

TEXAS HIGHER EDUCATION COORDINATING BOARD

**COMMITTEE ON AFFORDABILITY, ACCOUNTABILITY
AND PLANNING**

1200 EAST ANDERSON LANE, ROOM 1.170
AUSTIN, TEXAS
June 19, 2019
9 a.m.

CHAIR
S. Javaid Anwar

VICE CHAIR
Welcome Wilson, Jr.

Ricky A. Raven
Donna N. Williams
Stuart W. Stedman
Lauren C. McKenzie
Student Representative, Ex-Officio

AGENDA

PUBLIC TESTIMONY: The presiding chair shall designate whether public testimony will be taken at the beginning of the meeting, at the time the related item is taken up by the Board after staff has presented the item, or any other time as determined by the presiding chair. For procedures on testifying, please go to <http://www.thecb.state.tx.us/public-testimony>.

- I. Welcome and Committee Chair's meeting overview
- II. Consideration of approval of the minutes from the March 20, 2019, meeting of the Committee on Affordability, Accountability and Planning
- III. Consideration of approval of the Consent Calendar
- IV. Public Testimony on Agenda Items Relating to the Committee on Affordability, Accountability and Planning
- V. Matters relating to the Committee on Affordability, Accountability and Planning
 - A. Consideration of adopting the Commissioner's recommendation to the Committee relating to approval of the *60x30TX* progress report
 - B. Consideration of adopting the Commissioner's recommendation to the Committee relating to approval of the nominated members of the Formula Funding Advisory Committee for the 2022-2023 biennium
 - C. Report on facilities projects that were submitted to the Coordinating Board
 - D. Overview of Outcomes of the 86th Texas Legislative Session
 - E. Consideration of adopting the staff recommendation to the Committee relating to the report on the TEXAS Grant Program
 - F. Proposed Rules:
 - (1) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 1, Subchapter J, Section 1.152 of Board rules, concerning the Financial Aid Advisory Committee

Committee on Affordability, Accountability and Planning

- (2) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 21, Subchapter Z, Sections 21.789, 21.790, and 21.792 of Board rules, concerning the Exemption for Firefighters Enrolled in Fire Science Courses
- (3) Consideration of adopting the Commissioner's recommendation to the Committee relating to repeal of Chapter 22, Subchapter A, Section 22.8 of Board rules, concerning General Provisions
- (4) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed repeal of Chapter 22, Subchapter H, Sections 22.142 and 22.148 and amendment to Sections 22.143 and 22.144 of Board rules, concerning the License Plate Insignia Scholarship Program
- (5) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed new Chapter 22, Subchapter I, Section 22.174 of Board rules, concerning the Texas Armed Services Scholarship Program
- (6) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter G, Sections 22.128 - 22.136 of Board rules, concerning the Texas College Work-Study Program

VI. Adjournment

NOTE: The Board will not consider or act upon any item before the Committee on Affordability, Accountability and Planning at this meeting. This meeting is not a regular meeting of the full Board. Because the Board members who attend the committee meeting may create a quorum of the full Board, the meeting of the Committee on Affordability, Accountability and Planning is also being posted as a meeting of the full Board.

Texas Penal Code Section 46.035(c) states: "A license holder commits an offense if the license holder intentionally, knowingly, or recklessly carries a handgun under the authority of Subchapter H, Chapter 411, Government Code, regardless of whether the handgun is concealed or carried in a shoulder or belt holster, in the room or rooms where a meeting of a governmental entity is held and if the meeting is an open meeting subject to Chapter 551, Government Code, and the entity provided notice as required by that chapter." Thus, no person can carry a handgun and enter the room or rooms where a meeting of the THECB is held if the meeting is an open meeting subject to Chapter 551, Government Code.

