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BOARD OF REGENTS
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AGENDA
STATEWIDE PROGRAMS COMMITTEE
Wednesday, March 23, 2022
11:25 a.m.

Claiborne Building, 1st Floor
Louisiana Purchase Room
1201 North Third Street
Baton Rouge, Louisiana

- I. Call to Order
- II. Roll Call
- III. Consent Agenda
 - A. Approval of Final Rulemaking – Act 457 of the 2021 Regular Session of the Louisiana Legislature
 - B. TOPS Exceptions
- IV. Consideration of a Definition of Financial Aid for the Purpose of Last-Dollar Award Programs
- V. Adjournment

Committee Members: Randy Ewing, Chair; Charles McDonald, Vice Chair; Stephanie A. Finley, Darren G. Mire, Wilbert D. Pryor, Felix R. Weill, Cameron T. Jackson (*student member*).

Agenda Item III.A.

Consent Agenda: Final Rulemaking

Authorize publication of the final rulemaking to implement Act 457 of the 2021 Regular Session of the Louisiana Legislature.

Background:

At its October 20, 2021 meeting, the Board of Regents authorized publication of a Notice of Intent to effect the below-described rule changes. The Notice of Intent was duly published in the *Louisiana Register* on January 20, 2022.

One comment was received from a member of the LOSFA Advisory Board, and it was addressed. No request for a hearing was received.

This rulemaking implements Act 457 of the 2021 Regular Session of the Louisiana Legislature. It adds Chapter 22, the M.J. Foster Promise Program. More specifically, the rulemaking:

- Provides definitions;
- Establishes responsibilities of the Louisiana Board of Regents, the Louisiana Office of Student Financial Assistance, and eligible colleges; and
- Provides for initial and continuing eligibility for the program.

Act 457 provides that the rulemaking for the M.J. Foster Promise program must be approved by the Joint Legislative Committee on the Budget (JLCB) prior to final rulemaking. The rulemaking was reviewed and approved at the February 17, 2022, meeting of this committee.

LOSFA Advisory Board Recommendation

The LOSFA Advisory Board recommends publication of the final rule.

Agenda Item III.B.

Consent Agenda: TOPS Exceptions

Requests for exception to the TOPS regulatory provisions that require students to remain continuously enrolled and to earn the annual credit hours required during the academic year

Background:

Sections 705.A.6 and 7 of the TOPS administrative rules require TOPS recipients to continue to enroll in the fall and spring semesters of each academic year, to remain enrolled throughout the semester, and to earn the annual credit hours required by the end of the academic year. Section 2103.E authorizes the governing body to grant an exception to these requirements when the student/recipient has exceptional circumstances that are beyond their immediate control and that necessitate full or partial withdrawal from or non-enrollment in an eligible postsecondary institution.

Twelve requests for exception were reviewed and approved by the LOSFA Advisory Board at its meeting of February 10, 2022 and March 10, 2022. The students have presented facts and circumstances that the students believe justify the granting of an exception as an exceptional circumstance.

LOSFA Advisory Board Recommendation

The LOSFA Advisory Board recommends approval of TOPS requests for exception as presented.

Agenda Item IV.

Consideration of a Definition of Financial Aid for the Purpose of Last-Dollar Award Programs

Act 457, which creates the M.J. Foster Promise Program (the “Program”), provides that the award shall be applied only toward tuition and fees. It further provides that the award may only be used “after all other financial aid and awards are applied and only for any remaining balance due for tuition and required fees.” Financial aid is traditionally defined as any financial assistance for which a student qualifies to pay the costs of higher education. This includes institutional aid, grants, scholarships, and student loans. As a result, the workgroup that developed the administrative rules determined that student loans, if accepted, must be applied to pay tuition and fees before a Program award could be provided to students.

On March 8, 2022, we received a letter from the president of the Louisiana Community and Technical College System (LCTCS), Dr. Monty Sullivan, requesting that the Board adopt a definition of financial aid that excludes student loans and work study income for the purpose of the Program. (See Appendix A.)

It should be noted that LOSFA is currently administering another program, the Completers Grant, which provides that funding may only be awarded to tuition and fees after all other financial aid for which the student is eligible has been applied. Loans have been excluded as a resource for this program already.

If the exclusion of student loans and work study is adopted as a policy for the M.J. Foster Promise Program, and since it has already been adopted as a policy for the Completers Grant, it would be logical to apply this policy to all “last dollar” programs administered by the Board. Not only will adopting a definition of financial aid as set forth herein provide a uniform policy for financial aid officers at postsecondary institutions, but it will also assist in prioritizing loan avoidance for our student applicants.

Staff Recommendation

That the Board of Regents approve a definition of financial aid that excludes student loans and work-study for last dollar programs and further seeks a definite statement affirming that this action is in keeping with legislative intent regarding implementation of the M.J. Foster Program (Act 457).

Appendix A

Letter from the Louisiana Community and Technical College System President



LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM

March 8, 2022

Changing Lives, Creating Futures

Monty Sullivan
System President

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Michael J. Murphy
Stanton W. Salathe
Stephen C. Smith
Craig Spohn
Stephen Toups

Student Members:

Josh Couvillion
Hayley Pickron

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Community
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Commissioner of Higher Education
Louisiana Board of Regents
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Commissioner Reed,

I would like to thank you and your team for the incredible work and time Regents has devoted to the M. J. Foster Promise Program. As you know, the team was successful in the Joint Legislative Committee on Budget presenting the administrative rules last month. It is now just a matter of days before we begin receiving applications.

As with any major initiative such as this, we understand there will be a need for a clean-up bill at some point in the next year or so. But given the broad success in establishing the rules as presented to Joint Legislative Committee on Budget, we would propose that we not pursue clean-up legislation until after implementation this summer.

One key issue that requires resolution is the definition of "federal financial aid". Given that the statute outlines the Foster Promise award as "last dollar," a question has been raised as to whether the Louisiana Legislature intended to require students to exhaust all federal loans prior to receiving the award. Clearly the 144 members of the legislature did not mean for students to take out loans prior to being eligible for receiving the M.J. Foster award. As such, in consultation with team members from the Louisiana Office of Student Financial Assistance (LOSFA), Louisiana Board of Regents (BoR), Louisiana Community & Technical College System (LCTCS), and the bill sponsor, Senate President Page Cortez, we propose that the Board of Regents approve a definition of the term "federal financial aid" based upon legislative intent as outlined below.

"For purposes of La RS 17:3047, financial aid or award shall not include (a) federal student loans for which a student is eligible, but which are not accepted by the student, or (b) federal work-study."

If you wish to discuss further, please feel free to reach out to me.

Sincerely,

A handwritten signature in blue ink that reads "Monty Sullivan".

Monty Sullivan