request:

This agenda item is for information only. No action is requested of the Board.

### 3. **Strategic Planning Discussion to Include Possible Future Updates to Program Rules and Regulations and 2025 Legislative Requests**

#### A. **Discuss Extending HELP Grant Application Deadlines**

##### Summary:

Whereas the application deadlines for MTAG and MESH are established in law, the application deadlines for the HELP Grant are not. Instead, the HELP deadlines are established in the Rules and Regulations. MTAG and MESH both have a MAAPP deadline of September 15 and a document deadline of October 15. The HELP deadlines are six months earlier with a MAAPP deadline of March 31 and document deadline of April 30. Ideally, all undergraduate grant deadlines would be the same. However, the MTAG and MESH deadlines cannot be changed, and pushing the HELP deadline back six months could have the unintended impact of decreasing students' sense of urgency to complete their aid applications and make college-going plans in a timely manner. Nevertheless, access could be expanded by extending the HELP deadlines by one or two months. SFA has not completed an evaluation of the previous three years to determine the impact such a change would have on the number of recipients or the cost of the program.

##### Request:

This agenda item is for discussion only. SFA requests guidance from the Board regarding the continuation of this discussion and the need for additional data.

#### B. **Legislative Request: Amend Miss. Code Section §37-106-75 HELP Grant to Remove Curriculum Requirement; Utilize the Family Size Derived from the FAFSA; and Remove Outdated Language**

##### Purpose:

SFA seeks approval from the Board to request legislation to amend the HELP code to remove the HELP core curriculum requirement, utilize the family size derived from the FAFSA, and remove outdated language.

##### Reason for Request:

1. Remove the HELP Core Curriculum requirement that appears in Section 1(3)(c).

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The HELP Grant requires students to complete a high school curriculum that is equal to the IHL Required College Prep Curriculum. Students must also have a minimum score of 20 on the ACT and a 2.5 or higher high school GPA. The IHL Required CPC is a requirement for graduation at most public and private high schools. It is also required for admission to all IHL institutions. Therefore, the curriculum requirement does not serve as a meaningful indicator of merit to separate students who are “college-ready” and therefore worthy of receiving the HELP Grant from those who are not.

Under the current rules, a high school counselor must certify completion of the HELP Core Curriculum for each HELP Grant applicant. The student information systems used by the schools do not have the capacity to evaluate a student’s transcript and determine whether the curriculum meets the requirements or not. Therefore, the high school counselors must complete the transcript review and curriculum certification process for each student individually and manually. This places a heavy administrative burden on counselors, many of whom are already serving far more students than is recommended and have many other responsibilities beyond college advising. For homeschooled students, the SFA staff must manually review each student’s transcript.

SFA evaluated the last three aid years to determine the impact this change would have on the total number of recipients and the cost of the program. Only 2.5% of all HELP applicants failed to qualify due to the curriculum requirement. In addition, about 43% of applicants who were denied HELP due to failure to meet the HELP Core Curriculum requirement did so because their counselor never reported their certification.

	<b>2021-2022</b>	<b>2022-2023</b>	<b>2023-2024</b>
<b>Recipients</b>	4,249	4,505	4,138
<b>Amount Received</b>	\$27,686,733	\$30,172,816	\$29,190,736
<b>Ineligible due to Core</b>	114 (2.6%)	113 (2.4%)	110 (2.6%)
<b>Amount not Received</b>	\$735,186	\$751,337	\$774,950
<b>Did Not Complete Core</b>	66 (57.9%)	64 (56.6%)	62 (56.4%)
<b>Core Not Reported</b>	48 (42.1%)	49 (43.4%)	48 (43.6%)

2. Change the language in Section 1(7) to utilize the family size derived from the FAFSA.

Currently, the HELP law defines financial need as having an adjusted gross income below a given threshold, but the income can be higher if the family has more children. The income is derived from the FAFSA, but the family size is defined by the number of children under 21, which is not the same definition for determining the family size that appears on the FAFSA. Therefore, SFA must ask each applicant to

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complete a Household Size Verification Worksheet as part of the application and we must derive the family size from that form and our own calculations. SFA often discovers discrepancies between what is submitted on the FAFSA and what is submitted on the form. When discrepancies occur, the student is required to submit additional documentation to resolve the discrepancy. This causes delays in the awarding process and places an additional application burden on the student. SFA also experiences a heightened administrative burden. SFA proposes to change the language in Section 1(7) of the HELP code to require an income below \$39,500 for a family size of three as reported on the FAFSA and add \$5,000 for each additional family member.