***Please Note** that this governmental meeting is, in the opinion of counsel representing THECB, an open meeting subject to Chapter 551, Government Code and THECB is providing notice of this meeting as required by Chapter 551. In addition, **please note** that the written communication required by Texas Penal Code Sections 30.06 and 30.07, prohibiting both concealed and open carry of handguns by Government Code Chapter 411 licensees, will be posted at the entrances to this governmental meeting.*

Committee on Affordability, Accountability and Planning

AGENDA ITEM I

Welcome and Committee Chair's meeting overview

Mr. S. Javaid Anwar, Chair of the Committee on Affordability, Accountability and Planning, will provide the Committee an overview of the items on the agenda.

Committee on Affordability, Accountability and Planning

AGENDA ITEM II

Consideration of approval of the minutes from the March 20, 2019, meeting of the Committee on Affordability, Accountability and Planning

RECOMMENDATION: Approval

TEXAS HIGHER EDUCATION COORDINATING BOARD

MINUTES

Committee on Affordability, Accountability and Planning

1200 East Anderson Lane, Room 1.170

Austin, Texas

March 20, 2019, 9:00 a.m.

DRAFT Minutes

The Texas Higher Education Coordinating Board *Committee on Affordability, Accountability and Planning* convened at 9:00 a.m. on March 20, 2019, with the following members present: S. Javaid Anwar, Chair, presiding; Donna N. Williams; Welcome Wilson Jr.; Stuart W. Stedman; and Michelle Q. Tran, Student Representative, Ex-Officio. Arcilia C. Acosta, Vice Chair, and Michael J. Plank were not in attendance.

The meeting is available at the following link: <http://www.thecb.state.tx.us/apps/Events/>

AGENDA ITEM	ACTION
I. Welcome and Committee Chair's meeting overview	<p>Mr. S. Javaid Anwar called the meeting to order and advised the meeting was being broadcast over the internet.</p> <p>Mr. Anwar announced that Ms. Arcilia Acosta and Mr. Michael Plank resigned from the Board and thanked them for their service. He then turned the meeting over to Board Chair Stuart W. Stedman who announced the appointment of Mr. Welcome Wilson Jr. as Vice Chair and Mr. Ricky A. Raven as a member of the Committee on Affordability, Accountability and Planning (CAAP). To address quorum issues with a reduction in board members, Mr. Stedman also removed himself as an Ex-Officio member and appointed himself as a voting member of CAAP, the Committee on Academic and Workforce Success (CAWS), and the Agency Operations Committee (AOC).</p>
II. Consideration of approval of the minutes from the December 12, 2018, Committee meeting	<p>On motion by Mr. Welcome Wilson Jr., seconded by Mr. Ricky A. Raven, the Committee approved this item.</p>

<p>III. Consideration of approval of the Consent Calendar</p>	<p>Mr. Anwar stated the following items were on the Consent Calendar for consideration:</p> <p>Agenda Items V-H and V-H (1).</p> <p>On motion by Mr. Welcome Wilson Jr., seconded by Mr. Stuart W. Stedman, the Committee approved the Consent Calendar.</p>
<p>IV. Public Testimony on Agenda Items Relating to the Committee on Affordability, Accountability and Planning</p>	<p>Mr. S. Javaid Anwar stated there was no public testimony.</p>
<p>V. Matters relating to the Committee on Affordability, Accountability and Planning</p> <p>A. Data Highlight: Efficiencies in Student Pathways to Completion</p> <p>B. Report on new data submission practices and outcomes</p> <p>C. Consideration of adopting the Commissioner’s recommendation to the Committee relating to the annual report about the financial condition of the state’s community college districts (<i>S.B. 1, 85th Texas Legislature, Regular Session, Rider 12, III-217</i>)</p> <p>D. Consideration of adopting the Commissioner’s recommendation to the Committee relating to the certification of gifts that are fundable through the Texas Research Incentive Programs (TRIP) for the Emerging Research Universities</p> <p>E. Update on Texas Regional Alignment Network (TX RAN) activities</p>	<p>Dr. David W. Gardner, Deputy Commissioner for Academic Planning and Policy and Chief Academic Officer, provided a presentation and was available for questions.</p> <p>No action required on this item.</p> <p>Dr. David W. Gardner, Deputy Commissioner for Academic Planning and Policy and Chief Academic Officer, provided a brief presentation and was available for questions.</p> <p>No action required on this item.</p> <p>Mr. Tom Keaton, Director of Funding and Resource Planning, provided a brief presentation and was available for questions.</p> <p>On motion by Mr. Welcome Wilson Jr., seconded by Ms. Donna N. Williams, the Committee approved this item.</p> <p>Mr. David Young, Senior Director of Funding, Strategic Planning and Funding, provided a brief presentation and was available for questions.</p> <p>On motion by Mr. Stuart W. Stedman, seconded by Mr. Ricky A. Raven, the Committee approved this item.</p> <p>Dr. Melissa Humphries, Senior Research Specialist, Strategic Planning and Funding, provided a brief presentation and was available for questions.</p> <p>No action required on this item.</p>

