**MEETING OF THE**

**LOUISIANA STUDENT FINANCIAL ASSISTANCE COMMISSION**

**MINUTES OF MEETING**

**DATE:** February 17, 2016

**TIME** 11:30 a.m.

**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 12:15 p.m.

 The following members of the Commission were present:

Mr. F. Travis Lavigne, Jr.

Dr. Toya Barnes-Teamer

Mr. Ken Bradford

Mr. Jeffery Ehlinger, Jr.

Mr. Walter Guidry, Jr.

Mr. Benson Kinney

Mr. Myron Lawson

Mr. Jimmy Long, Sr.

Ms. Amy Marix

Mr. Winfred Sibille

 The following members were absent:

Mr. Scott Ballard

Ms. Melanie Burke

Mr. James Garvey

Mr. Richard Maciasz

Mr. Michael Murphy

Ms. Ann A. Smith

Mr. Collis Temple, III

Mr. Stephen Toups

Dr. Larry Tremblay

 Ten members were present, which did not represent a quorum, therefore, in accordance with the Meeting Notice, the Chairman called the Executive Committee of the Louisiana Student Financial Assistance Commission to order.

The following members of the Commission’s Executive Committee were present:

Mr. F. Travis Lavigne, Jr.

Dr. Toya Barnes-Teamer

Mr. Jeffery Ehlinger, Jr

Mr. Jimmy Long, Sr

Mr. Winfred Sibille

Five members were present, which did represent a quorum.

The following members were absent:

Dr. Larry Tremblay

Mr. Lavigne temporarily appointed Mr. Bradford, Mr. Guidry, Mr. Kinney, Mr. Lawson, and Ms. Marix.

The following guests were present:

Ms. Shan Davis

Mr. Sam Karlin

The following staff members were present:

 Dr. Sujuan Boutté

 Ms. Rhonda Bridevaux

Ms. Alice Brown

Mr. Kelvin Deloch

Ms. Carol Fulco

Ms. Bonnie Ghassemi

Mr. Jack Hart

Ms. Robyn Lively

Mr. Richard Omdal

Ms. Deborah Paul

Ms. Linda Roquemore

Mr. Gus Wales

The minutes of the January 4, 2016 meeting of the Louisiana Student Financial Assistance Commission were presented for review and approval. Mr. Long made a motion to approve. Mr. Kinney 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 January 2016. Mr. Wales reported that in January, Public Information Division Representatives conducted 16 TOPS Seminars with 1,185 students/parents in attendance, four FAFSA Seminars with 591 students/parents in attendance, seven General Financial Aid Seminars with 800 students/parents in attendance and two Trailblazer Leadership Training Sessions.

Mr. Wales reported that the first Trailblazer Leadership training was held at Grambling State University and the second training was held at Delgado Community College. Trailblazers were trained on College Goal Sunday, how to complete a FAFSA as well as how to apply for a Federal Student Aid (FSA) ID. They were also briefed on the upcoming FLY Tour and College Acceptance Day, and how their schools can participate in these events.

Mr. Wales reported on the SignalVine text messaging campaign for first time college freshman. Mr. Wales reported that 191,169 text messages have been sent to those students and 3,224 communications have been sent back from those students.

Mr. Wales also reported that College Goal Sunday 2016 registration is open and College Goal Sunday will take place on February 28 and March 6, 2016 at nineteen different locations around Louisiana. Mr. Wales commented that the College Goal Sunday postcards were mailed to approximately 35,000 high schools seniors in Louisiana on February 12, 2016 and typically an increase in registrations happens when students receive the postcard.

Mr. Murphy arrived during Program Updates and a quorum was established.

Dr. Boutté, Executive Director, reported on the Field Outreach Services Report for concentrated and intensive services. Dr. Boutté stated that the number of postsecondary institutions participating in the Financial Literacy for You (FLY) tour doubled this year. Dr. Boutté stated that the primary goals of the FLY Tour are to bring high school students to campus to learn about college access through a theatrical performance put on by LOSFA staff, to interact with the college admissions staff, to take a tour of the campus, and to see what a day in the life of college is like. Dr. Boutté commented that the Ferriday location had 100 students come to campus and tour the campus, and for many of the students, it was their first time on a postsecondary institution’s campus.