SFA evaluated the last three aid years to determine the impact this change would make on the total number of recipients and the cost of the program. Some students would have lost eligibility, but others would have gained eligibility. The net impact would have been as follows:

	<b>2021-2022</b>	<b>2022-2023</b>	<b>2023-2024</b>
<b>Additional Recipients</b>	69	7	81
<b>Additional Amount</b>	\$335,319	\$(18,755)	\$504,998

3. Remove outdated language in Section 1(4) and (6)(c).

The ability to award the grant to an applicant who fails to meet the requirements by an amount of 10% or less has never been utilized and should be removed. There is no need for the language to establish a waiver of the curriculum requirement through the 1996-1997 academic year.

### Suggested Legislation:

AN ACT TO AMEND SECTION 37-106-75, MISSISSIPPI CODE OF 1972, TO REVISE THE AWARD CRITERIA OF THE HIGHER EDUCATION LEGISLATIVE PLAN GRANT PROGRAM; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 37-106-75, Mississippi Code of 1972, is amended as follows:

37-106-75. Higher Education Legislative Plan Grant Program.

(1) The Legislature hereby establishes the Higher Education Legislative Plan Grant Program.

(2) For purposes of this section:

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(a) “Institution of higher education” shall mean any state institution of higher learning or public community or junior college, or any regionally accredited, state-approved, nonprofit two-year or four-year college or university located in the State of Mississippi approved by the board.

(b) “Tuition” shall mean the semester or trimester or term charges and all required fees imposed by an institution of higher education as a condition of enrollment by all students. However, for a two-year nonpublic institution of higher education defined in paragraph (a), the tuition payments shall not exceed the average charges and fees required by all of the two-year public institutions of higher education defined in paragraph (a), and for a four-year nonpublic institution of higher education defined in paragraph (a), the tuition payments shall not exceed the average charges and fees required by all of the four-year public institutions of higher education defined in paragraph (a).

(3) Subject to the availability of funds, the state may pay the tuition of students who enroll at any state institution of higher education to pursue an academic undergraduate degree who apply for the assistance under the program and who meet all of the following qualifications:

(a) Resident of the State of Mississippi. Resident status for the purpose of receiving assistance under this chapter shall be determined in the same manner as resident status for tuition purposes in Sections 37-103-1 through 37-103-29, with the exception of Section 37-103-17;

(b) Graduate from high school within the two (2) years preceding the application with a minimum cumulative grade point average of 2.5 calculated on a 4.0 scale;

~~(c) Successfully complete, as certified by the high school counselor or other school official, high school course work which includes the College Preparatory Curriculum (CPC) approved by the Board of Trustees of State Institutions of Higher Learning and required for admission into a state university;~~

(d) Have a composite score on the American College Test of at least twenty (20) on the 1989 version or an equivalent concordant value on an enhanced version of such test;

(e) Have no criminal record, except for misdemeanor traffic violations; and

(f) Be in financial need.

(4) ~~Subject to the availability of funds, t~~The state may shall pay the tuition ofmake awards to students who enroll at any state institution of higher education to pursue an academic undergraduate degree or associate degree who apply for

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assistance under the program and who meet the qualifications in ~~paragraphs (a), (e) and (f) of subsection (3) but who fail to meet one (1) of the particular requirements established by paragraph (b), (c) or (d) of subsection (3) by an amount of ten percent (10%) or less.~~

(5) To maintain continued state payment of tuition, once enrolled in an institution of higher education, a student shall meet all of the following requirements:

(a) Make steady academic progress toward a degree, earning not less than the minimum number of hours of credit required for full-time standing in each academic period requiring such enrollment;

(b) Maintain continuous enrollment for not less than two (2) semesters or three (3) quarters in each successive academic year, unless granted an exception for cause by the board;

(c) Have a cumulative grade point average of at least 2.5 calculated on a 4.0 scale at the end of the first academic year and thereafter maintain such a cumulative grade point average as evaluated at the end of each academic year;

(d) Have no criminal record, except for misdemeanor traffic violations; and

(e) Be in financial need.

