

MISSISSIPPI POST-SECONDARY EDUCATION FINANCIAL ASSISTANCE BOARD



IHL Executive Offices
3825 Ridgewood Road, Jackson, MS 39211

January 14, 2025, at 10:30 a.m.

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

Zoom: <https://itsmsgov.zoom.us/j/88049447181?pwd=JVEramELKcWEgzMIWJt3uNTjdUymfa.1>

Password: 457402

MINUTES

BE IT REMEMBERED, that the Mississippi Postsecondary Education Financial Assistance Board held a regular meeting on Tuesday, January 14, 2025 at 10:30 a.m. Members of the Board participated in the meeting remotely via Zoom or teleconference. Due to an unforeseen power outage in the IHL Executive Office building, members of the media and public were also invited to attend the meeting remotely via Zoom or teleconference.

The following member(s) participated:

- Ben Burnett, MAICU institutional appointee (remote)
- Barney Daly, Lt. Governor's appointee (remote)
- Jason Dean, MAICU association appointee (remote)
- Dewayne Middleton, MCCB institutional appointee
- 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
- Mark Keenum, IHL institutional appointee

The following Advisory Board member(s) did not participate:

- Senator Nicole Boyd, Universities and Colleges Committee Chair
- 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
- Meg Harris, Assistant Director of Operations, Student Financial Aid

MINUTES

- Shirley Mitchell, Program Administrator, Student Financial Aid
- Adele Russell, Program and Office Administrator, Student Financial Aid
- Frances West, Program Administrator, Student Financial Aid
- Lori Ball, Director of Financial Aid, Mississippi State University
- Heather Dearman, Director of Financial Aid, Mississippi Gulf Coast Community College
- Marie Roberts, Woodward Hines Education Foundation
- Melissa Temple, Director of Nursing, IHL

The meeting was called to order at 10:30 a.m. by Chairman Turcotte.

MINUTES

On motion by Ben Burnett and seconded by Dewayne Middleton, all Board Members legally present and participating voted unanimously to approve the minutes of the board meeting held on September 27, 2024, as originally drafted.

ITEMS FOR CONSIDERATION

Item 1: Jennifer Rogers presented the 2024 Annual Report of the State-Supported Student Financial Aid Programs for review and approval. On motion by Barney Daly and seconded by Dianne Watson all Board Members legally present and participating voted unanimously to approve the 2024 Annual Report for submission to the Legislature.

1. Review and Approve the 2024 Annual Report of the State-Supported Student Financial Aid Programs for Submission to the Mississippi Legislature

Summary:

The 2024 Annual Report is submitted under separate cover as Exhibit 1. Some highlights of the report include the following:

Awards (p. 7):

- 32,678 state-supported awards (up 6,355 or 24.1%), totaling \$52.9 million (up about \$2.64 million or 5.3%) – increase due primarily to Dual Enrollment/Dual Credit Scholarship (DEDC)
- 32,262 individual recipients (up 6,460 students or 25%)
- \$1,619 average award amount (down \$291 or 15.2%) – decrease due primarily to low DEDC award amounts

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)

MINUTES

- Income breakdown for independent students:
 - 54% earn below \$10K; 12% below \$20K; 34% over \$20K

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

- Governmental Appropriations totaled \$65.57 million (up \$11.9 million or 22.26%)
 - \$50.65 million appropriated in General Funds (up \$18K)
 - \$9.8 million additional General Funds for DEDC
 - \$5.1 million new and reappropriated Education Enhancement Funds (EEF) (up \$2.1 million to fund new FAITH Scholarship)
- Special Fund Support totaled \$1.74 million (down \$4.76 million or 73.23%)
- Other Appropriations totaled \$6 million to fund the Nurse Retention Loan Repayment Program (NULR)
- \$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)
 - \$787K salaries/benefits
 - \$5K travel
 - \$506K contractual services (\$253K to IHL, remaining \$253K to application, website, cybersecurity, ECSI, etc.)
 - \$35K commodities
 - \$88K capital outlay
- \$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

Breakdown of 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

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

Loan Repayment (pp. 18-22)

- 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

MINUTES

- \$108K cost to service loans
- 5% overall default rate on accounts in tracked cohorts

Detailed program pages:

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

Request:

The Office requests approval to submit the 2024 Annual Report of State-Supported Student Financial Aid Programs to the Legislature.

