

MINUTES

TENNESSEE STUDENT ASSISTANCE CORPORATION

BOARD OF DIRECTORS MEETING

WEDNESDAY, JUNE 5, 2019

2:00 PM CDT

The special called board meeting was called to order by Chairman Tony Niknejad at 2 pm.

Board members present:

Chairman Tony Niknejad	Keri McInnis
Mike Krause	Martin (by phone)
Claude Pressnell	Cyrus Vatandoost
Kristina Podesta	John Smarrelli (by phone)
Treasurer David Lillard	Tom Hughes (by phone)
Greg Turner	Sharon Hayes (by phone)
Vice Chancellor Randy Schulty	Tiffany Hughes

Board members Absent:

Commissioner Penny Schwinn	Charles Layne
Sabrina Washington	

Motion to adoption of agenda

Chairman Niknejad then asked for a motion to adopt the agenda. Keri McInnis made the motion and Claude Pressnell seconded the motion. A roll call was taken and the motion passed unanimously.

Chairman Tony Niknejad, aye	Keri McInnis, aye
Tiffany Summers, aye	Linda Martin, aye
Claude Pressnell, aye	Cyrus Vatandoost, aye
Kristina Podesta, aye	John Smarrelli, aye
Treasurer David Lillard, aye	Tom Hughes, aye
Greg Turner, aye	Sharon Hayes, aye
Vice Chancellor Randy Schulte, aye	

Approval of minutes

Chairman Nicknejad asked for a motion to approve both the August 17, 2018 and March 11, 2019 board minutes. Claude Pressnell made a motion to approve both minutes and Keri McInnis seconded the motion. A roll call was taken and the motion passed unanimously.

Chairman Tony Nicknejad, aye	Keri McInnis, aye
Tiffany Summers, aye	Linda Martin, aye
Claude Pressnell, aye	Cyrus Vatandoost, aye
Kristina Podesta, aye	John Smarrelli, aye
Treasurer David Lillard, aye	Tom Hughes, aye
Greg Turner, aye	Sharon Hayes-aye
Vice Chancellor Randy Schulte, aye	

Chairman's Report

Chairman Nicknejad introduced himself to the TSAC Board stating he serves as Governor Lee's Policy Director and designee on the TSAC Board and looks forward to serving on the board.

Executive Director's Report

Tony Nicknejad introduced Director Krause for his report. Director Krause thanked Keri McInnis for her time on the board. He also stated that financial aid is heading into a positive direction and is extremely grateful for the Governor's GIVE (Governor's Investment in Vocational Education) Act. He acknowledged the research team at THEC has been compiling data on dual enrollment. A new dual enrollment metric shows that dual enrollment has grown since 2010-11 by 75%. He stated this is the growth we like to see, but there is an opportunity here. He added that dual enrollment students we are seeing are overwhelmingly of high income, high academic achievement and are going to college and that we are very excited about this information and these students. The GIVE Act will allow us to reach the other student that is interested in a technical / vocational career path.

THEC/TSAC will work on ways to implement the GIVE Act, between now and fall of 2020, promulgate rules and make sure colleges are ready, especially community and technical college colleges.

Second, he stated that while not a policy goal of reduced student debt when creating TN Promise, it has absolutely helped reduce student debt. Tennessee is not competing against 49 other states, we are normally competing against 4 or 5 and they are all regional partners. We now have the second lowest debt of the SREB Region for our graduation students and this is tremendous progress for our state.

Finally, Director Krause noted that the national data set is exciting and that Tennessee has now become the 10th lowest debt in the nation, down from 17th in the previous year. He stated that financial aid officers are offering great counseling and also commended TSAC's outreach team.

TASFAA President's Report

Chairman Niknejad introduced Tiffany Summers, TASFAA President 2018-19

Ms. Summers stated that the mission of the Tennessee Association of Student Financial Aid Administrators (TASFAA) is to develop and maintain an organizational structure that promotes professional preparation and growth, collaboration, effectiveness and mutual support of its diverse body of members as they strive to serve the needs of students, families, institutions and other constituencies in providing financial assistance to help meet postsecondary educational expenses.

TASFAA's goals for the 2018-2019 year include:

1. Professional Development by continued training for members through a fall workshop and the 51st annual spring conference.
2. Strengthen the working relationship between TASFAA and THEC/TSAC with the continuation of the TASFAA Advisory Committee to TSAC which was created in 2017-2018. TASFAA acknowledges and appreciates the collaboration between TSAC and TASFAA members that is already taking place.
3. Identify TASFAA members from across the state and its sectors willing to serve on the TASFAA Executive Board as well as committees.
4. Continue TASFAA State Hill Visits: TASFAA had its first State Hill visit in spring of 2017. For our students needs to be heard, it is important that we as financial aid

administrators develop our voice as we advocate for our students not only nationally, but at the state level as well.