(6) The provisions of this section shall be administered by the board. The board may promulgate rules for all matters necessary for the implementation of this section. By rule, the board shall provide for:

(a) A mechanism for informing all students of the availability of the assistance provided under this section early enough in their schooling that a salutary motivational effect is possible;

(b) Applications, forms, financial audit procedures, eligibility and other program audit procedures and other matters related to efficient operation;

~~(c) A procedure for waiver through the 1996-1997 academic year of the program eligibility requirement for successful completion of a specified core curriculum upon proper documentation by the applicant that failure to comply with the requirement is due solely to the fact that the required course or courses were not available to the applicant at the school attended.~~

(7) An applicant shall be found to be in financial need if:

(a) The family ~~has one (1) child under the age of twenty one (21), and the size is three (3) or less and the~~ annual adjusted gross income of the family is less than or equal to Forty-two Thousand Five Hundred Dollars (\$42,500.00); or

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(b) The family has an annual adjusted gross income of less than or equal to Forty-two Thousand Five Hundred Dollars (\$42,500.00) plus Five Thousand Dollars (\$5,000.00) for each additional family member child under the age of twenty-one (21). The annual adjusted gross income of the family and the family size/number in family shall be verified by completion of the Free Application for Federal Student Aid (FAFSA) and the completion of the verification process if the applicant is selected for it.

~~As used in this subsection, the term “family” for an unemancipated applicant means the applicant, the applicant’s parents and other children under age twenty-one (21) of the applicant’s parents. The term “family” for an emancipated applicant means the applicant, an applicant’s spouse, and any children under age twenty-one (21) of the applicant and spouse.~~

(8) No student shall receive a grant under this section in an amount greater than the tuition charged by the school. The student must apply be deemed eligible for a federal Pell grant prior to receiving state funds.

### Fiscal Note:

The combination of the proposed changes could result in an increase in the cost of making awards, ranging from an estimated \$750,000 to \$1,500,000, because more students will be able to complete the application process and meet the income threshold. However, HELP recipients graduate at higher rates and in less time than similar students who do not receive HELP, so the changes will pay for themselves in increased educational attainment. The proposed changes will also result in a reduction of administrative costs at the school level and within SFA.

### Recommendation:

Board staff recommends approval.

## **C. Adopt State Aid Redesign Task Force Proposal to Amend MTAG to Increase Award Amounts and Expand Access**

### Purpose:

SFA seeks approval from the Board to request legislation to amend the MTAG code section to increase award amounts for some recipients and expand access to approximately 38,000 students.

### Reason for Request:

Mississippi does not have enough skilled or educated workers for today’s jobs or the jobs of the future, but Mississippi has an educational attainment goal—Ascent to 55%—to increase the percentage of working age adults with a credential of value beyond high school. Mississippi cannot meet the goal without educating, training, or upskilling adults and part-time students as well as traditional high school graduates. Lack of affordability is the primary reason why students stop-out or never pursue education after high school.



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To meet the goal, Mississippi must make postsecondary education more affordable. Need-based financial aid is the most effective and efficient type of financial aid.

The State Aid Redesign Task Force was first convened in 2022 by the Woodward Hines Education Foundation with the singular goal of proposing a redesign of the state's student financial aid programs to align state aid with the state's college attainment goal, Ascent to 55%.

The Mississippi Resident Tuition Assistance Grant (MTAG) was created nearly 30 years ago in 1995, and it has served this state well, with nearly  $\frac{3}{4}$  of a million Mississippians benefitting over the years. Over that time, tuition has more than tripled and the other costs of housing, food, and books have increased by more than five times due to inflation and other pressures. MTAG has not changed at all. The award amount remains the same as it was in 1995, and the state's neediest students remain excluded.

1. Remove the Pell Exclusion - MTAG currently excludes all Mississippians who qualify for a maximum Federal Pell grant. These are our neediest students. Pell no longer covers full tuition at any of our four-year schools, and while Pell does cover tuition at a community college, it doesn't cover housing, meals, books, and all the other costs associated with going to college. Even students who are already receiving federal assistance still have big gaps in affordability. The proposed change would remove the Pell exclusion from MTAG and open MTAG up to tens of thousands of students who have always been excluded.
2. Allow Part-time Enrollment - MTAG currently requires full-time enrollment, which is defined by the state as not just 12 hours a term but 15 credit hours a term. The proposed change would allow students to receive partial MTAG awards for part-time enrollment (minimum of 6 hours/semester).
3. Remove Initial Academic Requirements - MTAG currently requires high school graduation, a high school GPA and an ACT requirement. The proposed change would eliminate the initial academic eligibility requirements. If a student has been admitted to a postsecondary program, he or she would be eligible initially. Students would still need to meet maintenance academic criteria of a 2.5 GPA to continue to receive an award.
4. Expand Access to Adult Learners - The combined impact of the current academic eligibility requirements of high school graduation, high school GPA, and the ACT score, combined with full-time enrollment is that 98% of current MTAG recipients are traditional age college students. Eliminating the initial academic requirements and allowing part-time enrollment will expand access to thousands of adults and working age Mississippians who want to go back to school to earn a new credential to upskill or start a new career.
5. Increase Award Amounts - MTAG currently awards \$500/year to freshmen and sophomores and \$1,000/year to juniors and seniors. The proposal would create a scaled award system. The lowest income students with incomes at or less than 50% of median family income (about \$45,000/year for a family of 4) would see their MTAG awards doubled - \$1,000/year for freshmen and sophomores and \$2,000/year for juniors and seniors. Students with incomes between 51 and 100% of median family income (between \$45K and \$90K) would receive slightly

