

POSTSECONDARY EDUCATION  
FINANCIAL ASSISTANCE BOARD

**January 2025**  
**Quarterly Meeting**

January 14, 2025

10:30 AM



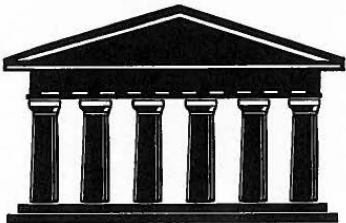
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# Introductions



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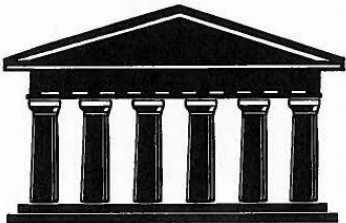
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# Minutes (pg. 2)

September 27, 2024 Board Meeting



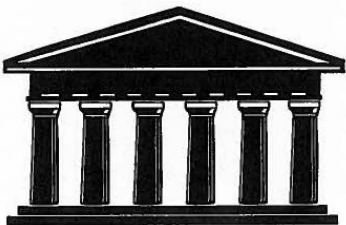
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# Items for Consideration



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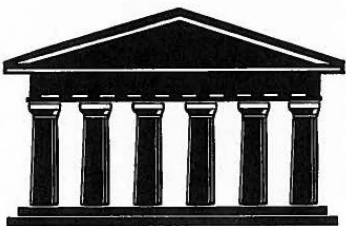






# 1. Review and Approve 2024 Annual Report (pg. 23)

- Legislative report required annually
- Must be submitted within 10 days of the start of the legislative session
- Board request: Approval recommended



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# Awards (p. 7)

- 32,678 awards (up 6,355 or 24.1%)
- \$52.9 million (up \$2.64 million or 5.3%) – increase due to DEDC
- 32,262 recipients (up 6,460 students or 25%)
- \$1,619 average award amount (down \$291 or 15.2%) – decrease due to low DEDC award amounts



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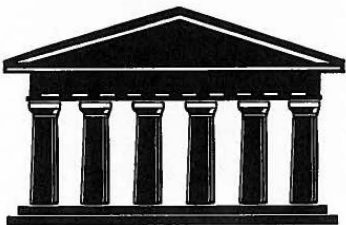
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# Recipients (pp. 8-9)

- 32,262 individual recipients
- Every county represented
- 89% Dependent; 10% Independent
- 39% Male; 61% Female
- 96% aged 12-24
- 24% self-identify as African American; 67% as Caucasian; 9% other
- Income breakdown for dependent students:
  - 19% below \$40K; 25% below \$80K; 56% over \$80K (35% between \$100-\$250K)
- Income breakdown for independent students:
  - 54% earn below \$10K; 12% below \$20K; 34% over \$20K



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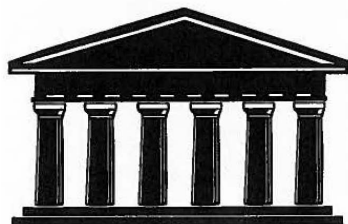
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# Appropriation/Budget/Expenses (pp. 10-11)

- Governmental Appropriations - \$65.57 million (up \$11.9 million or 22.26%)
  - \$50.65 million General Funds (up \$18K)
  - \$9.8 million additional General Funds for DEDC
  - \$5.1 million new and reappropriated Education Enhancement Funds (up \$2.1 million for FAITH)
- Special Fund Support - \$1.74 million (down \$4.76 million or 73.23%)
- Other Appropriations - \$6 million for Nurse Retention Loan Repayment Program
- \$73.3 million total appropriation and operating budget
- \$54.9 million total expended (expenses)
  - \$52.9 million on current year awards
  - \$766K on prior year awards
  - \$1.42 million on administration (1.9% of budget; 2.5% of expenses)



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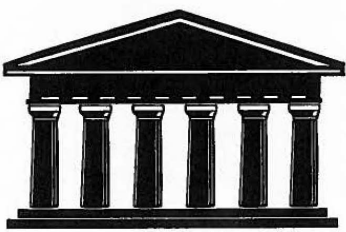
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# Appropriation/Budget/Expenses (cont.)