<p>F. Report on facilities projects that were submitted to the Coordinating Board</p> <p>G. Update on the Board’s legislative and budget recommendations to the 86th Texas Legislature</p> <p>H. Consideration of adopting the staff’s recommendation to the Committee for approval of the nominated member of the Financial Aid Advisory Committee</p> <p>I. Proposed Rules</p> <p>V-I (1) Consideration of adopting the Commissioner’s recommendation to the Committee relating to proposed amendments to Chapter 23, Subchapter D, Sections 23.94-23.98 of Board rules, concerning the Loan Repayment Program for Mental Health Professionals.</p>	<p>Mr. Tom Keaton, Director of Funding and Resource Planning, was available for questions.</p> <p>No action required on this item.</p> <p>Ms. Linda Battles, Deputy Commissioner for Agency Operations and Communications/COO, provided an update on the Board’s budget priorities, and Mr. John Wyatt, Director for External Relations, provided an update on the Board’s legislative recommendations and other pertinent legislation. Both were available for questions.</p> <p>No action required on this item.</p> <p>This item was on the Consent Calendar.</p> <p>This item was on the Consent Calendar.</p>
<p>VII. Adjournment</p>	<p>On motion by Mr. Welcome Wilson Jr., seconded by Mr. Stuart W. Stedman, the Committee approved this item.</p> <p>The meeting adjourned at 10:48 a.m.</p>

Committee on Affordability, Accountability and Planning

AGENDA ITEM III

Consideration of approval of the Consent Calendar

RECOMMENDATION: Approval

Background Information:

In order to save institutions time and travel costs to attend the Committee on Affordability, Accountability and Planning meetings in Austin, the Committee has a Consent Calendar for items that are noncontroversial. Any item can be removed from the Consent Calendar by a Committee member.

Consent Calendar

V. Matters relating to the Committee on Affordability, Accountability and Planning

B. Consideration of adopting the Commissioner's recommendation to the Committee relating to approval of the nominated members of the Formula Funding Advisory Committee for the 2022-2023 biennium

F. Proposed Rules:

- (1) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 1, Subchapter J, Section 1.152 of Board rules, concerning the Financial Aid Advisory Committee
- (2) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 21, Subchapter Z, Sections 21.789, 21.790, and 21.792 of Board rules, concerning the Exemption for Firefighters Enrolled in Fire Science Courses
- (3) Consideration of adopting the Commissioner's recommendation to the Committee relating to repeal of Chapter 22, Subchapter A, Section 22.8 of Board rules, concerning General Provisions
- (4) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed repeal of Chapter 22, Subchapter H, Sections 22.142 and 22.148 and amendment to Sections 22.143 and 22.144 of Board rules, concerning the License Plate Insignia Scholarship Program
- (5) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed new Chapter 22, Subchapter I, Section 22.174 of Board rules, concerning the Texas Armed Services Scholarship Program
- (6) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter G, Sections 22.128 - 22.136 of Board rules, concerning the Texas College Work-Study Program

Committee on Affordability, Accountability and Planning

AGENDA ITEM IV

Public Testimony on Agenda Items Relating to the Committee on Affordability, Accountability and Planning