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smaller awards, but still more than the current award amount- \$750 for freshmen and sophomores and \$1,500 for juniors and seniors. Students making over 100% of median family income would continue to receive MTAG at the current award amounts.

6. Require the FAFSA - The FAFSA would be required as part of the application process to determine award amounts. Currently, students can opt out of the FAFSA by submitting a waiver.

No one that is currently receiving MTAG would lose eligibility or receive less aid under the proposal. MESH and the HELP Grant would not change.

Currently, about 18,000 students receive MTAG each year. With the changes, an estimated 38,000 additional students who are not currently receiving aid would receive MTAG for a total of 56,000 recipients annually thereby tripling the size of the program.

Of the 38,000 new aid recipients, about 98% are currently enrolled and 2% would be new students not currently enrolled in higher education.

In addition to new enrollees, graduation rates are anticipated to increase by 2.5%, resulting in an additional 4,700 graduates per impacted cohort and progress toward the state's attainment goal.

Every institution would receive more state grant aid on behalf of students. The estimated breakdown of additional funding by institution is provided under separate cover.

### Fiscal Note:

The proposed changes would require an estimated \$31.5 million investment per year but would ultimately yield an estimated \$63 million per year (2:1) return on investment through increased taxes and decreased demand for social services. The 2:1 return is a modest estimation. California experienced a 3:1 return for a similar financial aid investment.

The initial budgetary increase would need to begin in Fiscal Year 2027.

### Suggested Legislation:

AN ACT TO AMEND SECTION 37-106-29, MISSISSIPPI CODE OF 1972, TO REVISE THE CRITERIA OF THE MISSISSIPPI RESIDENT TUITION ASSISTANCE GRANT PROGRAM; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 37-106-75, Mississippi Code of 1972, is amended as follows:

§ 37-106-29. Mississippi Resident Tuition Assistance Grant Program for college or university undergraduate students.

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(1) There is established the Mississippi Resident Tuition Assistance Grant Program for college or university freshmen, sophomores, juniors and seniors to be administered by the Mississippi Postsecondary Education Financial Assistance Board established under Section 37-106-9, Mississippi Code of 1972, which shall set the dates and deadlines for applying for an award under this section. The board shall establish such rules and regulations as it deems necessary and proper to carry out the purposes and intent of this section.

(2) To receive an MTAG award, a student must meet the following qualifications:

(a) Be a resident of the State of Mississippi. Resident status for the purpose of receiving assistance under this chapter shall be determined in the same manner as resident status for tuition purposes in Sections 37-103-1 through 37-103-29, with the exception of Section 37-103-17.

(b) Complete the Free Application for Federal Student Aid (FAFSA) every year for which the student wishes to be considered for aid by the deadline established by the Board.

(c) Complete the Mississippi Aid Application (MAAPP) every year for which the student wished to be considered for aid by the deadline established by the Board.

(d) Acceptance for enrollment at any state institution of higher learning or public community or junior college located in Mississippi, or any regionally accredited, state-approved, nonprofit two-year or four-year college or university located in Mississippi and approved by the board.

