**MEETING OF THE**

**LOUISIANA STUDENT FINANCIAL ASSISTANCE COMMISSION**

**MINUTES OF MEETING**

**DATE:** March 15, 2016

**TIME** Immediately following the Louisiana Tuition Trust Authority Meeting

**PLACE:** Louisiana Retirement Systems Building

 Mr. F. Travis Lavigne, Jr., Commission Chair, called a meeting of the Louisiana Student Financial Assistance Commission to order at 11:03 a.m.

 The following members of the Commission were present:

Mr. F. Travis Lavigne, Jr.

Mr. Ken Bradford

Ms. Melanie Burke

Mr. Jeffery Ehlinger, Jr.

Mr. Walter Guidry, Jr.

Mr. Benson Kinney

Mr. Jimmy Long, Sr.

Mr. Michael Murphy

Mr. Winfred Sibille

Ms. Ann A. Smith

Mr. Collis Temple, III

Dr. Larry Tremblay

 The following members were absent:

Mr. Scott Ballard

Dr. Toya Barnes-Teamer

Mr. James Garvey

Mr. Myron Lawson

Mr. Richard Maciasz

Ms. Amy Marix

Mr. Stephen Toups

The following guests were present:

Ms. Shan Davis

Ms. MaryAnn Coleman

Ms. Cheryl Serrett

The following staff members were present:

 Dr. Sujuan Boutté

 Ms. Rhonda Bridevaux

Ms. Alice Brown

Dr. Tireka Cobb

Ms. Gayle Daigle

Mr. Kelvin Deloch

Ms. Bonnie Ghassemi

Ms. Carol Fulco

 Mr. Jack Hart

Ms. Terri Jameyson

Ms. Robyn Lively

Mr. Richard Omdal

Ms. Deborah Paul

Ms. Linda Roquemore

Mr. Gus Wales

Under Introductions and Announcements, Dr. Boutté recognized and awarded certificates to two of LOSFA’s staff members, Ms. Deborah Paul and Ms. Terri Jameyson, for their work for the State Combined Charitable Campaign (SCCC) for 2015. Ms. Paul commented that the work for the SCCC is part of a team effort and that besides herself and her co-chair Ms. Jameyson, Ms. Shenell Livous, Ms. Bonnie Ghassemi and Ms. Rosemary Moses contributed to the creative ideas and activities of the campaign. Ms. Paul stated that the money collected goes to several non-profit organizations around the State. Ms. Paul commented that several employees have had a personal experience with some of the non-profit organizations involved in the campaign. Ms. Paul stated that one of the activities that help raised money for the organizations included a jail break day, and a lot of other fun activities were organized to help raise money for the organizations that provide many needed services. Ms. Paul stated that the campaign has moved from just the local nine parish area to statewide. Ms. Jameyson commented that she has enjoyed working with the committee for the past three years and it has been a lot of fun. Ms. Jameyson stated that a lot of good work is done with the funds that are raised, and over $9,000 was raised by LOSFA in 2015.

 The minutes of the February 17, 2016 meeting of the Louisiana Student Financial Assistance Commission were presented for review and approval. Mr. Murphy made a motion to approve. Mr. Guidry seconded the motion and it passed unanimously.

Mr. Lavigne offered a public comment period. There were no comments.

Under Program Updates, Mr. Wales, Director of Public Information and Communications, presented the Field Services report for statewide services for the month of February 2016. Mr. Wales reported that in February, Public Information Division Representatives conducted 13 TOPS Seminars with 696 students/parents in attendance, two TOPS Browses with 315 students/parents in attendance, five FAFSA Seminars with 184 students/parents in attendance, and four General Financial Aid Seminars with 64 student/parents in attendance.

Mr. Wales reported that College Goal Sunday took place on two consecutive Sundays this year. Mr. Wales reported that ten colleges/universities participated on February 28 and nine college/universities participated on March 6. Mr. Wales reported that a total of 957 students/parents were in attendance at College Goal Sunday this year. Mr. Wales commented that several follow-up FAFSA completion events are scheduled at high schools through the remainder of March and April. Mr. Wales commented that a unique situation occurred in that there were 144 families that pre-registered for the event that did not attend. Mr. Wales stated that he believed that this was due to comments he received at the two locations he attended from attendees stating that they knew people who did not attend because they believed that TOPS would not be available next year. Mr. Wales commented that it is important for students to complete the FAFSA for other aid programs in addition to TOPS.