RECOMMENDATION: No action required

Background Information:

PUBLIC TESTIMONY: The presiding chair shall designate whether public testimony will be taken at the beginning of the meeting, at the time the related item is taken up by the Board after staff has presented the item, or at any other time as determined by the presiding chair.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-A

Consideration of adopting the Commissioner's recommendation to the Committee relating to approval of the 60x30TX progress report

RECOMMENDATION: Approval

Background Information:

Biennially, as required by Texas Education Code, Section 61.051 (a-3), the Texas Higher Education Coordinating Board must prepare a report that assesses the state's progress in meeting the goals established in the state's long-range master plan, *60x30TX*. The report must recommend legislative action, including statutory or funding changes, to assist the state in meeting plan goals and is required to include updates on implementation strategies provided for in the long-range master plan under Subsection (a-1). To monitor progress toward the goals and keep a timely focus on areas that may need additional attention, the agency prepares the progress report on an annual basis for presentation to the Board at its summer meeting.

The fourth progress report on *60x30TX* includes progress to date on the goals and targets in the plan since the 2015 baseline year, with emphasis on changes observed in the most recent year. It also provides information about recent activities to promote the plan and progress toward implementing statewide and regional strategies to help achieve the goals and targets outlined in the plan.

Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding, will present an overview of the report and will be available to answer questions. Dr. Rex Peebles, Assistant Commissioner for Academic Quality and Workforce, and Mr. Jerel Booker, Assistant Commissioner for College Readiness and Success, will also be available to answer questions.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-B

Consideration of adopting the Commissioner's recommendation to the Committee relating to approval of the nominated members of the Formula Funding Advisory Committees for the 2022-2023 biennium

RECOMMENDATION: Approval

Background Information:

Texas Education Code, Section 61.059(b) requires the Texas Higher Education Coordinating Board to "devise, establish, and periodically review and revise formulas for the use of the governor and the Legislative Budget Board in making appropriations recommendations to the legislature for all institutions of higher education, including the funding of postsecondary vocational-technical programs. As a specific element of the periodic review, the board shall study and recommend changes in the funding formulas based on the role and mission statements of institutions of higher education. In carrying out its duties under this section, the board shall employ an ongoing process of committee review and expert testimony and analysis."

To assist in this process, there are three advisory committees established each summer of odd-numbered years to prepare recommendations to the Board. Texas Education Code, Section 61.059(b-1) requires: 1) the commissioner of higher education to solicit recommendations for the committee's membership from the chancellor of each university system and from the president of each institution of higher education that is not a component of a university system; and 2) the Board to appoint representatives of a cross-section of institutions representing each of the institutional groupings under the Board's accountability system.

The proposed list of committee members is provided.

Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding, will be available to answer questions.

Texas Education Code, Section 61.059(b) requires the Coordinating Board to “devise, establish, and periodically review and revise formulas for the use of the governor and the Legislative Budget Board in making appropriations recommendations to the legislature for all institutions of higher education, including the funding of postsecondary vocational-technical programs.”

To assist in this process, there are three advisory committees established each summer of odd-numbered years to prepare recommendations to the Board. On April 26, 2019, a request for nominations was sent to all Chancellors and Presidents of the public higher education institutions as required by Texas Education Code, Section 61.059(b-1). Nominations have been received and will be presented to the Board to appoint representatives of a cross-section of institutions representing each of the institutional groupings under the Board’s accountability system. Nominees are appointed for a three biennium term. The nominees appointed this year will serve until the recommendations of the 2026-2027 biennium are presented to the Board in April, 2024. If an appointee leaves the institution or requests to be removed from the committee, a replacement will be nominated to serve the remaining term.

Community and Technical College Formula Advisory Committee

Two nominees recommended for appointment to the advisory committee with term ending in 2024 are: Dr. Brent Wallace, Chancellor/CEO of North Central Texas College; and Ms. Mary Elizondo, Vice President for Finance and Administrative Services, South Texas College.