~~(23) The board shall approve Mississippi Resident Tuition Assistance Grants to full-time freshmen, sophomore, junior and senior Mississippi residents who enroll at least half-time at any state institution of higher learning in Mississippi or four-year regionally accredited, state-approved, nonprofit college or university in Mississippi meet the general requirements for student eligibility as provided in subsection (4) of this section.~~

~~(34) Mississippi Resident Tuition Assistance Grants shall be for Mississippi resident students from any Mississippi family whose prior year adjusted gross income (AGI) exceeds the maximum allowed to qualify for full Pell Grant eligibility and campus-based federal aid. Those Mississippi students qualifying for less than the full Pell Grant award shall receive a Mississippi Resident Tuition Assistance Grant in an amount not to exceed the maximum Pell Grant allowable for that individual student. The award shall be applied to tuition, rooms and meals, books, materials and fees not to exceed the student's total Cost of Attendance. Awards will be scaled based on the Adjusted Gross Income as~~

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determined by completion of the Free Application for Federal Student Aid (FAFSA).

(a) For students from families making at or above 100% of the median family income for a family of four in Mississippi, the award will not exceed One Thousand Dollars (\$1,000.00) for junior and senior students attending state institutions of higher learning in Mississippi or public community or junior colleges in Mississippi, or four-year regionally accredited, state-approved, nonprofit colleges and universities in Mississippi, and Five Hundred Dollars (\$500.00) for freshmen and sophomores attending state institutions of higher learning or public community or junior colleges in Mississippi, or regionally accredited, state-approved, nonprofit two-year or four-year colleges in Mississippi, which will be prorated per term, semester or quarter of the academic year for costs of attendance, ~~calculated according to the formula specified in subsection (8) of this section.~~

(b) For students from families making between 51 and 99% of the median family income for a family of four in Mississippi, the award will not exceed One Thousand Five Hundred Dollars (\$1,500.00) for junior and senior students attending state institutions of higher learning in Mississippi or public community or junior colleges in Mississippi or four-year regionally accredited, state-approved, nonprofit colleges and universities in Mississippi, and Seven Hundred Fifty Dollars (\$750.00) for freshmen and sophomores attending state institutions of higher learning or public community or junior colleges in Mississippi, or regionally accredited, state-approved, nonprofit two-year or four-year colleges in Mississippi, which will be prorated per term, semester or quarter of the academic year for costs of attendance.

(c) For students from families making at or below 50% of the median family income for a family of four in Mississippi, the award will not exceed Two Thousand Dollars (\$2,000.00) for junior and senior students attending state institutions of higher learning in Mississippi or public community or junior colleges in Mississippi or four-year regionally accredited, state-approved, nonprofit colleges and universities in Mississippi, and One Thousand Dollars (\$1,000.00) for freshmen and sophomores attending state institutions of higher learning or public community or junior colleges in Mississippi, or regionally accredited, state-approved, nonprofit two-year or four-year colleges in Mississippi, which will be prorated per term, semester or quarter of the academic year for costs of attendance.

(65) Eligibility for renewal of Mississippi Resident Tuition Assistance Grants shall be evaluated at the end of each semester, or term, of each academic year. As a condition for renewal, a student shall:

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(a) Make steady academic progress toward a certificate or degree, as outlined in the school Satisfactory Academic Progress Standards and certified by the institution's registrar.

(b) Have a cumulative grade point average of at least 2.50 calculated on a 4.0 scale at the end of each semester or trimester or term.

(4) No student may receive a Mississippi Resident Tuition Assistance Grant for more than the equivalent semesters or quarters required to complete one (1) baccalaureate degree or one (1) certificate or associate degree program per institution.

~~(4) The general requirements for initial eligibility of students for Mississippi Resident Tuition Assistance Grants consist of the following:~~

~~(a) Member of a Mississippi family whose prior year adjusted gross income (AGI) exceeds the maximum allowed to qualify for Pell Grant eligibility and campus-based federal aid.~~

~~(b) Acceptance for enrollment at any state institution of higher learning or public community or junior college located in Mississippi, or any regionally accredited, state-approved, nonprofit two-year or four-year college or university located in Mississippi and approved by the board.~~

~~(c) Completion of a secondary education as follows:~~

~~(i) Graduation from high school verified by the institution before disbursement of award with a minimum grade point average of 2.5 calculated on a 4.0 scale after seven (7) semesters as certified by the high school counselor or other authorized school official on the application; or~~

~~(ii) Attendance at a home education program during grade levels 9 through 12; or~~

~~(iii) Satisfactory completion of the High School Equivalency Diploma; or~~

~~(iv) Successful completion of the International Baccalaureate Program.~~

~~(d) A minimum score of fifteen (15) on the ACT test except that any student entering a vocational or technical program of study, or who has satisfactorily completed the High School Equivalency Diploma Test and attends a community or junior college will not be required to have a test score under the ACT unless a student enrolls in courses of academic study.~~