Mr. Wales reported on the SignalVine text messaging campaign for first time college freshman. Mr. Wales reported that 221,984 text messages have been sent to those students and 3,311 communications have been sent back from those students. Mr. Wales reported that the SignalVine text messaging system was very active the day after the Governor’s speech on February 11 declaring the shortfall for TOPS this year. Mr. Wales reported on one excerpt that was a question from a parent asking if everyone has lost TOPS due to budget cuts and if that was correct information. Mr. Wales explained that on February 12, SignalVine offered LOSFA the opportunity to send out information via text to all the participants about the budget cuts and how it potentially impacted them, which LOSFA did.

Mr. Wales commented on a handout of the Educational Pathways insert that was included in all the Gannett newspapers in the State. Mr. Wales pointed out that the insert includes LOSFA’s 5-Point match, the Don’t Blow Your TOPS handout, as well as information on the Unlock My Future website that is about to launch and other LOSFA programs. Mr. Lavigne asked if the general public had access to the insert. Mr. Wales commented that this is a special insert that is included in every Gannett newspaper twice a year, once in the fall and once in the spring and that it is similar to a sales insert. Mr. Guidry asked if the funding for printing the insert is done by Gannett. Mr. Wales commented that LOSFA pays for two pages of the insert and Gannett donates two pages as well as donated editorial space for the spring insert. Mr. Bradford asked if there are electronic copies available. Mr. Wales stated that the document is not available electronically, but explained there is a companion website that has some of the same information as the insert.

Dr. Cobb, Director of Field Outreach Services, reported on the Field Outreach Services Report for concentrated and intensive services. Dr. Cobb commented on the Financial Literacy for You (FLY) Tour. Dr. Cobb stated that this event is a dynamic theatrical presentation presented to teach students about financial aid and other financial information. Dr. Cobb reported that there were 10 locations this year, up from 5 locations the year before. Dr. Cobb stated that the students were able to attend campuses they felt were the best match for them. Dr. Cobb reported that a total 1,803 students were able to participate this year.

Dr. Cobb reported on the Go Alliance Academy. Dr. Cobb reported that this initiative provides school counselors with a college access training program and the curriculum is developed through the Southern Regional Education Board (SREB). Dr. Cobb reported that the program gives counselors, teachers, and college access professionals the additional knowledge and skills that will assist them in getting more students on a path to college. Dr. Cobb reported that the new course offering began on February 17, 2016, at Edna Karr High School and is offered in a hybrid format, with online and face-to-face meetings. Dr. Cobb reported that LOSFA is in partnership with the Louisiana Counseling Association (LCA), and that participants who take the course only online will receive 30.0 continuing education (CE) clock hours, and those who attend both online and face-to face sessions will receive 40.0 CE clock hours.

Dr. Cobb reported on the FAFSA Completion Workshops offered in high schools across Louisiana. Dr. Cobb stated that LOSFA has been able to help 400 students complete the FAFSA and assisted 578 students to sign-up for a Federal Student Aid (FSA) ID.

Dr. Cobb reported on TOPS Check-ups at high schools. Dr. Cobb reported that LOSFA is working with the counselors and students to make sure that they are aware of the different TOPS awards and that they are taking the correct core curriculum, earning the GPA necessary to qualify for the award, and filing the FAFSA in order to meet the TOPS eligibility requirements. Dr. Cobb reported a total of 2,191 students have had TOPS Check-ups this year. Dr. Cobb stated that during these check-ups, staff has noted that students are not aware of the difference in the TOPS Core Curriculum and graduation requirements; that students are not aware of the TOPS Tech Award and therefore do not know about the requirements for the award; that some students are enrolled in courses that meet graduation requirements but not TOPS Core Curriculum requirements; and that students do not realize the differences in the TOPS Core GPA and their overall high school GPA. Dr. Cobb also mentioned that staff has found core courses that were coded incorrectly on student transcripts. Dr. Cobb stated that these events help students correct errors and learn about requirements. Dr. Cobb noted that the take away for next year is that these events are more beneficial if held earlier during the school year.

Mr. Temple asked about the coding errors. Dr. Cobb stated that the coding errors could have been a course listed incorrectly and should have been something else. Mr. Temple asked if the error was on the student or on the high school. Dr. Cobb stated that it was on the high school, and most of the time it is an oversite. Dr. Boutté stated that the critical importance of this is that if the errors are not caught, students who are eligible for TOPS would not be determined eligible because of the errors. Mr. Temple asked if there was an estimation of students that would be affected by the coding errors. Dr. Cobb reported that we do not have an estimate at this time, but errors are noticed during the eligibility process and LOSFA contacts the schools to request that they correct errors.

