



## *State of New Jersey*

NEW JERSEY HIGHER EDUCATION

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### **Minutes of Educational Opportunity Fund Board of Directors Meeting April 22, 2016**

The New Jersey Educational Opportunity Fund Board of Directors meeting was convened on April 22, 2016 at the Office of the Secretary of Higher Education (OSHE), Mary Roebing Building, second floor, Trenton, N.J.

**Welcome and Call to Order/Open Public Meetings Statement** – Dr. Nannette Wright welcomed all of the Board members and campus program staff in attendance. She called the meeting to order at 10:00 a.m., noting for the record that the date, time and location were provided to the Office of the Secretary of State and published on the Office of the Secretary of Higher Education’s website.

Board members were reminded that if there is a need to recuse themselves on any agenda item to do so before discussion of the item began.

**Board members present** - The following Board members were in attendance: Dr. Nannette Wright, Ms. Elizabeth Garlatti (representing the Secretary of Higher Education), Ms. Ivette Santiago-Green, Mr. Franklin Moore, and Ms. Lisa Pantel. The Board members participating by conference call were Mr. Anthony Falcone, Mr. Nacovin Norman, and Mr. Bader Qarmout. Board members absent: Ms. Saara Marte. Also present in the audience were several EOF campus program directors and staff.

#### **ACTION ITEMS**

**Minutes of March 11, 2016 EOF Board Meeting** - Mr. Falcone offered a motion to approve the minutes of the March 11, 2016 meeting. The motion was seconded by Ms. Garlatti and approved. Mr. Moore abstained from voting because he was not at the March 11, 2016, meeting.

**Resolution 10:16 Approval of Preliminary Fiscal Year 2017 Allocations - Article III and Article IV Summer Program, Article III Academic Year Undergraduate and Graduate Grants, and Article IV Academic Year Program Support**-Dr. Wright introduced Resolution 10:16 which outlined the EOF Central Office staff’s recommendations for the allocation of the Governor’s FY 2017 budget recommendation to the campus EOF programs. These allocations are considered preliminary and she expressed her hope that when the final FY 2017



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appropriations act is signed by the Governor in late June that it will include additional resources for the EOF program.

A motion to approve Resolution 10:16 which was offered by Ms. Garlatti and seconded by Ms. Pantel.

Ms. Bennerson was asked to provide the Board with an outline of the funding recommendations and further details on Resolution 10:16.

Ms. Bennerson reviewed the Governor's FY 2017 budget recommendation for Board members, sharing that the recommendation appeared to be based on what the Governor's original budget recommendation for EOF was for FY 2016, before increases in Article III and Article IV were added through the legislative budget deliberations. The FY17 preliminary budget recommendation, if unchanged, translates to a \$2.7 million decrease in EOF funding from the final FY16 appropriation and will return EOF to its FY 2014 appropriation level of \$26 million dollars for Article III and \$12.8 million for Article IV.

The EOF Central Office staff reviewed all available resources. Board members were informed that funding for the summer program spans two fiscal years, so the resources to fund the 2016 summer program can be derived from both FY 2016 and FY 2017. The total operating budget that will fund the proposed preliminary funding recommendations to the campus programs include the FY 17 Governor's recommended budget plus FY 2016 reserves comprised of Article III funds set aside from the FY 2016 final appropriation increase to originally front-fund the enrollment of renewal students in the 2016 summer program, academic year Article III balances after the close of the spring 2016 semester student grant payments and any prior year Article III and Article IV refunds that the program is permitted to maintain and reallocate.

She shared with Board members that the preliminary allocation recommendations for FY 2017 are a mixture of good news and bad news. Starting with the bad news, 2015-2016 undergraduate enrollment did not increase. Last academic year, undergraduate EOF enrollment totaled 13,136 students and current year (2015-2016) undergraduate enrollment as of this date is 13,130 and is expected to decline once campus programs use this final opportunity to remove students from their rosters who are not currently enrolled for the spring 2016 semester. Additionally, the Board was informed at their last meeting that the enrollment of EOF graduates students increased by 20 students for the 2015-2016 academic year. However, after all reconciliation rosters were processed, staff found that graduate student enrollment actually decreased by 20 students. The decrease in academic year undergraduate and graduate enrollments results in additional Article III grant funds that can be applied to fund the 2016 summer program, which is the good news.