Dr. Boutté commented on the Go Alliance Academy. Dr. Boutté stated that LOSFA is entering into the second module. Dr. Boutté stated that the GO Alliance Academy is training provided by LOSFA, using curricula developed through the Southern Regional Education Board, to train counselors, graduation coaches, and college access personnel on creating a college going culture in their schools. Dr. Boutté stated that the majority of the participants are in the New Orleans area and are participating in the training on their own time with no compensation. Dr. Boutté stated that at the end of the first module, participants developed plans for how they would implement a college going culture at their school.

Dr. Boutté commented that LOSFA is working with the University of New Orleans (UNO) to potentially become a Google Expedition content partner to use Google’s newest technology to provide virtual college tours. Dr. Boutté stated that with this technology, LOSFA is hoping to be able to provide students and parents with more college tours.

Dr. Boutté referred to the Field Outreach Services report that shows how statewide, concentrated and intensive services are broken out. Dr. Boutté stated that where the report shows school support services, LOSFA is providing monetary as well as staff support to those particular schools and districts, meaning they get to choose from a menu of options for what they need on their school campus to get their students ready for college.

Mr. Hart, Assistant Executive Director of Fiscal and Administrative Affairs, presented the financial statements update. Mr. Hart presented the financials for the period ending December 2015. Mr. Hart reported that the financial statement for the Operating Fund ended December with net assets of $8.4M and the Federal Fund with net assets of $7.2M. The Federal Fund had a decrease of $73K for the month and an increase of $37K for the 3 months. The reserve ratio increased to 0.770% on our portfolio of $1.1B. The Operating Fund had increases of $148K for the month and $342K for the 3 months. Also rehabs were $3.5M for the month which was 18% higher than last year and 11% above current year projections.

Ms. Paul, Director of Scholarships and Grants, presented a GO Grant update as of February 17, 2016. Ms. Paul reported that schools have started to bill for the GO Grant award and currently seven schools have submitted billing for the spring semester. Ms. Paul stated that March 24th is the GO Grant billing deadline for the spring semester. Ms. Paul stated that currently a balance of approximately $11M is available. Ms. Paul stated that it is expected that schools will use their full allocations this academic year. Ms. Paul stated that if schools have any funds left, they will be reallocated to schools that have requested additional funds.

 Ms. Paul presented a John R. Justice update as of February 8, 2016. Ms. Paul stated that applications are coming in slowly this year and only one application has been received so far. Ms. Paul stated that the application deadline is April 30th. Ms. Paul stated that notifications have been sent to former recipients informing them of this year’s application process and the deadline. Ms. Paul commented that outreach staff is working on promoting the program to the public to help increase the number of applicants.

Dr. Boutté presented the TOPS Update. Dr. Boutté referred to Actual versus Budgeted Expenditures for the TOPS Program as of February 12, 2016. Dr. Boutté stated that the report reflects the origin of the approximate $28M shortfall that has been in recent media reports.

Dr. Boutté moved to the Executive Director’s update. Dr. Boutté reported on the governor’s press release regardinghow the approximate $28M shortfall will be handled. Dr. Boutté commented LOSFA will be able to pay the bills based on the amount of money on hand and that the governor’s press release clearly states that the postsecondary institutions will be picking up the remaining 20% and that the shortfall will not be billed to the students and parents. Dr. Boutté commented that the phones at the office and social media sites were active with questions from students and parents on whether or not they would be responsible for the shortfall.

Dr. Boutté stated that the Governor’s press release also included the content of LOSFA’s press release regarding the suspension of TOPS processing until LOSFA knew more about where the $28M shortfall would come from. Dr. Boutté stated that once LOSFA learned the shortfall would be absorbed by the schools and not the student, LOSFA sent out notices to the schools that TOPS processing would resume.

Dr. Boutté commented on a chart that was sent out with the notices to schools indicating that LOSFA currently has only 43% of the funds on hand to pay spring billings. Dr. Boutté stated that the rest of the 37% will be paid as LOSFA receives Tobacco Settlement Funds. Dr. Boutté stated that LOSFA will not receive a seed advance, so the 37% will have to wait until the tobacco settlement funds are received.

Dr. Boutté commented on a February 12 letter sent to the Commissioner of Administration. Dr. Boutté stated that the letter explains the amount each school will receive under current year budget and what effects the proposed budget for 2016-2017 will have on students. Dr. Boutté commented that when the letter was written, LOSFA thought that it was possible to still get a seed advance from the tobacco settlement funds and LOSFA learned on Sunday that a seed advance would not happen this year.