- \$19 million balance
  - \$9.6 million reappropriated in FY 2025 (unspent EEF funds, unspent Special Funds, unspent ARPA funds for NULR)
  - \$1.7 million General Fund balance available for reappropriation in FY 2026
  - \$7.7 million DEDC General Funds lapsed and returned to State



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# Awards by Institution and Type (pp. 12-13)

- 4-Year Publics: 46% of awards, 71% of funds
- 2-Year Publics: 45% of awards, 18% of funds
- Privates: 8% of awards, 8% of funds
- Grants: 99% of awards; 96.4% of funds
- Undergraduate: 99% of awards; 96.4% of funds

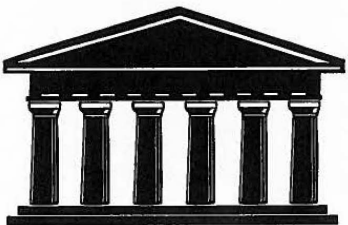
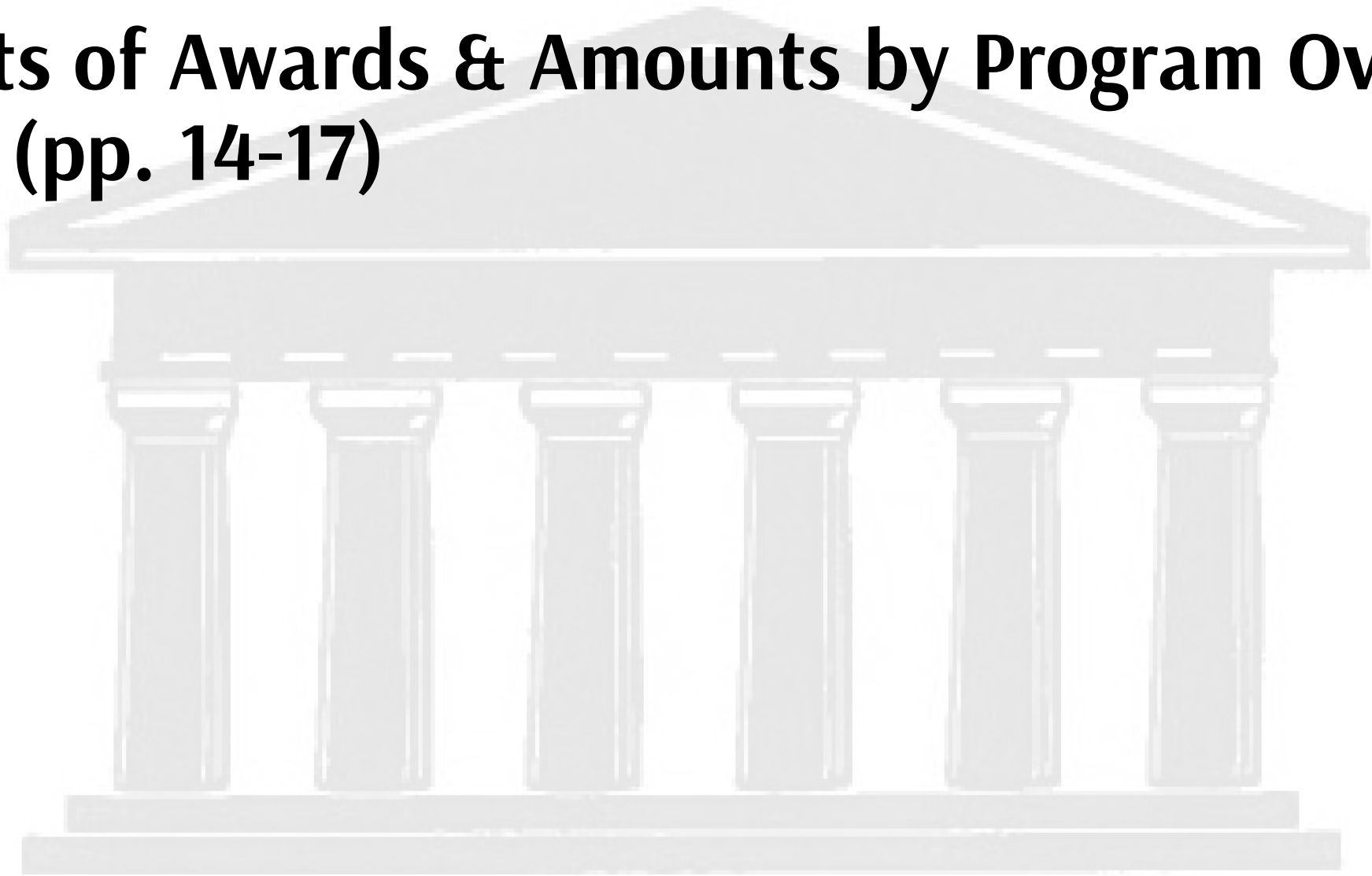