Name/Title	Institution	Accountability Group	Term Ends
Continuing Members			
Ms. Mary Wickland, Vice President for Finance	Lamar State College-Port Arthur and Lamar State College-Orange	Lamar & TSTC	2020
Mr. Michael Reeser, Chancellor	Texas State Technical College System	Lamar & TSTC	2020
Dr. Pamela Anglin, President	Paris Junior College	Medium	2020
Dr. Jeremy McMillen, President	Grayson College	Medium	2020
Dr. Phil Rhodes, Vice President – Research, Effectiveness, and Information Technology	McLennan Community College	Medium	2020
Mr. Patrick Lee, Department Chair and Professor of Mathematics	Alamo Colleges District	Very Large	2022
Mr. Richard Cervantes, Vice President for Business and Finance	Blinn College District	Large	2022
Mr. Jim Yeonopolus, Chancellor	Central Texas College	Large	2022
Dr. Robert Riza, President	Clarendon College	Small	2022
Dr. Cesar Maldonado, Chancellor	Houston Community College	Very Large	2022
Ms. Teri Crawford, Vice Chancellor of Public Relations, Marketing, and Governmental Affairs	San Jacinto Community College District	Very Large	2022

General Academic Instructors Formula Advisory Committee

One nominee recommended for reappointment to the advisory committee with term ending in 2024 is Ms. Susan Brown, The University of Texas Rio Grande Valley, Assistant Vice President for Strategic Analysis and Institutional Reporting.

One nominee recommended for appointment to the advisory committee with term ending in 2022 is Ms. Veronica Mendez, Vice President for Business Affairs, The University of Texas at San Antonio.

Four nominees recommended for appointment to the advisory committee with term ending in 2024 are: Dr. Juan Munoz, President, University of Houston-Downtown; Mr. Jason Tomlinson, Vice President for Finance and Administration and CFO, Texas Woman’s University; Dr. Robert Kinucan, Associate Provost for Graduate Studies and Research, and Professor of Natural Resource Management, Sul Ross State University; and Mr. Daniel Harper, Vice Chancellor and CFO, Texas State University System.

Name/ Title	Institution	Accountability Group	Term
Continuing Members			
Dr. Harrison Keller, Deputy to the President for Strategy and Policy	The University of Texas at Austin	Research	2020
Dr. James Marquart, Provost and Vice President Academic Affairs	Lamar University	Comprehensive	2020
Dr. Karen Murray, Executive Vice President of Academic Affairs and Provost	Tarleton State University	Comprehensive	2020
Ms. Noel Sloan, Chief Financial Officer and Vice President of Administration and Finance	Texas Tech University	Emerging Research	2020
Ms. Angie W. Wright, Vice President for Finance and Administration	Angelo State University	Master’s	2020
Dr. Jerry Strawser, Executive Vice President of Finance and Administration and CFO	Texas A&M University	Research	2020
Mr. John Davidson, Associate Vice President – Budget, Planning and Analysis	The University of Texas at Arlington	Emerging Research	2022
Mr. Bob Brown, Senior Vice President for Finance and Administration	University of North Texas	Emerging Research	2022
Dr. Danny Gallant, Vice President for Finance and Administration	Stephen F. Austin State University	Comprehensive	2022

Health Related Institution Formula Advisory Committee

The following individuals are recommended for the formula advisory committee. The Health-Related Institutions have nominated them to serve for this biennium.