Item 2: Jennifer Rogers asked the Board to consider changing the definition of full-time for state aid eligibility from 15 credit hours per term to 12 credit hours per term as it was prior to 2016. On motion by Barney Daly, seconded by Ben Burnett, all Board Members legally present and participating voted unanimously to revert to the original policy of defining full-time enrollment for the purpose of receiving state aid as 12 credit hours per term. The policy change will be effective beginning with the 2025-2026 academic year. All relevant rules will be updated accordingly during the Board's April 2025 meeting.

2. Consider Changing the Definition of Full-Time for State Aid from 15 Credit Hours to 12 Credit Hours

Summary:

In June 2016, the Board voted to change the definition of full-time from 12 credit hours to 15 credit hours per term for purposes of receiving state aid. The change was prompted in part by a \$10 million budget deficit for the 2016-2017 academic year. The change also coincided with a statewide and national push for students to "Take 15" and "Finish in Four". The Office has been asked to provide data to inform a discussion about reverting to the standard definition of full-time as 12 credit hours.

For federal aid eligibility, full-time is defined as 12 credit hours per semester, so the alternate state aid eligibility requirement often creates confusion and establishes differing standards. Since changing the definition, many more students are taking dual enrollment and dual credit courses in high school. Such courses allow students to take fewer courses each term and still complete a degree "on time" in the standard two- or four-year time frame. Heavy course load requirements can also discourage students from pursuing high demand STEM majors that often require students to take multiple science, mathematics, and engineering courses in a single term.

IPEDS data is not yet available to determine what impact the 15-credit requirement has had on 6-year graduation rates. The most recent IPEDS data is for 2022, but the Board's credit-hour rule wasn't implemented until the 2016-17 aid year. The first year of data would be 2024.

The anticipated cost of changing the definition would be approximately \$2.5 million annually, per the chart below.

MINUTES

Fund	Cancelled Less than Full-time				Cancelled Continuous Full-Time		Total	
	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
All	936	\$499,910	1,571	\$ 881,965	1,115	\$1,078,503	3,622	\$ 2,460,378
	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
All	1,133	\$577,780	1,698	\$ 941,088	1,227	\$1,119,300	4,058	\$ 2,638,168
	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
All	963	\$490,810	1,536	\$ 818,659	1,278	\$1,235,447	3,777	\$ 2,544,916

Recommendation:

Board staff provides the information for consideration and discussion but makes no recommendation at this time.

Item 3: Jennifer Rogers presented a request for the Board to revise the FY 2026 Budget Request. Two possible budget revisions were presented, Budget A and Budget B. On motion by Ben Burnett, seconded by Dewayne Middleton, all Board Members legally present and participating voted unanimously to approve Budget B.

3. Revise the FY 2026 Budget Request

Request:

The Office requests the Board revise the FY 2026 Budget Request to reflect new award trends, to request re-appropriation of FY 2025 funds for use in FY 2026, and to contribute cash on hand (collections).

Summary:

The FY 2026 Budget Request was approved by the Board in June 2024. The request included relatively static year-over-year funding for MTAG and HELP. The request acknowledged that MTAG program eligibility could be impacted by the 2024-2025 changes to the FAFSA and Pell formula, but the anticipated impact of the changes was unclear, hence the static request. The request also acknowledged that HELP recipient numbers were down in 2023-2024 but expected to rebound in 2024-2025.

MTAG awards are down considerably due to the federal changes, and HELP awards have not rebounded. Further investigation has revealed that family incomes have risen just enough to put otherwise HELP-eligible students just above the \$39,500+ income

MINUTES

threshold. MTAG and HELP recipient numbers for 2024-2025 as shown in the chart below.