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# Charts of Awards & Amounts by Program Over Time (pp. 14-17)



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# Loan Repayment (pp. 18-23)

- 2,023 accounts under management
  - 16% accounts in school/grace/deferment
  - 2% current service
  - 2% current money
  - 76% default (delinquent or in collections)
  - 4% closed current year
  - \$19.2 million principal balance outstanding
- \$713K net collections
  - \$821K collected
  - \$108K cost to service loans
- 5% overall default rate on accounts in tracked cohorts



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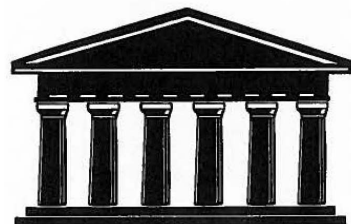






# Program Detail (pp. 25-103)

- Undergraduate grant programs
- Loan repayment programs
- Forgivable loan programs
  - Undergraduate
  - Graduate
  - Inactive (accounts not tracked by cohort for default rates)



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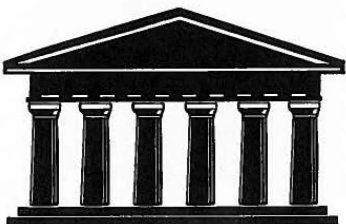
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## 2. Consider Changing Definition of Full-Time from 15 Hours to 12 Hours (pg. 25)

- Definition changed by PSB in June 2016
  - Prompted by \$10M deficit
  - National “Take 15” and “Finish in 4” campaigns
- Considerations:
  - Federal definition of full-time is 12 hours
  - More students take dual enrollment/dual credit courses
  - Can discourage STEM majors
  - IPEDS data unavailable
  - \$2.5M annual cost
- Board request: Discussion only



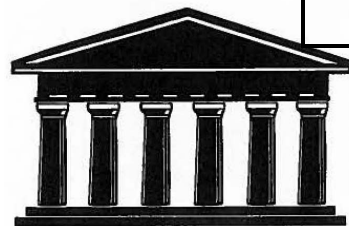
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	Cancelled Less than Full-time				Cancelled Continuous Full-Time		Total	
Fund	Count	Amount	Count	Amount	Count	Amount	Count	Amount
	Fall 2023		Spring 2024		Spring 2024		AY 2023-24	
HELP	45	\$148,036	81	\$ 274,390	187	\$ 741,528	313	\$ 1,163,954
MESG	27	\$ 33,750	66	\$ 82,500	35	\$ 43,750	128	\$ 160,000
MTAG	864	\$318,124	1,424	\$ 525,075	893	\$ 293,225	3,181	\$ 1,136,424
<b>All</b>	<b>936</b>	<b>\$499,910</b>	<b>1,571</b>	<b>\$ 881,965</b>	<b>1,115</b>	<b>\$1,078,503</b>	<b>3,622</b>	<b>\$ 2,460,378</b>
	Fall 2022		Spring 2023		Spring 2023		AY 2022-23	
HELP	55	\$155,205	93	\$ 294,438	188	\$ 697,300	336	\$ 1,146,943
MESG	40	\$ 50,000	74	\$ 92,500	78	\$ 97,500	192	\$ 240,000
MTAG	1,038	\$372,575	1,531	\$ 554,150	961	\$ 324,500	3,530	\$ 1,251,225
<b>All</b>	<b>1,133</b>	<b>\$577,780</b>	<b>1,698</b>	<b>\$ 941,088</b>	<b>1,227</b>	<b>\$1,119,300</b>	<b>4,058</b>	<b>\$ 2,638,168</b>
	Fall 2021		Spring 2022		Spring 2022		AY 2021-22	
HELP	40	\$121,985	64	\$ 213,884	214	\$ 830,647	318	\$ 1,166,516
MESG	36	\$ 45,000	73	\$ 91,250	61	\$ 76,250	170	\$ 212,500
MTAG	887	\$323,825	1,399	\$ 513,525	1,003	\$ 328,550	3,289	\$ 1,165,900
<b>All</b>	<b>963</b>	<b>\$490,810</b>	<b>1,536</b>	<b>\$ 818,659</b>	<b>1,278</b>	<b>\$1,235,447</b>	<b>3,777</b>	<b>\$ 2,544,916</b>