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~~(e) Any student currently enrolled in any qualified institution shall have to only meet the same requirements as students who are applying for a renewal award.~~

~~(57)~~ By accepting a Mississippi Resident Tuition Assistance Grant, the student is attesting to the accuracy, completeness and correctness of information provided to demonstrate the student's eligibility. Falsification of such information shall result in the denial of any pending grant and revocation of any award currently held to the extent that no further payments shall be made. Any student knowingly making false statements in order to receive a grant shall be guilty of a misdemeanor punishable, upon conviction thereof, by a fine of up to Ten Thousand Dollars (\$10,000.00), a prison sentence of up to one (1) year in the county jail, or both, and shall be required to return all Mississippi Resident Tuition Assistance Grants wrongfully obtained.

~~(6) Eligibility for renewal of Mississippi Resident Tuition Assistance Grants shall be evaluated at the end of each semester, or term, of each academic year. As a condition for renewal, a student shall:~~

~~(a) Make steady academic progress toward a certificate or degree, as outlined in the school Satisfactory Academic Progress Standards and certified by the institution's registrar.~~

~~(b) Maintain continuous enrollment for not less than two (2) semesters or three (3) quarters in each successive academic year, unless granted an exception for cause by the administering board; examples of cause may include student participation in a cooperative program, internship program or foreign study program. If a student fails to maintain continuous enrollment, and is not granted an exception for cause by the administering board, the student is ineligible to receive the Mississippi Resident Tuition Assistance Grant during the following semester or trimester or term of the regular academic year.~~

~~(c) Have a cumulative grade point average of at least 2.50 calculated on a 4.0 scale at the end of each semester or trimester or term.~~

~~(7) Each student, each year, must complete a Free Application for Federal Student Aid form or a Statement of Certification as designed by the administering board to determine his/her eligibility for a Mississippi Resident Tuition Assistance Grant.~~

~~(8)~~

~~(a) The amount of the Mississippi Resident Tuition Assistance Grant awarded to any one (1) student, up to the maximum amount provided in subsection (3) of this section, shall be the difference of the student's cost of attendance at his accredited college of choice and the amount of federal aid such student may receive, not to supplant but to supplement the amount of any federal aid awarded to the student.~~

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~~Cost of attendance is the tuition and fees of the applicable institution plus an allowance for room and meals and books and materials.~~

~~(b8)~~ Payment of the Mississippi Resident Tuition Assistance Grant shall be made payable to the recipient and the educational institution and mailed directly to the institution, ~~to be applied first to tuition.~~

(9) In order for an institution to remain eligible for its students to participate in the Mississippi Resident Tuition Assistance Grant Program, the institution shall comply with the following requirements:

(a) A complete and accurate roster of the eligibility status of each awarded student shall be made to the board for each term, semester or quarter of the academic year the student receives a Mississippi Resident Tuition Assistance Grant.

(b) The institution is required to make refunds to the Mississippi Resident Tuition Assistance Grant Fund for any funds which have not been disbursed to the recipient, in the case of students who have received a grant but who terminate enrollment during the academic term, semester or quarter of the academic year if an institution's refund policies permit a student to receive a refund in such instance. The recipient shall be responsible for the refund of any funds which have been disbursed by the institution in such instance.

~~(c) If a student drops below full-time status but does not terminate all enrollment during the term, semester or quarter of the academic year no refund will be required for that term. However, that student is ineligible to receive the Mississippi Resident Tuition Assistance Grant during the following term, semester or quarter of the regular academic year.~~

(d) The board may conduct its own annual audits of any institution participating in the Mississippi Resident Tuition Assistance Grant Program. The board may suspend or revoke an institution's eligibility to receive future monies under the program if it finds that the institution has not complied with the provisions of this section. In determining a student's initial eligibility, the number of prior semesters enrolled will not be counted against the student.

~~(10) No student may receive a Mississippi Resident Tuition Assistance Grant for more than the equivalent semesters or quarters required to complete one (1) baccalaureate degree or one (1) certificate or associate degree program per institution.~~

~~(11)~~ No student receiving a Mississippi Eminent Scholars Grant as provided in Section 37-106-31 shall be eligible to receive the Mississippi Resident Tuition Assistance Grant pursuant to this section unless he is eligible for such award after the Mississippi Eminent Scholars Grant has been considered by the board when

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conducting an assessment of the financial resources available to the student. In no case shall any student receive any combination of student financial aid that would exceed the cost of attendance, ~~as defined in subsection (8)(a).~~

(11) For purposes of this section, certificated shall mean, but not be limited to, all postsecondary vocational programs in eligible institutions approved by the board.