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Board members were asked to refer to page 16 of their Board materials which summarized the FY 2017 projected resources and preliminary funding allocations. Ms. Bennerson pointed out that \$1.8 million from prior year refunds and balances was added to the Governor's recommended appropriation of \$26 million and these two figures combined provide the program with an FY 2017 operating budget of \$ 27.8 million dollars in Article III funds. The recommended preliminary Article III summer program allocations totaled \$10.2 million, with 1.8 million coming from FY 2016 prior year refunds and balances and the remainder from the FY 2017 appropriation. The FY 2017 2016 summer program allocations to campus programs represent a 6% increase in funding over last year (2015 summer program). The staff is also recommending the Board's approval of academic year undergraduate Article III preliminary allocations totaling \$16.4 million to provide funding for 13,130 students. Graduate Article III preliminary allocations are recommended at \$792,700 based on providing 239 graduate students with the maximum academic year Article III grant.

The Governor's recommended FY 2017 Article IV appropriation of \$12.8 million dollars returns the Educational Opportunity Fund to FY 2014 funding level. It is a \$1.008 million decrease in funding from FY16. The preliminary academic year Article IV program support funding recommendation to the campus programs is \$12.74 million and the remaining \$61,128 is set aside for central initiatives which are statewide student and professional staff development activities that take place during the academic year. These initiatives are normally presented to the Board in October and include the Graduates Achievement Award ceremony as well as other activities.

Ms. Bennerson expressed that she is hopeful that all of the amazing advocacy efforts conducted by the EOF Professional Association, EOF students, alumni, campus program staff, as well as the EOF Board will result in restoration of EOF funding for Article IV, as well as Article III. If the advocacy efforts are successful, the EOF Central Office staff anticipates that the Governor will sign the FY 2017 appropriations act during the last week of June and this will result in another EOF Board meeting in late July to revise the EOF preliminary funding allocations to campus programs.

Board members inquired about the amount of Article III funds placed in reserved to respond to students who go into hold status and whether the Central Office had sufficient resources for academic year 2015-2016 to pay all of the students who were in hold.

Ms. Bennerson assured Board members that the recommendation to reserve \$329,549 to respond to enrollment fluctuations during the upcoming 2016-2017 academic year was sufficient and



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closely aligns with the 2015-2016 Article III resources of \$360,000 that were used to remove student in hold status. She also informed Board members that if Article III funding is restored in the FY 2017 appropriations act it will not be possible to allocate those additional Article III resources to the 2016 summer programs which have already begun; resulting in more Article III funds being available to respond to enrollment fluctuations.

Ms. Santiago-Green inquired about whether the academic year Article IV funding recommendation placed a strain on programs' delivery of counseling, tutoring and other academic support services. Ms. Bennerson replied that traditionally increases in Article IV program support funds are difficult to secure. The program was fortunate to receive academic year Article IV funding increases in FYs 2015 and 2016, but a significant spike in enrollment will severely strain Article IV program services and result in significantly increased counseling caseloads and a decrease in the amount of tutoring hours.

Mr. Nashon Hornsby, a faculty member with the Seton Hall Law School's Pre-Legal summer program inquired about what would happen for next year's summer program (2017) if the funding is not restored. Ms. Bennerson's response was that campus programs would receive an allocation based on available resources and would most likely enroll a significantly smaller freshmen class.

Ms. Santiago-Green requested additional clarification on how the EOF Central Office uses the current year refunds and balances to support the program, since all current fiscal year funds that are not used revert back to the State treasury. Ms. Bennerson explained that the language in the appropriations act permits the EOF program to apply any prior year balances and refunds received during the current fiscal year to pay expenditures incurred during that fiscal year. The staff closely monitors all refunds received during the course of the fiscal year and applies those funds to support the EOF summer program, since many of the summer programs begin before the fiscal year concludes (June 30<sup>th</sup>). She indicated that the \$1.8 million dollars currently in FY 16 prior year refunds and balances will continue to increase and the funds from the FY17 recommended appropriation that have been set aside to fund the EOF summer program (\$8.4 million) will decrease. The program has for the past 20 years returned zero dollars to the State treasury at the conclusion of the fiscal year and fully anticipates that the same will be true for the FY16.