Mr. Hart stated that the largest part of the tobacco settlement is received between April 15th and April 25th of each year; however interest is received monthly, which is usually between $1-$2M. Mrs. Marix asked about when schools would receive the remaining balances for student bills up to the 80%. Dr. Boutté responded that schools would receive the remaining balances when the tobacco settlement money is received and the information has been sent to all the system financial contacts, to postsecondary institutions, as well as to House and Senate staff.

Dr. Boutté commented that as part of the letter to the Division of Administration, LOSFA was asked to disclose the administrative and statutory procedures for removing students from TOPS if that was to become a necessary action, and LOSFA did explain this information in the letter.

Dr. Boutté stated that the keyword to remember is proposed and that legislators are working hard during the Special Session and the upcoming Regular Session to mitigate and resolve the shortfall in TOPS funding. Dr. Boutté commented that LOSFA is projecting that TOPS will cost approximately $297M for the 2016-17 academic year while the proposed budget for TOPS for 2016-2017 is $60.3M; which provides context of the possible scope of cuts to TOPS. Dr. Boutté commented that in the chart breakdown on page 64 of the packet, it shows the level of funding, by TOPS Award, and that if the proposed budget of $60.3M is all that is funded, then not all the Honors students will be funded because the cost of funding all projected Honors students would be approximately $76M for 2016-2017.

Dr. Boutté commented that data requests for TOPS Demographic information has been coming in and commended Ms. Shanna Estay and Ms. Alice Brown as well as the Information Technology Division at LOSFA on being able to work hand in hand to complete these data requests. Dr. Boutté commented that the TOPS demographic information is broken down for the 2014-2015 cohort by award levels, whether the student was a GO Grant recipient, the students’ average ACT scores, and the average GPAs of the students. Dr. Boutté commented that the data request breaks this information down by the ethnicity of the students and the parental income in increments of $50,000. Dr. Boutté commented that The Advocate in Baton Rouge, LA reported on the percentage of students on TOPS and they looked at all students enrolled in postsecondary institutions. Dr. Boutté explained that the data provided in the packet looks only at the students who are receiving TOPS and then compares that to the Louisiana students who enrolled full time. The report gives a breakdown by postsecondary institution of the percentage of students on TOPS. Dr. Boutte commented on the data request for Statewide Baccalaureate Graduation Rates among TOPS and Non-TOPS Students.

Mr. Lavigne asked where the data requests originated and Dr. Boutté replied that they came from the Taylor Foundation and Board of Regents staff. Mr. Lavigne asked if the information would be provided to anyone else. Dr. Boutté stated that the information is available to legislators and others who request the data.

Mr. Long commented that there is a great deal of fear on the streets wherever you go that TOPS will not be funded. Mr. Long stated that two constituents recently stopped him and asked about TOPS funding. Mr. Long stated that it is difficult to answer questions from the public with an absolute answer until the legislature meets. Mr. Long encouraged everyone to continue to make known to the public as much information as possible on the TOPS issues and to continue to explain that the roof is not falling in, but there may be some necessary legislative changes. Mr. Long commended the staff on getting the word out about potential TOPS changes and asked the staff to continue to do what they have been doing.