Dr. Cobb reported on the breakdown of the different interventions with the concentrated and intensive service schools and what type of services are provided to those schools. Dr. Cobb reported on college campus tours and a partnership with LSU, where LSU will conduct a photo elicitation study to examine how college tour experiences help students conceptualize and consider choices of colleges to attend. Dr. Cobb stated that the study participants will include high school students who are first generation college students and who will attend or have attended a college tour experience organized by LOSFA.

Dr. Cobb mentioned the SignalVine text messaging campaign for high school seniors and the social media campaigns done by LOSFA. Dr. Cobb commented on the Leadership Conferences that will take place on three different college/university campuses in April and May. Dr. Cobb stated that the attendees will be seniors who are mostly first-generation students who have been accepted to some type of postsecondary institution. Dr. Cobb stated that during the conference, the students will also have the opportunity to participate in a variety of information sessions focused on postsecondary education, and the conference is designed to help students transition to postsecondary education.

Mr. Hart, Assistant Executive Director of Fiscal and Administrative Affairs, presented the financial statements update. Mr. Hart presented the financials for the period ending January 2016. Mr. Hart reported that the financial statement for the Operating Fund ended January with net assets of $8.4M and the Federal Fund with net assets of $7.5M. The Federal Fund had an increase of $278K for the month and $315K for the 4 months. The reserve ratio increased to 0.804% on our portfolio of $1.1B. The Operating Fund had a decrease of $42K for the month and an increase of $300K for the 4 months. Also rehabs were $1.8M for the month are 67% under last year and 25% below current year projections. Mr. Hart reported on the audit done by the U.S. Department of Education on death claim processing and that the Department determined that there were no findings.

 Ms. Paul, Director of Scholarships and Grants, presented a GO Grant update as of March 15, 2016. Ms. Paul reported that GO Grant payments are still being processed for the Spring semester. Ms. Paul reported that the deadline for GO Grant billings is March 24 and the correction deadline is April 11. Ms. Paul reported that the current balance of the fund is $5.8M and that it is expected that all the funds will be used during the Spring semester, so no awards will be available during the summer term. Ms. Paul reported if any additional funds are available after the deadline, those funds are disbursed to colleges/universities that have asked for additional GO Grant funds to disburse to students.

 Ms. Paul presented a John R. Justice update as of March 15, 2016. Ms. Paul stated that this program helps attorneys that are working as prosecutors and public defenders pay back student loans. Ms. Paul reported that currently LOSFA has received three applications from public defenders with three remaining circuits having no applications, and six applications from prosecutors with two remaining circuits having no applications. Ms. Paul stated that some of the prosecutors and public defenders wait until after their taxes are completed to apply since that documentation is required as part of the application process. Ms. Paul stated that LOSFA is working with public defender boards and the district attorney associations to try to encourage more applications for the program.

 Ms. Lively, Senior Attorney, provided an update on the proposed bills that affect the Role, Scope, and Mission of LOSFA. Ms. Lively stated that there is an extensive list of bills. Ms. Lively stated that several bills turn the TOPS program into a loan program if students do not meet certain requirements of the program. Ms. Lively also stated that there are several bills that change the TOPS requirements that take effect with the graduating class of 2020, giving students time to prepare for the changes. Ms. Lively reported that one bill requires LOSFA to perform a criminal background check on students before making the student eligible for TOPS and before each disbursement of the award, and that bill would be quite costly if passed in the legislative session. Ms. Lively reported that there are several bills that provided for the abolishment of the Commission and Authority.