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

To fully fund these award levels in FY 2025, SFA will not spend any cash on hand (collections) and will lapse about \$2.7 million in General Funds by the end of the current fiscal year.

The FY26 Budget Request should be adjusted to reflect the following:

- Decreased award levels anticipated in FY 2026
- Additional funds available from FY 2025 for reappropriation in FY 2026
- Contribution of cash on hand (collections)

Two revised FY 2026 Budget Requests are provided for consideration. Budget A assumes no changes to the 15-hour credit requirement for full-time. Budget B assumes the full-time credit hour requirement is reduced from 15 to 12.

Recommendation:

Board staff recommends approval of this item and submission of an explanatory letter to legislative leadership.

MINUTES

2025-26 Program Allocation for Revised MBR - Budget A									
Expenditures by Program	FY25 Updated Awards	FY25 Updated Amounts	FY26 MBR Awards	FY26 MBR Amounts	FY26 Revised Awards	FY26 Revised Amounts	(+/-) FY26 MBR Awards	(+/-) FY26 MBR Amounts	Change
1- Administration									
Salaries, Wages and Fringes		\$ 814,116		\$ 841,680		\$ 841,680		\$ -	
Travel		\$ 8,000		\$ 8,000		\$ 8,000		\$ -	
Contractual Service		\$ 550,000		\$ 620,000		\$ 550,000		\$ (70,000)	
Commodities		\$ 10,000		\$ 10,000		\$ 10,000		\$ -	
Equipment		\$ 10,000		\$ 10,000		\$ 10,000		\$ -	
Total Administration		\$ 1,392,116		\$ 1,489,680		\$ 1,419,680		\$ (70,000)	-4.7%
2- MTAG/MESG and HELP									
MTAG	13,550	\$ 7,926,750	18,060	\$ 10,473,044	13,686	\$ 8,006,018	(4,375)	\$ (2,467,027)	
MESG	3,690	\$ 8,579,250	3,636	\$ 8,305,018	3,727	\$ 8,665,043	91	\$ 360,025	
HELP	3,959	\$ 28,702,750	4,693	\$ 33,715,656	3,999	\$ 29,497,099	(694)	\$ (4,218,557)	
Total MTAG/MESG/HELP	21,199	\$45,208,750	26,389	\$52,493,718	21,411	\$46,168,159	-4,978	\$ (6,325,559)	-12.1%
3 - Loan & Repayment Prgs									
Teacher Programs:									
CNDT (Graduate)	4	\$ 31,000	5	\$ 50,000	5	\$ 50,000	0	\$ -	
Winter-Reed Loan Repay	450	\$ 2,000,000	425	\$ 2,000,000	425	\$ 2,000,000	0	\$ -	