Mr. Qarmout inquired if the 6% increase in summer program funding was across the board or did the staff consult with each program to determine if they really required that percentage increase. Ms. Bennerson responded that the 6% increase in summer program funding was given to all programs because every programs has experienced inflationary increases. Summer program



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costs include tuition, fees, books, educational materials and supplies, and the costs of housing for those campuses that operate residential summer programs. All of these expenses increase annually and the first increase in summer program funding that the campus EOF programs experienced in the last 8 years was for the 2015 summer program which was only 1.25%. Prior to the 2015 summer program increase, campus programs have had to reduce the number of students served, reduce the number of weeks that their program operates and/or significantly change how the program was structured. Additionally it is rare for campus programs not to spend their entire summer program allocation. When under- expenditures occur in the summer program it is normally because a student did not complete the entire program. Campus programs could actually use more than a 6% increase in summer program allocations, but the resources are not available.

Dr. Wright called for a vote on Resolution 10:16 which was unanimously approved.

### **Resolution 11:16 Adoption of EOF Board Meeting Dates for FY 2017**

Dr. Wright introduced Resolution 11:16 by informing the Board that the EOF Central Office staff normally schedules EOF Board meetings a year in advance so that Board members can plan accordingly and the meeting dates can be shared with the general public. She noted that a meeting date for May 6, 2016 is included in the schedule as a conference call and requested further information regarding the purpose for this meeting.

Ms. Bennerson explained that the May 6, 2016 conference call meeting is scheduled so the Board can consider the EOF Central Office staff recommendation to approve for noticing the proposed re-adoption of the EOF regulations with amendments in the *New Jersey Register* for a 60-day public comment period. The regulations that currently govern the operation of the statewide EOF program will expire on May 13, 2016. A new process was implemented that requires all regulatory changes to be reviewed by the Governor's Policy Office before submitting the same to the Office of Administrative Law for publication in the *New Jersey Register*. The proposed amendments to the EOF regulations are currently being reviewed by the Governor's Policy office which will complete that process by May 1, 2016.

Ms. Pantel made a motion to approve Resolution 11:16 which was seconded by Mr. Moore and unanimously approved.

### **Information Items**



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**Major Changes to the Free Application for Federal Student Aid (FAFSA)** - Dr. Carter shared two major financial aid changes with the Board. First, the date for students to file their 2017-2018 FAFSA will change. Previously students had the ability to file their FAFSA beginning January 1st for the upcoming academic year. Now students will be able to submit their application as early as October 1st. This allows students to file for financial aid earlier and comes with the provision that students may use prior-prior year income tax information, which is the second change.

Currently students use their previous (prior) year income tax information to complete the FAFSA. With the use of prior-prior year income tax information, the hope is that because students and their parents will be working from a tax return that has already been completed and filed with the IRS, it will reduce the number of student who were previously unable to complete their FAFSA before making a decision regarding college attendance. Additionally Dr. Carter stated that institutions will be able to develop financial aid packages for students earlier. Campus EOF programs that traditionally waited until the end of January when students' parents would minimally have their wage and tax statements for the previous tax year, will be able to begin their student recruitment, outreach, and make admissions decisions in the fall because students' income eligibility information will be available after completing the FAFSA using prior-prior year income tax information. Dr. Carter also indicated that institutions may use exceptions to prior-prior year and use a family's prior year income tax information to determine eligibility for financial aid if unusual family circumstances arise. The key is that prior-prior will allow EOF programs to recruit students much earlier.

This information was shared with the EOF Board members now because the use of prior-prior year income to complete the 2017-2018 FAFSA (and subsequent years) will require a change in the State deadline dates for students to receive aid. The EOF Central Office has been in discussions with HESAA regarding the change in the deadline dates for submission of the FAFSA and it's generally understood that there will be a learning curve for current and future students, institutions and the high school guidance community. It is hoped that the information that will be disseminated will help individuals understand how prior-prior year will work to their advantage.

Dr. Wright asked how these changes will be communicated to the public. Dr. Carter replied that the conversation regarding prior-prior year began at the EOF PANJ spring conference with the EOF professional staff at their open membership meeting. EOF and HESAA are using every opportunity available to inform our constituency about prior-prior year. Dr. Carter also expressed that he is more concerned about students modifying their behavior and understanding that there is a new deadline. Students generally tend to wait until the deadline to act. Because the



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deadline is earlier and students have already filed their income tax information it's hoped that the number of students who traditionally file at the last minute will decrease.

Dr. Wright encouraged EOF program staff that have developed creative solutions to getting students and their families to file their FAFSA early to share those best practices with the larger EOF community.

Ms. Bennerson related that the HESAA Board met on Tuesday and a resolution to change the State financial aid deadline dates was approved. The new deadline dates are earlier and this has created some angst in some higher education sectors. She indicated that a similar resolution will be presented to the EOF Board at the meeting scheduled for July 29, 2016.