Recommendation:

Board staff recommends approval.

**D. Repeal Remaining Forgivable Loan Programs or Convert to Loan Repayment Programs**

Purpose:

SFA requests approval from the Board to seek legislation to amend the section of code that authorizes the operation of forgivable loans and to repeal the following active forgivable loan programs: State Medical Education Forgivable Loan, State Dental Education Forgivable Loan, Graduate and Professional Forgivable Loan, Health Care Professions Forgivable Loan, Family Protection Specialist Social Worker Forgivable Loan, Critical Needs Dyslexia Therapy Forgivable Loan, and Speech-Language Pathologist Forgivable Loan,

Reason for Request:

SFA has worked diligently for years to move away from the administration and servicing of loans. About 10 years ago, SFA administered more than 25 loan programs. The Office now administers just 3. The Critical Needs Teacher and Alternate Route Teacher Forgivable Loans, William Winter Teacher and Alternate Route Teacher Forgivable Loans, and all Nursing Education Forgivable Loans have all been completely repealed in the code.

Forgivable loans are costly to administer, ineffective in driving students into specific majors or sectors of the workforce, and often carry high borrower default rates. Default is costly to both the state and the borrower. Loans with the State of Mississippi cannot be discharged for any reason other than death or permanent and total disability, so forgivable loans dating as far back as the late 1970s remain open and collectible on the books.

SFA supports the administration of grants, scholarships, or loan repayment programs instead of loans.

Suggested Legislation:

1. Section § 37-106-47 authorizes the Board to create and operate new forgivable loan programs similar to existing programs. The full section does not need to be repealed, because the section also authorizes the Board to administer existing programs and promulgate rules, which the Board should



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retain as long as any similar programs exist. Amending subsection (2) would allow the Board to convert the SREB Regional Contract Forgivable Loan Program to a loan repayment program if the board chooses and if annual funding continues for the program.

§ 37-106-47. Authorization to operate forgivable loan programs.

~~(1)(a) The board is authorized and empowered to operate the following forgivable loan programs of like character, operation and purpose to the foregoing enumerated programs to encourage the participation of eligible worthy persons in courses of instruction in its institutions: Graduate Teacher Forgivable Loan, Counselor and School Administrator Forgivable Loan, Southern Regional Education Board Doctoral Scholars Forgivable Loan, and Veterinary Medicine Minority Forgivable Loan.~~

~~(b) In addition to the authority granted to the board in paragraph (a) of this subsection, t~~The board is authorized and empowered to promulgate rules and regulations for the Southern Regional Education Board Contract ~~Forgivable Loan~~ Program, created through the regional education compact, as set forth in Section 37-135-1.

(2) In furtherance of such power and authority, the board is authorized to adopt and implement rules and regulations declaring and describing the goals and objectives of such forgivable loan programs; to establish the eligibility requirements for entry into such program and required for continuing participation for succeeding years; to determine the maximum amount to be made available to recipients; to delineate the terms and conditions of contracts with recipients and establish the service requirements for such contracts, if any; to enter into contracts pertaining to such programs with recipients; to enter into loan agreements and other contracts with financial institutions or other providers of loan monies for forgivable loan and loan repayment participants; and to allocate and utilize such funds as may be necessary for the operation of such forgivable loan programs from the annual appropriation for student financial aid. ~~In issuing rules and regulations governing the administration of the Graduate Teacher Summer Scholarship (GTSS) program, the board shall provide that certified teachers at the Oakley Youth Development Center under the jurisdiction of the Department of Human Services shall be fully eligible to participate in the program.~~

2. Repeal Section § 37-106-61. State medical forgivable loan program.

The annual SFA appropriation bill already includes language that prohibits the issuance of new loans through this program.

3. Repeal Section § 37-106-63. State dental forgivable loan program.

## ITEMS FOR CONSIDERATION

The annual SFA appropriation bill already includes language that prohibits the issuance of new loans through this program.

4. Repeal Section § 37-106-65. Out-of-state graduate and professional school forgivable loan program.

The annual SFA appropriation bill already includes language that prohibits the issuance of new loans through this program.

5. Repeal Section § 37-106-67. Health care professions' forgivable loan program.

The annual SFA appropriation bill already includes language that prohibits the issuance of new loans through this program.