Name/Title	Institution
Ms. Penny Harkey, Vice President and Chief Financial Officer	Texas Tech University Health Sciences Center
Ms. Lauren Sheer, Assistant Vice President for Legislative Affairs	The University of Texas Medical Branch at Galveston
Mr. Kevin Dillon, Senior Executive Vice President for Business Affairs and Chief Operating and Financial Officer	The University of Texas Health Science Center at Houston
Mr. Ben Melson, Senior Vice President and Chief Financial Officer	The University of Texas M.D. Anderson Cancer Center
Ms. Ginny Gomez-Leon, Associate Vice President, Planning and Budgeting	The University of Texas Health Science Center at San Antonio
Mr. Joseph Woelkers, Executive Vice President and Chief Operating Officer	The University of Texas Health Science Center at Tyler
Mr. Jeff Burton, Associate Vice President and Chief Financial Officer	Texas A&M University System Health Science Center
Ms. Angelica Marin-Hill, Vice President for Government Affairs	The University of Texas Southwestern Medical Center
Mr. Gregory Anderson, Executive Vice President for Finance	University of North Texas Health Science Center
Dr. Richard Lange, President	Texas Tech University Health Sciences Center-El Paso
Mr. Rick Anderson, Executive Vice President for Finance and Administration	The University of Texas Rio Grande Valley School of Medicine
Mr. Dwain Morris, Chief Administrative Officer	The University of Texas at Austin Dell Medical School
Dr. Paula Short, Senior Vice Chancellor	University of Houston System

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-C

Report on facilities projects that were submitted to the Coordinating Board

RECOMMENDATION: No action required

Background Information:

Senate Bill 215, 83rd Texas Legislature, Regular Session, shifted the authority to approve capital projects from the Texas Higher Education Coordinating Board (THECB) to the Boards of Regents. However, it requires that institutions continue to report projects to the Board and that THECB staff continue to review facilities projects. Additional information is provided for projects that do not meet one or more standards. The Board must submit a report to the governor, lieutenant governor, speaker of the house, and Legislative Budget Board on all projects that do not meet standards.

Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding, will be available to answer questions.

Reviewed Projects

Institution Project Name	Project Cost	Standard Met Yes/No			
		Space Usage	Space Need	Cost	Building Efficiency
The University of Texas Southwestern Medical Center <i>Construct North Campus Phase VI Brain Institute and Cancer Center</i>	\$453,757,000	NA ¹	Yes	No	No ²
The University of Texas at Austin <i>Construct Applied Research Laboratories New Office Building</i>	\$40,400,000	Yes	Yes	Yes	No ³
Texas A&M University <i>Construct Student Services Building</i>	\$40,141,969	Yes	Yes	Yes	Yes
Prairie View A&M University (TRB) <i>Construct Capital Improvements</i>	\$22,232,000	Yes	Yes	No	No ⁴
University of North Texas <i>Renovate 1500 I-35</i>	\$18,750,000	Yes	Yes	No ⁵	Yes

1 Space Usage Efficiency (SUE) is not calculated for health-related institutions.

2 Once the institution completes the 241,928 square feet of shelled space this project will meet the building efficiency standard of 50 percent.

3 Once the institution completes the 31,364 square feet of shelled space this project will meet the building efficiency standard of 65 percent.

4 The new construction portion of this project is associated with the addition of an elevator, restrooms and showers which is non-assignable space and is not included in the calculation for building efficiency.

5 The project renovation cost does not meet the cost standard due to the razing of the entire interior down to the structure, but would be well within the new construction cost of \$392 per foot. This property purchase occurred on June 25, 2015, and all appraisals are within one year of contracted date.

Project Type	Space Usage	Space Need	Cost	Building Efficiency
New Construction and Addition	Space Usage Efficiency (SUE) score of: <ul style="list-style-type: none"> • 75 points in the classroom score for classroom type facilities • 75 points in the class laboratory score for lab type facilities • 150 points overall for all others 	Does not create nor add to a surplus as predicted in the space projection model	Does not exceed the annually published cost standard	The ratio of net assignable square feet (NASF) to gross square feet (GSF) shall not exceed: <ul style="list-style-type: none"> • Classroom and general – 0.60 • Office – 0.65 • Clinical, diagnostic support labs, and technical research – 0.50 For parking structures: <ul style="list-style-type: none"> • Automobile – 400 SF per space • Boathouses – 500 SF per space • Airplanes – 3,000 SF per space
Repair and Renovation (including repairs and renovations as part of a real property purchase)	Not applicable	Does not create nor add to a surplus as predicted in the space projection model	Does not exceed the annually published cost standard	Does not reduce existing ratio of NASF to GSF more than ten percent
Real Property Purchases	Not applicable	Does not create nor add to a surplus as predicted in the space projection model	Should not exceed the higher of two appraisals. If the cost exceeds this amount, institution must demonstrate the need to purchase at the higher price	Not applicable