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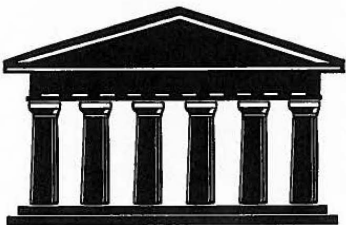
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# 3. Revise the FY 2026 Budget Request

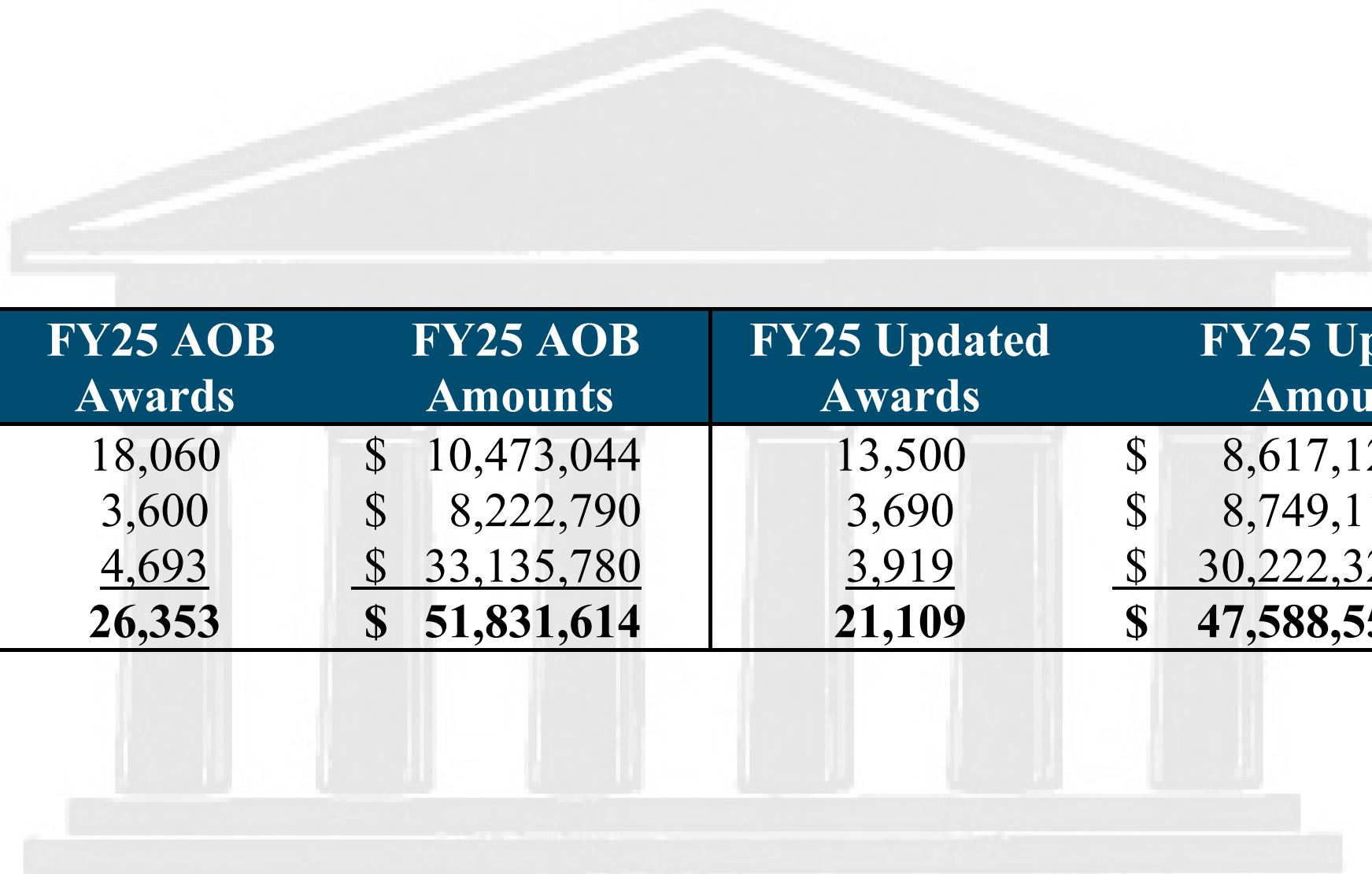
- Original MBR approved in June 2024
  - Included static funding projections for MTAG and HELP
  - Acknowledged MTAG projections could be impacted by changes to the FAFSA and Pell formula
  - Acknowledged HELP numbers were down in 23-24 but were expected to rebound
- Revised request needed
  - Reflect new award trends
  - Request re-appropriation of FY 2025 funds
  - Contribute additional cash-on-hand from unspent collections