Dr. Barnes-Teamer commended the staff on what they are doing to spread the word about what is happening with TOPS. Dr. Barnes-Teamer asked what impact would cutting TOPS funding and following the statutory provisions have on students. Dr. Barnes-Teamer also asked what statutory provisions must be followed in the event of a budget shortfall Dr. Barnes-Teamer stated that the independent college and universities are asking if they should be funding TOPS eligible students at the private colleges and universities because the 20% is being covered by the institutions whether public or private. Dr. Barnes-Teamer asked for clarification because she believed that the statute does not state the institutions have to cover the 20% whether public or private. Dr. Boutté commented that her understanding is that there are two ways the Governor could have done the cuts according to the statute. Dr. Boutté clarified that the Governor could have declared a shortfall in funding for TOPS, which triggers the procedures to cut TOPS Awards. Dr. Boutté stated that the complication with triggering these procedures at this point in time is that there is a 2010 Attorney General’s opinion that talks about mid-year budget cuts and talks about when a student has a perceived property right to an award. Dr. Boutté stated that the opinion basically states that if a student was a TOPS recipient, and the student was determined continually eligible for the spring, and the student has received a fee bill, and the student has a credit on the fee bill for TOPS, then the student has a perceived property right to that award. Dr. Boutté stated that if LOSFA had been required to implement procedures in the statute, an estimated 10,190 students would have been eliminated from TOPS and those 10,190 students could have a perceived property right to the award. Dr. Boutté further clarified that the Governor’s decision was that the shortfall would not be taken from TOPS, which LOSFA did not know on February 11 when LOSFA informed the schools that payment processing would not take place that night. Dr. Boutté stated the decision to suspend TOPS processing was made for one night because if students had been processed and then cuts to awards would have been made, LOSFA would have had to ask the postsecondary institutions for refunds, and LOSFA did not what to further complicate an already very complicated situation. Dr. Boutté stated that LOSFA learned at approximately 6:30 pm on February 11 where the shortfall would come from, and LOSFA sent out press release the next day stating that the postsecondary institutions would have to cover the shortfall. Dr. Boutté stated that the Governor has the ability to declare that the public institutions would have to cover the 20% and she understands that there is an issue with the LAICU schools whether they choose to honor that or not honor the declaration by the Governor. Dr. Boutté stated that the proprietary and cosmetology students as well as the TOPS Tech Early Start recipients will receive 100% of TOPS funding because the amounts are so small. Dr. Boutté clarified that if the TOPS Tech Early Start recipients are not covered, those students who are enrolled in a Top Demand Occupation course through the program may need those courses to complete graduation requirements. Dr. Boutté stated that if the community and technical college system had to cover the TOPS Tech Early Start students enrolled as well as the TOPS recipients at 20%, they would have had to absorb more than 20%. Dr. Boutté stated that by fully funding the proprietary and cosmetology schools and TOPS Tech Early Start recipients, the remaining funds allowed the other postsecondary and LAICU schools to be 80% funded. Dr. Boutté stated with respect to the proposed cut of $240M, if the TOPS budget is only $60.3M from the tobacco settlement dollars and zero dollars from the state general fund for 2016-2017, the potential impact of this to students has been given to each legislative committee and to each legislator. Dr. Boutté stated that 46,155 students are currently receiving TOPS and if LOSFA receives the proposed level of funding, 37,574 students would be cut, leaving approximately 8,581 students. These students would have an ACT score of 28 and above and some of the students with a score of 28 would be cut based on their Expected Family Contribution (EFC). Dr. Boutté stated those students with an ACT score of 28 and the highest EFC would be part of the cut. Dr. Boutté stated that LOSFA is trying to inform legislators of the potential impact of the proposed potential budget cuts and at the same time trying not to scare students and parents when LOSFA does not have a definitive answer for what will happen in the legislative sessions. Dr. Boutté stated that in every legislative meeting LOSFA has been in, legislators have asked LOSFA not to inflame the public, and the legislators are at the capitol trying to come up with a solution to the budget crisis. Dr. Boutté stated that LOSFA is working with high school students and students who are already receiving TOPS awards by telling them not to panic and give up, keep their grades up, telling high schools students to complete their core, telling college students to continue working toward their hours and telling all students to file your FAFSA or Renewal FAFSA. Dr. Boutté stated that LOSFA is also telling parents and students to remember the P word – proposed - and just because something is proposed and something is potential does not mean something is going to happen, and the session continues, and everyone is working hard toward finding solutions to the budget crisis. Dr. Boutté stated that is the message LOSFA would like to convey because if a student gives up and does not meet the TOPS requirements, the student is not eligible even if funding is available.

Mr. Lawson commended everyone on the work that has been done thus far. Mr. Lawson commented that LOSFA has done a great job of keeping everyone informed and asked that as LOSFA receives information that they keep informing everyone. Mr. Lawson stated that as an insurance agent, his clients are making decisions based on the potential impact to students and families, and that these potential budget cuts have an economic impact in other areas besides just educational impact.

Mr. Guidry asked what the 150% and 200% meant on the graduation rate chart included in the packet. Dr. Boutté stated that six year graduation rates were 150% and eight year graduation rates were 200%. LOSFA asked the Board of Regents (BOR) how they calculate these numbers and the BOR responded that they take all undergraduate level students, including out of state residents, and compare them to graduation rates of TOPS recipients.

Under New Business, 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. Lawson made a motion of approval of requests from Donovan (659820), Jamie (572193), Nicole (618815), Flavor (609728), Haley (612816), Olivia (596676), Devon (656241), Chau (711491), Drew (602252) and Jesse (671741). 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. Mr. Sibille made a motion to reject the staff’s recommendation for denial of Brandon (603248) and to approve the request. Mr. Bradford seconded the motion and it passed unanimously.

There being no further business, Mr. Sibille made a motion to adjourn at 1:10 p.m Mr. Long seconded the motion, which carried unanimously.

APPROVED:

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 Chairman