 Dr. Tremblay asked about HB104 and the fiscal note for the bill. Ms. Lively stated that she believed the fiscal note only included an overview of what it would take in order to perform the actions that would be required of LOSFA but an exact number would not be possible. Dr. Tremblay asked if LOSFA provided a look back over a certain number of years to how many students lost the award. Ms. Lively responded that LOSFA did provide that but a concrete number is not possible. Dr. Boutté clarified that some of that money would not be collectible and if the rules were to be promulgated by LASFAC, LOSFA would suggest following the federal requirement of beginning six months after the student leaves school so that they have the opportunity to find employment. Dr. Boutté stated that the bill would not provide an immediate savings to the State. She continued that LOSFA has provided an impact by year of loss of TOPS awards and the approximate amount that had been paid to those students based upon past averages. Dr. Boutté stated any savings would be offset by the cost to develop a system and automate this process and outsourcing the collection efforts to Department of Justice or the Office of Debt Recovery involves additional expenses. Dr. Tremblay commented that he has never heard anywhere in the world where you pay back a scholarship. Dr. Tremblay stated that you lose a scholarship, but if you pay it back it was not a scholarship to start with. Dr. Tremblay stated that his opinion is if this bill moves forward, then TOPS is being eliminated and a new program is being introduced that is no longer a scholarship.

 Mr. Lavigne stated that there are a percentage of students that lose their TOPS Awards due to various categories and the amount of money associated with that would be directly related to the school they attended.

Mr. Sibille asked about SB346 and what it really does. Ms. Lively stated that it is unclear whether or not any of the LOSFA special funds will be affected. Ms. Lively stated that some of LOSFA special funds are the TOPS fund and the variable earnings transaction fund for the START Saving Program along with a couple of other funds. Ms. Lively stated that none of the funds are specifically listed other than the TOPS fund, so it is unclear whether or not those will be eliminated and put into the State Treasury or if those funds would fall under an exemption because the bill provides for several different exemptions.

Mr. Lavigne commented on the two bills that would eliminate the ability of the Louisiana Association of Independent Colleges and Universities (LAICU) and the proprietary and cosmetology to receive TOPS funding on behalf of their students. Mr. Lavigne asked Ms. Coleman, President of LAICU, to comment on the bills.

Ms. Coleman stated she visited with Senator Morrish about the bills that had been filed affecting the LAICU schools. Ms. Coleman stated that Senator Morrish said that it was not his intention to move forward with the bills, but he may bring the bill to the table to allow for conversation. Ms. Coleman stated that what it illustrates to her was that even to the Senators and Representatives in the Louisiana Legislature, TOPS is still an unknown. Ms. Coleman stated that Senator Morrish stated that he did not want to keep students from being able to attend private colleges and universities in Louisiana if that was their choice. Ms. Coleman stated that LOSFA is very valuable to the students of Louisiana because of the work they do to help students with the financial aid process, and the financial aid process is a huge mystery to legislators because they do not understand the process. Ms. Coleman stated that when LOSFA comes to the table that they are able to dispel the myths about financial aid.

Dr. Boutté presented the TOPS Update. Dr. Boutté reported on the Actual versus Budgeted Expenditures for the TOPS Program as of March 4, 2016. Dr. Boutté stated that the report shows the billings LOSFA has received and compares those billings to the budget to enable LOSFA to help track any anticipated shortfalls. Dr. Boutté commented on the breakdown of billings of TOPS awards by school and award type.

Dr. Boutté updated the Commission members on the TOPS shortfall for the Spring semester. Dr. Boutté stated that the goal is to utilize the funding that is available and that LOSFA can pay institutions approximately 80% of TOPS spring billings based on estimated spring billings and the estimated funding from the Tobacco Settlement. Dr. Boutté stated that with current funds on hand, that institutions would be paid at 43% until Tobacco Settlement money is received sometime towards the end of April. Dr. Boutté stated that LOSFA has received spring billings and that most schools came in slightly under the 43% estimated, therefore LOSFA paid the billings at 43% of the estimated amount. Dr. Boutté stated for the schools that came in over the estimated 43%, currently a little under $50,000, LOSFA is working to make sure those schools are paid at 43%. Dr. Boutté stated that hopefully all schools will be paid at at 80% when more funds are received. Dr. Boutté stated all the billings are being tracked in the Award System.

Mr. Hart stated that as of March 15, 2016, the balance of the general fund remaining for TOPS for this fiscal year is $3,696,533. Mr. Hart stated that all Tobacco Fund dollars which have already been received have been exhausted, and the large annual payment of the Tobacco Settlement fund usually is in late April. Mr. Hart stated that LOSFA receives interest, earnings and dividends from the Tobacco Settlement assets but predictions cannot be accurately made regarding what those will be. Mr. Hart also stated that there was an overpayment of $3.2M from the Tobacco Settlement from last year that will be have to be repaid. Mr. Hart stated that there is a possibility that LOSFA will receive less than the total appropriations from the Tobacco Settlement and LOSFA is monitoring it closely.