Mr. Falcone shared that at the HESAA meeting this past Tuesday a healthy and vigorous discussion of the new deadline dates occurred --it was not taken lightly. He expressed his belief that all of the schools will make the effort to communicate the changes to their students. The new deadline date actually provides students with more time to file their FAFSA. The community colleges expressed some apprehension but overall appear to be on board and the change will truly benefit students..

Ms. Santiago-Greene indicated that in addition to changing student behavior this deadline will also require a need to educate parents, as this change will impact students who are currently juniors in high school. She emphasized that it is important for higher education to provide guidance to the parents, particularly for families considering a community college. Ms. Bennerson responded that the HESAA staff does an excellent job of marketing financial aid availability and how to file for financial aid annually and plan to increase those efforts, as well as launch a major marketing campaign around prior-prior. Additionally, HESAA staff conducts training sessions for high school guidance counselors across the State during the fall semester and attend parent financial aid information sessions offered by high schools. HESAA also has a very robust website that provides extensive information on how to apply for financial aid. She also added that part of the reason HESAA asked the Board to consider the change in the deadline date this early is because they plan to launch a statewide public information campaign this fall.

### **EOF Chairperson's Report**

Dr. Wright turned the floor over to Ms. Pantel who shared with Board members that she had attended the annual EOF Graduate Achievement Award Ceremony in early April. She found the ceremony incredibly moving and noted that the number of students recognized grew to 1,000 this year. She expressed her hope that more Board members will be able to attend in the future.



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Ms. Pantel also informed Board members that higher education services met with the Senate budget committee regarding the proposed FY 2017 higher education budget and a number of specific questions were asked about the impact of the budget cuts on the EOF program, in particular by Senator Sandra Cunningham. The nature of the questions was indicative of the advocacy campaigns mounted by the members of the EOF Professional Association, EOF students and EOF alumni. Secretary Hendricks and Ms. Garlatti, OSHE Chief of Staff, were forthright and succinct in their response to the questions. A letter writing campaign was conducted on behalf of the Board. All of the members of the Senate budget and higher education committees as well as all members of the Assembly higher education and budget and appropriations committees received letters spelling out what the decrease in funding means to the EOF program and the students it serves, as well as emphasizing that funding to the program needs to not only be restored but increased. The Assembly Budget and Appropriations Committee will be meeting with the higher education services on May 4, 2016.

She also shared an editorial from the April 11, 2016 Star Ledger's "Ask the Governors" column which asks former NJ Governors Byrne and Kean questions about state affairs. One of the questions asked was "The Governor's budget proposes cuts to the Educational Opportunity Fund program. Would that be shortsighted?" Governor Kean's response was "Yes, this cut denies opportunities for young people. If this is allowed to stand we should be ashamed of ourselves. Nothing in this budget is more important". Ms. Pantel thanked the Star Ledger as well as former Governor Kean.

Dr. Wright on behalf of the Board members thanked Ms. Pantel for all of her advocacy efforts.

### **EOF Statewide Director's Report**

Ms. Bennerson echoed Ms. Pantel's remarks regarding the EOF Graduate Achievement Ceremony. The event was held at Monmouth University whose EOF and Events Planning staff were gracious hosts. The statewide community hopes to be able to return to Monmouth for next year's ceremony.

With regard to advocacy efforts, Ms. Bennerson informed Board members that the legislative budget hearings are recorded and can be accessed from the State of New Jersey's website by clicking on the Legislature tab. Board members who are not able to attend the hearing on May 4, 2016 can listen to the proceeding. Ms. Pantel indicated that you do not have to listen to the hearing as it is recorded, it is stored and available on the website.





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Ms. Bennerson also shared that the EOF Counselor Training Institute is scheduled for June 7-9, 2016 at Rider University. This event is planned by the EOF counselors and their theme this year is “What’s in Your Toolbox?”

### **Remarks Comments from EOFPANJ**

Mr. Delgado was not able to attend the meeting but provide the Board members with written remarks which are attached as an addendum to these minutes.

**Date of next meeting:** The date of the next meeting is May 6, 2016 at 10:00 am and is scheduled as a conference call to consider the approval of the proposed readoption of the EOF program regulations with amendments.

**Adjournment:** A motion for adjournment was offered and unanimously approved. The meeting was adjourned at 11:00 a.m.



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