She added that with the 2018-2019 TASFAA year coming to a close, TASFAA has met all but one of these goals. TASFAA did not make an official state hill visit during session in 2019. However, with the work of THEC/TSAC, TASFAA was well represented. She thanked THEC/TSAC for supporting the students of Tennessee but also the financial aid profession to make sure their needs are represented across the state.

She mentioned that two professional development sessions are offered to members each year. TASFAA had a successful Fall Training Series with the great sponsorship and partnership with TSAC. She stated TASFAA had over 100 financial aid administrators in attendance across the three regional sites who were able to earn credentials upon attendance at the training. TASFAA also had a highly successful Spring Conference in March, 2019. With over 250 financial aid administrators in attendance, there was a lot of state and federal information presented to the members.

Ms. Summers stated that TASFAA also celebrated and honored several outstanding financial aid administrators at the spring conference, including Sue Pedigo from Volunteer State Community College, Dick Smelser from Pellissippi State Community College, Mary Kidd from Nossi College of Art.

She stated there are plenty more outstanding TASFAA members who serve the students of Tennessee exceptionally well. Celena Tulloss from the University of Tennessee Knoxville is President-Elect of the Southern Association of Financial Aid Administrators. Leah Louallen from TSAC as well as the TASFAA president serve on the SASFAA Executive Board. Marion Dill from Lee University serves on the board of the National Association of Financial Aid Administrators.

DECISION ITEMS

SELECTION OF 2019-20 OFFICERS AND COMMITTEE MEMBERS

Chairman Nicknejad introduced Peter Abernathy to give an update on the selection of the 2019-20 officers and committee members. Mr. Abernathy indicated the current officers and committee members and he recommended passage of the names for the positions. Seeing no questions, a motion was made to approve the officers and committee members which was seconded by Keri McInnis. The motion passed unanimously.

Chairman Niknejad, aye	Keri McInnis, aye
Tiffany Summers, aye	Linda Martin , aye
Claude Pressnell , aye	Cyrus Vatandoost, aye

Kristina Podesta, aye	John Smarrelli, aye
Treasurer David Lillard, aye	Tom Hughes, aye
Greg Turner , aye	Sharon Hayes , aye
Vice Chancellor Randy Schulte, aye	

CHANGES TO TENNESSEE PROMISE PARTNERING ORGANIZATION ASSIGNMENTS

Chairman Niknejad introduced Peter Abernathy to discuss changes to Tennessee Promise Partnering Organization Assignments. Mr. Abernathy stated board approval is required any time any county assignments with a partnering organization shifts. He indicated that REDI has backed out of the program. He added that REDI served five counties and TSAC spoke with the other partnering organizations and collectively, tnAchieves and the Ayers Foundation decided that tnAchieves would take over the five counties. The counties will begin with tnAchieves in the new academic year and recommended board approval for the county assignment. With no questions, a motion was made and seconded and the motion passed unanimously.

Chairman Niknejad, aye	Keri McInnis, aye
Tiffany Summers, aye	Linda Martin , aye
Claude Pressnell , aye	Cyrus Vatandoost, aye
Kristina Podesta, aye	John Smarrelli, aye
Treasurer David Lillard, aye	Tom Hughes, aye
Greg Turner, aye	Sharon Hayes , aye
Vice Chancellor Randy Schulte, aye	

OPEN RECORDS RULES

Chairman Niknejad introduced Peter Abernathy to discuss the open records rules. Mr. Abernathy stated in 2016, the Tennessee General Assembly required all state agencies to adopt a policy regarding public records. TSAC had done this in 2011 and the board approved an amendment in 2017 which closely mirrored the Comptroller’s model policy. In 2018, legislation was passed to require all state agencies to promulgate rules for public records. The rules were developed in concert with THEC. TSAC held a public hearing which gave notice of the hearing in 2018. There were no attendees at the hearing nor were any comments submitted for the rules. Mr. Abernathy recommended adopting the rules as access to public records. Greg Turner made the motion to adopt the rules and Keri McInnis seconded the motion. The motion passed unanimously.