6. Repeal Section § 37-106-69. Family protection specialist social worker forgivable loan program.

The annual SFA appropriation bill already includes language that prohibits the issuance of new loans through this program.

7. Repeal Section § 37-106-71. Mississippi Dyslexia Education Forgivable Loan Program.

This program was created more recently in 2014 but funding has not been adequate on an annual basis to make awards.

8. Repeal Section § 37-106-73. Speech-Language Pathologists Forgivable Loan Program.

The annual SFA appropriation bill already includes language that caps funding at \$70,000 per year.

### Fiscal Note:

The proposed changes would carry no cost but would ultimately result in savings from the administration and servicing of loans.

### Recommendation:

Board staff recommends approval.

## ITEMS FOR CONSIDERATION

### **E. Discuss Future of Nurse Retention Loan Repayment Program Following 2026 Expiration of ARPA Funds**

#### Summary:

Prior to 2023-24, the state authorized the Nursing Education Forgivable Loan Program and the Nursing Teacher Stipend Forgivable Loan Program, which provided loans ranging from \$4,000 to \$12,000 per year to nursing students at the bachelor's, master's, and doctoral levels. Loans could be repaid with money or through service by working as a nurse in Mississippi or teaching nursing. These forgivable loan programs were repealed in the same legislation that created the new Nurse Retention Loan Repayment Program (NULR).

NULR offers loan repayment of up to \$6,000 per year for up to three years for RNs and LPNs who work full-time in a general acute care hospital or skilled nursing home in Mississippi.

The NULR Program is currently funded through State Coronavirus Relief (ARPA) funds, which expire at the end of December 2026. The NULR Program will stand repealed shortly thereafter.

#### Request:

This agenda item is for discussion only. SFA requests guidance regarding whether the Board supports the continuation of the program beyond December 2026, whether SFA should seek alternative funding for the program in the SFA FY2027 budget request, and if so, how much funding should be requested.

### **F. Discuss Funding Challenges and Alternative Approaches to Funding**

#### Summary:

SFA requests the Board discuss challenges the Office experiences with how funds are appropriated and the timing of appropriations.

#### 1. Block funding versus line-item appropriations

For many years, SFA received a single appropriation of General Funds for expenditure on any program authorized by law. This block funding allowed SFA to move funds among programs as needed to ensure full awards for all eligible students in all programs. General Funds are still provided as block funding for most of the undergraduate grant programs, and this works very well. In recent years, the Legislature has started supplementing the General Fund appropriation with Education Enhancement Funds (EEF), which are earmarked for specific programs, namely the FAITH Scholarship for foster youth and the Winter-Reed Teacher Loan Repayment Program. SFA welcomes the additional funds

## ITEMS FOR CONSIDERATION

and the source of funds has no bearing on their use. However, it would facilitate budgeting and the budget request process if all funds, regardless of source, were appropriated as block funding for any authorized program.

### 2. Timing of appropriations

SFA receives its annual appropriation in early April or early May of each year and then creates a budget for the fiscal year in May or June. Only after the appropriation is received and budget is created can SFA begin to offer awards. This means that SFA is first making award offers to students in the June or July before they are scheduled to begin classes in August. Students began applying for these awards as early as October 1 of the previous year, so some students must wait nine or ten months from the time of application to the time of award. This delay makes it difficult for students to plan for college. When they do not know what state funding they will receive, they cannot make fully informed decisions about whether they can afford to go to college or which colleges they can afford.

Ideally, state financial aid would be forward funded, such that the appropriation received in a given year would be for the subsequent aid year instead of the immediate aid year. A transition to forward funding is improbable as it would require two years of funding in the initial year and would require a re-appropriation of funds every year. Alternatively, SFA could make award offers earlier with the understanding that appropriations may not be made available to fully fund all offers made. If that were to occur, SFA would need to request additional/deficit appropriations or prorate awards and issue revised award offers.

#### Request:

This agenda item is for discussion only. SFA requests guidance from the Board.

### 4. **Selection of Chairperson for 2024-25**

#### Summary:

According to APA Part 601, Chapter 2, Rule 2.1, Section III, the board shall elect from its membership a chairman. Dr. Jim Turcotte was elected as chairman in September 2023. The Board should elect a chairperson to serve during 2024-2025 academic/aid year. The rules allow a chairperson to serve consecutive terms.

### 5. **Updates and Announcements**