Health/Science Programs:									
SLPL (Graduate)	6	\$ 70,000	6	\$ 70,000	6	\$ 70,000	0	\$ -	
SREB (Graduate)	34	\$ 692,546	36	\$ 762,624	36	\$ 762,624	0	\$ -	
Total Loan & Repay Programs	494	\$ 2,793,546	472	\$ 2,882,624	472	\$ 2,882,624	0	\$ -	0.0%
4 - Other									
LAW	9	\$ 139,000	10	\$ 100,000	10	\$ 150,000	0	\$ 50,000	
Nissan	0	\$ -	1	\$ 11,000	1	\$ 11,000	0	\$ -	
FAITH Scholarship	285	\$ 3,450,000	400	\$ 4,000,000	400	\$ 4,000,000	0	\$ -	
Total Other	294	\$ 3,589,000	411	\$ 4,111,000	411	\$ 4,161,000	0	\$ 50,000	1.2%
TOTAL Loans, Schols, Grants	21,987	\$51,591,296	27,272	\$59,487,342	22,294	\$53,211,783	-4,978	\$ (6,275,559)	-10.5%
TOTAL SFA BUDGET	21,987	\$52,983,412	27,272	\$60,977,022	22,294	\$54,631,463	(4,978)	\$ (6,345,559)	-10.4%
COMBINED BUDGETS FY 2026 Funding Sources	FY25 AOB	Original FY26 MBR	Revised FY26 MBR - Budget A	(+/-) FY26 Original MBR Amounts	Change				
SFA APPROPRIATION									
GOV. APPROPRIATIONS									
General Support	\$ 51,952,895	\$ 52,052,538	\$ 40,647,626	\$ (11,404,912)	-				
General Support (Reappropriated)	\$ -	\$ 1,622,837	\$ 5,622,837	\$ 4,000,000	-				
Other General Support - DE/DC	\$ -	\$ -	\$ -	\$ -	-				
EEF - New									
FAITH & Winter-Reed	\$ 3,000,000	\$ 6,000,000	\$ 6,000,000	\$ -	-				
EEF - Reappropriated									
FAITH & Winter-Reed	\$ -	\$ -	\$ -	\$ -	-				
FAITH	\$ 100,000	\$ -	\$ -	\$ -	-				
Winter-Reed	\$ 1,900,000	\$ -	\$ -	\$ -	-				
Total Gov. Appropriations	\$56,952,895	\$59,675,375	\$52,270,463	\$ (7,404,912)	-				
SPECIAL FUNDS									
Nissan	\$ -	\$ 11,000	\$ 11,000	\$ -	-				
Total Interest Income	\$ -	\$ 11,000	\$ 11,000	\$ -	-				
Law Fund	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	-				
Total Other Sources	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	-				
Estimated Collections	\$ 2,330,000	\$ 1,270,647	\$ 2,330,000	\$ 1,059,353	-				
Total Cash on Hand	\$ 2,330,000	\$ 1,270,647	\$ 2,330,000	\$ 1,059,353	-				
Total Special Funds	\$ 2,350,000	\$ 1,301,647	\$ 2,361,000						
Total SFA Appropriation	\$59,302,895	\$60,977,022	\$54,631,463	\$ (6,345,559)	-				