Chairman Niknejad, aye	Keri McInnis, aye
------------------------	-------------------

Tiffany Summers, aye	Linda Martin , aye
Claude Pressnell , aye	Cyrus Vatandoost, aye
Kristina Podesta, aye	John Smarrelli, aye
Treasurer David Lillard, aye	Tom Hughes, aye
Greg Turner, aye	Sharon Hayes , aye
Vice Chancellor Randy Shulty, aye	

DISCUSSION ITEMS

TENNESSEE PROMISE SCHOLARSHIP UPATE

Chairman Niknejad introduced James Snider to provide a Tennessee Promise Scholarship Update. Mr. Snider provided an update on the Tennessee Promise applications, FAFSA completion and the increased numbers for each year. He stated that applications were above 64,000 for the fifth year and FAFSA completion has increased. Additionally, Mr. Snider emphasized that enrollment numbers have increased but the average award per student has decreased due to a larger percentage of zero award students.

Director Krause made a point of order that Tennessee is the number one FAFSA state in the nation and recognized Diane Lejeune and her team adding that she and her team are doing 400 FAFSA nights per month during the height of FAFSA season.

Mr. Snider provided further information on prior and current academic year for entering freshmen for the program citing the consistency of numbers and costs. He provided further student characteristics of applicants versus students enrolled. Ms. McInnis asked questions about first generation and graduates. Mr. Snider responded that another year will be needed for graduation figures.

Mr. Krause indicated that TN Promise has doubled the graduation rate of community college rates within two years. He also stressed the overall retention rate of 51% in contrast with a traditional retention rate of 20%-30% for community college students.

Dr. Pressnell asked if we are looking at enrolled data for African-American students and where are we losing the students. Mr. Snider responded that those are some of the data points we will be reviewing. Ms. McInnis asked how the students are dispersed throughout the state (by county) and Mr. Snider stated he will create a county chart.

Mr. Snider gave current numbers on the TN Promise waterfall. He stated that about 7,000 students kept the TN Promise option open but chose to go another route. Dr. Schulte

asked if we track the 7,000 students. Mr. Snider responded that THEC will track those students and gave the various options the students take.

Finally, he gave information on the College Coaching Initiative which provides funding to two partnering organizations, tnAchieves and the Ayers Foundation, and is designed to target the most at-risk students with additional wrap-around support. It is intended to increase enrollment and persistence and leading to success. Director Krause added that TCATs are great at doing this. He added the coaches help first-generation, low-income students navigate the logistics of college and both partnering organizations know their students.

Dr. Schulte stated that one of the radical changes TN Promise has evoked is that 50% of enrollment used to take place in the last four weeks before the first day of class. There was no way to get to know the students and they were left on their own. Now, the colleges are meeting and greeting students. The opportunity to make contact with these students has been highly enhanced and contributes to the persistence rate for the program.

TENNESSEE RECONNECT GRANT UPDATE

Chairman Niknejad recognized James Snider and Mary Laphen to provide an update for the Tennessee Reconnect Grant.

Mr. Snider stated that Tennessee Reconnect saw 41,600 applications. He specified that of those applicants 17,273 enrolled. The program has had 350 students who have completed a degree between the fall and spring semesters. He highlighted the 73% fall to spring retention rate meaning the student was paid in the fall and spring semesters. Current expenditures for the program are \$25.3 million and the average award amount is \$1,465. 40% of the applicants had a 0 EFC and 35% received a \$0 TN Reconnect Award. He stated that zero EFC students likely have a SAP issue and TN Reconnect has been awarded in its place and given the intent of the program, SAP was not included as a requirement.

Director Krause pointed out a \$1.5 million ad campaign contributed to an increase in expenditures. He stated that if expenditures continue on the current path then SAP may be a requirement that needs to be instituted. Staff will report back to the TSAC Board in late October when most of the fall expenditures are disbursed.

Ms. McInnis asked where the increased funding came from. Director Krause stated that the program is funded by lottery dollars after all other lottery programs are paid. He added that larger TN Reconnect expenditures lead to less transfer of funds to TN Promise.

Treasurer Lillard stated that the longer-term health of TN Promise is the focus and how to continue moving forward.

Ms. Laphen provided information regarding the 41,587 applicants, the average age of applicants was 34. This majority of these applicants are working and 50% of the applicants earn an annual income of less than \$25,000. 86% of the applicants plan to work while enrolled and 56% have children. The enrollment status of the applicants was pretty evenly split with 35% having no college experience, 34% attended college in the past and 27% are currently enrolled. The 86% means about 14,000 Tennesseans in the program have never been to college and have taken the first step. 56% have children and necessitate support needs and a new program called Navigate Reconnect will help these students and will begin on July 1st.