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<b>Program</b>	<b>FY25 AOB Awards</b>	<b>FY25 AOB Amounts</b>	<b>FY25 Updated Awards</b>	<b>FY25 Updated Amounts</b>
MTAG	18,060	\$ 10,473,044	13,500	\$ 8,617,122
MESG	3,600	\$ 8,222,790	3,690	\$ 8,749,110
HELP	<u>4,693</u>	<u>\$ 33,135,780</u>	<u>3,919</u>	<u>\$ 30,222,327</u>
<b>Total</b>	<b>26,353</b>	<b>\$ 51,831,614</b>	<b>21,109</b>	<b>\$ 47,588,559</b>



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# Impact to FY 2025 and FY 2026 Budgets

- FY 2025 Budget
  - SFA will not spend any cash-on-hand from collections
  - SFA will lapse about \$2.7M in General Funds
- FY 2026 Budget Request should be reduced:
  - Account for decreased award levels
  - Account for lapsed FY25 funds available for reappropriation in FY26
  - Contribute additional cash-on-hand from collections



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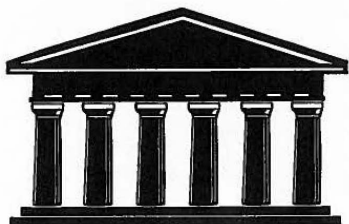






# Two Revised Budgets

- Budget A (p. 27) assumes no changes to 15-hour requirement
  - Award projections reduced based on current year actuals
  - Reduces GF request by \$11.4M
    - Accounts for both FY24 and FY25 lapsed GF
    - Contributes additional cash-on-hand not spent in FY25
- Budget B (p. 28) assumes 15-hour requirement reduced to 12
  - Award projections first reduced based on current year actuals but then increased to account for the credit hour requirement change
  - Reduces GF request by \$6.4M
    - Accounts for both FY24 and FY25 lapsed GF
    - Contributes additional cash-on-hand not spent in FY25



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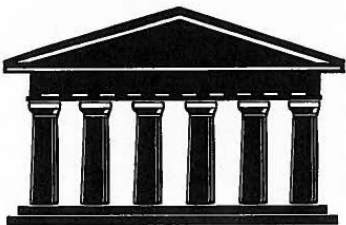
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# Executive Session

If Determined Necessary



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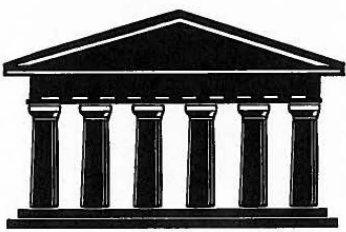
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# Adjournment



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