MINUTES

2025-26 Program Allocation for Revised MBR - Budget B									
Expenditures by Program	FY25 Updated Awards	FY25 Updated Amounts	FY26 MBR Awards	FY26 MBR Amounts	FY26 Revised Awards	FY26 Revised Amounts	(+/-) FY26 MBR Awards	(+/-) FY26 MBR Amounts	Change
1- Administration									
Salaries, Wages and Fringes		\$ 814,116		\$ 841,680		\$ 841,680		\$ -	
Travel		\$ 8,000		\$ 8,000		\$ 8,000		\$ -	
Contractual Service		\$ 550,000		\$ 620,000		\$ 550,000		\$ (70,000)	
Commodities		\$ 10,000		\$ 10,000		\$ 10,000		\$ -	
Equipment		\$ 10,000		\$ 10,000		\$ 10,000		\$ -	
Total Administration		\$ 1,392,116		\$ 1,489,680		\$ 1,419,680		\$ (70,000)	-4.7%
2- MTAG/MESG and HELP									
MTAG	13,550	\$ 7,926,750	18,060	\$ 10,473,044	17,216	\$ 10,071,068	(845)	\$ (401,977)	
MESG	3,690	\$ 8,579,250	3,636	\$ 8,305,018	3,919	\$ 9,111,443	283	\$ 806,425	
HELP	3,959	\$ 28,702,750	4,693	\$ 33,715,656	4,335	\$ 31,975,729	(358)	\$ (1,739,927)	
Total MTAG/MESG/HELP	21,199	\$ 45,208,750	26,389	\$ 52,493,718	25,469	\$ 51,158,239	-920	\$ (1,335,479)	-2.5%
3 - Loan & Repayment Prgs									
Teacher Programs:									
CNDT (Graduate)	4	\$ 31,000	5	\$ 50,000	5	\$ 50,000	0	\$ -	
Winter-Reed Loan Repay	450	\$ 2,000,000	425	\$ 2,000,000	425	\$ 2,000,000	0	\$ -	
Health/Science Programs:									
SLPL (Graduate)	6	\$ 70,000	6	\$ 70,000	6	\$ 70,000	0	\$ -	
SREB (Graduate)	34	\$ 692,546	36	\$ 762,624	36	\$ 762,624	0	\$ -	
Total Loan & Repay Programs	494	\$ 2,793,546	472	\$ 2,882,624	472	\$ 2,882,624	0	\$ -	0.0%
4 - Other									
LAW	9	\$ 139,000	10	\$ 100,000	10	\$ 150,000	0	\$ 50,000	
Nissan	0	\$ -	1	\$ 11,000	1	\$ 11,000	0	\$ -	
FAITH Scholarship	285	\$ 3,450,000	400	\$ 4,000,000	400	\$ 4,000,000	0	\$ -	
Total Other	294	\$ 3,589,000	411	\$ 4,111,000	411	\$ 4,161,000	0	\$ 50,000	1.2%
TOTAL Loans, Schols, Grants	21,987	\$ 51,591,296	27,272	\$ 59,487,342	26,352	\$ 58,201,863	-920	\$ (1,285,479)	-2.2%
TOTAL SFA BUDGET	21,987	\$ 52,983,412	27,272	\$ 60,977,022	26,352	\$ 59,621,543	(920)	\$ (1,355,479)	-2.2%
COMBINED BUDGETS FY 2026 Funding Sources	FY25 AOB	Original FY26 MBR	Revised FY26 MBR - Budget B	(+/-) FY26 Original MBR Amounts	Change				
SFA APPROPRIATION									
<i>GOV. APPROPRIATIONS</i>									
General Support	\$ 51,952,895	\$ 52,052,538	\$ 45,637,706	\$ (6,414,832)	-				
General Support (Reappropriated)	\$ -	\$ 1,622,837	\$ 5,622,837	\$ 4,000,000	-				
Other General Support - DE/DC	\$ -	\$ -	\$ -	\$ -	-				
EEF - New									
FAITH & Winter-Reed	\$ 3,000,000	\$ 6,000,000	\$ 6,000,000	\$ -	-				
EEF - Reappropriated									
FAITH & Winter-Reed	\$ -	\$ -	\$ -	\$ -	-				
FAITH	\$ 100,000	\$ -	\$ -	\$ -	-				
Winter-Reed	\$ 1,900,000	\$ -	\$ -	\$ -	-				
Total Gov. Appropriations	\$ 56,952,895	\$ 59,675,375	\$ 57,260,543	\$ (2,414,832)	-				
<i>SPECIAL FUNDS</i>									
Nissan	\$ -	\$ 11,000	\$ 11,000	\$ -	-				
Total Interest Income	\$ -	\$ 11,000	\$ 11,000	\$ -	-				
Law Fund	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	-				
Total Other Sources	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	-				
Estimated Collections	\$ 2,330,000	\$ 1,270,647	\$ 2,330,000	\$ 1,059,353	-				
Total Cash on Hand	\$ 2,330,000	\$ 1,270,647	\$ 2,330,000	\$ 1,059,353	-				
Total Special Funds	\$ 2,350,000	\$ 1,301,647	\$ 2,361,000	\$ 1,059,353	-				
Total SFA Appropriation	\$ 59,302,895	\$ 60,977,022	\$ 59,621,543	\$ (1,355,479)	-				

MINUTES

ADDITIONAL AGENDA ITEMS IF NECESSARY

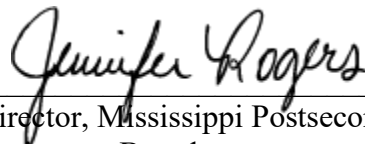
The Board did not consider any additional agenda items.

EXECUTIVE SESSION IF DETERMINED NECESSARY

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

ADJOURNMENT

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



Director, Mississippi Postsecondary Education Financial
Assistance Board