The TN Reconnect Community Network, which is a grant-based model that provides communities with funds to provide local institution-neutral, wrap-around support to local Reconnectors will be centralized to THEC under the name of Navigate Reconnect. Navigate Reconnect will be housed at THEC, but will have remote employees across 4 Reconnect Regions who will continue to provide high-touch, wrap-around college navigation services to Reconnectors. This change was made to best meet the needs of Tennessee's Reconnectors with capacity and sustainability in mind.

TENNESSEE STUDENT ASSISTANCE AWARD UPDATE

Chairman Niknejad introduced Mr. Tim Phelps for an update on the Tennessee Student Assistance Award.

Mr. Phelps stated the total available funding for TSAA for the current year is \$100.6 million and expenditures as of last week were just under \$85 million to about 51,000 students. He added that the total estimate to be transferred will be about \$15.5 million which will bring the reserve back over \$16 million.

Mr. Phelps added that looking forward for the 2019-20 academic year, TSAA will include \$5 million from the reserve and the Governor's budget included an additional \$12.3 million bringing the total available amount to just under \$118 million. If staff spends the \$5 million then the reserve balance will be around \$11 million which is in keeping with the range established by the board at the prior meeting.

Mr. Phelps added that with the additional funding, TSAC has awarded beyond the February 1 deadline to eligible students who have successfully completed the FAFSA through May 1 and will evaluate funding each month and award additional funds as needed.

Dr. Pressnell asked if only zero EFC students were being awarded and if the 2100 EFC cutoff was being used. Mr. Phelps stated that there is still plenty of money to award everyone and the 2100 EFC is being used. Dr. Pressnell asked if the program was fully funded and Mr. Phelps responded that we will be in the neighborhood and that staff thinks awarding will continue through next year into early 2020. Mr. Phelps added that it remains to be seen if the program is fully funded and awarding is done on a month-by-month basis. Dr. Pressnell added that this is a great position to be in and that unfunded eligible students were around 20,000 at the last meeting and added that 2100 EFC is still a very low EFC and possibly increase the EFC.

Mr. Phelps stated that an EFC increase is one of the options along with increased award amounts that staff has considered. He also indicated that the award amounts were flattened in 2009 and it has been about 10 years when those were changed.

Director Krause thanked Governor Lee for the investment and will report back to the board and that TSAC is in a posture where it can reach most students. Chairman Niknejad asked if applications are holding steady and Mr. Phelps responded that it has been steady. Dr. Pressnell added that with the FAFSA rate as high as it is there was an uptick in FAFSA completion with the HOPE Scholarship and TN Promise has penetrated the low income family group. Director Krause added that with 80% FAFSA rate we are penetrating most families and we will determine how to best modify the program with higher award amounts or a higher EFC. He added that staff will model those proposals and provide feedback to the board.

LEGISLATIVE UPDATE

Chairman Niknejad introduced Mr. Abernathy for the legislative update.

Mr. Abernathy provided a brief update on the bills citing Public Chapter 385 which brought William R. Moore College of Technology into the Tennessee Promise Scholarship.

He added that Public Chapter 203 created the GIVE Act and the program provides an award of maintenance fees for a student taking high demand courses through the Dual Enrollment Grant. The high demand courses will be determined by TSAC in consultation with THEC and will look at various reports.

Dr. Schulte asked if the fees would be for community colleges and TCAT and Mr. Abernathy responded that it would. Dr. Schulte also asked if the programs would be universal across the state. Director Krause stated TSAC will rely heavily on CBER (Center for Business and Economic Research) for those programs and followed up stating that another question that

has been received is would general education courses be considered high need. Director Krause stated that if the general education course is in the high need program then it would. Mr. Abernathy stated the program is scheduled to begin in 2020-21.

Next, Mr. Abernathy stated Public Chapter 469 raised the Middle College Scholarship award from \$600 to \$1,000. He added that Public Chapter 482 raised the maximum number of dual enrollment awards from eight to ten.

Finally, he stated Public Chapter 507 authorizes online sports betting and the fiscal note estimated that it will provide \$8 million of revenue to Tennessee Promise in year one. There would also be \$20 million to TELS which increased to \$40 million in year two. He stated that contrary testimony provided by opposing groups specified that other states that have passed similar laws had high revenue estimates that came in much lower than anticipated and we are in a wait and see status.

OTHER BUSINESS

Chairman Niknejad asked for any other business. A motion to adjourn was made and seconded. Seeing no further business, the board meeting was adjourned.