Mr. Lavigne asked about appropriations for this year. Mr. Lavigne asked if the appropriations for this were already $26M short. Mr. Hart responded yes, that appropriations were already short for this year. Mr. Murphy asked if LOSFA knew at the end of the year what percentage of the TOPS allotment, on average, students would not receive. Mr. Hart responded that LOSFA is still estimating the 20%, but it is subject to receiving the amount of the appropriation for this year. Mr. Murphy asked if every student got a certain percentage. Mr. Hart responded that yes, each student would receive a certain percentage. Mr. Sibille asked if the payments are credited to the students. Mr. Hart responded, yes. Mr. Lavigne clarified that according to the Governor’s announcement, the college and universities would be responsible for the 20% in the TOPS shortfall. Dr. Boutté stated that one of the myths LOSFA is trying to dispel is that TOPS is a runaway train that continues to increase. Dr. Boutté stated with the ending of the GRAD Act, TOPS will remain level. Dr. Boutté stated that from this point forward the increases in TOPS will be minuscule due to changes in student behavior: a few more students becoming eligible, and shifts in student enrollment at schools if they attend a more expensive or less expensive institution. Dr. Boutté stated that projections show astabilization in TOPS.

Mr. Sibille asked if there has been any more talk of supplemental appropriations for the $28M shortfall. Dr. Boutté stated that LOSFA was told that there would be no supplemental appropriations for the TOPS shortfall and that is what started the funding level of the 80% and 20%.

Dr. Boutté moved to the Executive Director’s update. Dr. Boutté reported on the implications of the bills that affect the Commission members. Dr. Boutté commented that the means of financing for the Commission and Authority is from federal funds and has no impact on the State General Fund. Dr. Boutté stated if the bills that abolish the Commission and Authority pass, it could mean a potential loss of $2M in federal funding if the U.S. Department of Education did not continue the agreement with anyone else in Louisiana. She explained that the Department could choose to take over the portfolio and that would mean LOSFA would lose the federal funding that comes to the agency to fund outreach. Mr. Lavigne asked if they would reconcile that with the successor agency. Dr. Boutté stated that is an unknown at this particular time. Mr. Lavigne asked if it was $2.3M in federal funding that Louisiana would lose. Mr. Hart stated that it would be $2.5M in the first six months and the federal funding is going down. Dr. Boutté stated that the implications are listed in the handout and these are things that will have to be addressed if the bills are passed.

Dr. Boutté reported on the TOPS Funding Questions and Answers handout. Dr. Boutté stated that questions are coming into the agency about the 2016-2017 fiscal year and that LOSFA has come up with answers to the questions so that everyone is giving out the same answer. Dr. Boutté stated that what LOSFA is telling students is that funding is contingent upon appropriations.

Under Committee Reports, it was proposed that the Commission receive the Approved Minutes of the December 2015 Advisory Committee Meeting That Were Adopted at Its Meeting on March 4, 2016. Mr. Temple made a motion to approve. Mr. Guidry seconded the motion and it passed unanimously.

Under New Business, it was proposed that the Commission consider amending Sections 301, 701, and 2107 of the Scholarship and Grant Program Rules to clarify the definition of eligible non-citizen, to clarify the language regarding the payment of stipends for TOPS Performance and Honors, and to clarify the provision regarding the procedure for eliminating awards in the event of a budget shortfall. Dr. Tremblay made a motion to approve. Mr. Long seconded the motion and it passed unanimously.

It was proposed that the Commission consider and act upon Requests for Exception to the TOPS Provisions that Require Students to Enroll Full-Time, to Remain Continuously Enrolled, and to Earn at Least 24 Credit Hours During the Academic Year. Mr. Sibille made a motion of approval of requests from Tamryn (652356), Jaylen (534693) and Emily (541727). Mr. Kinney seconded the motion and it passed unanimously.

It was proposed that the Commission consider and act upon the attached request for exception to the TOPS regulatory provision that requires a student to file the Application to Return from an Out of State College no later than 120 days after the July 1 following the student’s return to an eligible Louisiana college or university. Ms. Sibille made a motion to reject the staff’s recommendation for denial of Caitlin (683624) and to approve the request. Mr. Kinney seconded the motion and it passed unanimously.

There being no further business, Mr. Temple made a motion to adjourn at 12:16 p.m. and Mr. Sibille seconded the motion, which carried unanimously.

APPROVED:

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 Chairman