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-D

Overview of Outcomes of the 86th Texas Legislative Session

RECOMMENDATION: No action required

Background Information:

The 86th Texas Legislature concluded their regular session on May 27, 2019. Several bills relating to the Texas Higher Education Coordinating Board's policy and funding recommendations were adopted by the Legislature, as well as other legislation that will impact the agency and the state's progress on *60x30TX*.

Mr. John Wyatt, Director for External Relations, will provide a presentation and be available to answer questions.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-E

Consideration of adopting the staff recommendation to the Committee relating to the report on the TEXAS Grant Program

RECOMMENDATION: Approval

Background Information:

The Texas Legislature established the Toward Excellence, Access, and Success (TEXAS) Grant Program in 1999 (Texas Education Code, Section 56.301) to provide assistance to academically prepared high school graduates with financial need to pursue higher education.

Texas Education Code, Section 56.311(c-1) requires the Texas Higher Education Coordinating Board to provide by September 1 of each year a report regarding the operation of the TEXAS Grant Program to the governor, lieutenant governor, and speaker of the House of Representatives. The report provides the following statutorily required information from the three preceding state fiscal years:

- Allocations of TEXAS Grants by eligible institution, disaggregated by initial and subsequent awards.
- The number of TEXAS Grants awarded to students, disaggregated by race, ethnicity, and expected family contribution.
- Disaggregated by race, ethnicity, and expected family contribution, and reported both on a statewide basis, and for each eligible institution, the number of TEXAS Grants awarded to students who meet:
 - only the eligibility criteria described by Section 56.304 (relating to Basic Eligibility requirements); or
 - the eligibility criteria described by Section 56.3041(2)(A) (relating to Priority Model requirements).
- The persistence, retention, and graduation rates of students receiving TEXAS Grants.

The report will be provided under separate cover.

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Services, will present the report and will be available to answer questions.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-F (1)

Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 1, Subchapter J, Section 1.152 of Board rules, concerning the Financial Aid Advisory Committee

RECOMMENDATION: Approval

Background Information:

In accordance with Texas Education Code, Section 61.026 and Texas Government Code, Section 2110.0012, the Financial Aid Advisory Committee was created to provide the Board with advice and recommendations regarding the development, implementation, and evaluation of state financial aid programs for college students. Pursuant to these statutes, all committees must have an automatic abolishment date which is no later than four years from the committee's creation/reauthorization date.

Specifically, the proposed amendment to Section 1.152 of Board rules extends the previous abolishment date of October 31, 2017, to October 31, 2021. This new abolishment date was approved by the Coordinating Board on July 27, 2017.

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, will be available to answer questions.

Date Approved by the Commissioner for Publication in the *Texas Register*: April 12, 2019.

Date Published in the *Texas Register*: April 26, 2019.

The 30-day comment period with the *Texas Register* ends on: May 26, 2019.

No comments were received regarding this rule.

AGENDA ITEM V-F (1)

CHAPTER 1. AGENCY ADMINISTRATION

SUBCHAPTER J. FINANCIAL AID ADVISORY COMMITTEE

Section

- 1.149. Authority and Specific Purposes of the Financial Aid Advisory Committee
- 1.150. Definitions
- 1.151. Committee Membership and Officers
- 1.152. Duration
- 1.153. Meetings
- 1.154. Tasks Assigned the Committee
- 1.155. Report to the Board; Evaluation of Committee Costs and Effectiveness

1.149 – 1.151. No Changes

1.152. Duration

The committee shall be abolished no later than October 31, 2021~~[October 31, 2017]~~, in accordance with Texas Government Code, Chapter 2110. It may be reestablished by the Board.

1.153 – 1.155. No Changes

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-F (2)

Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 21, Subchapter Z, Sections 21.789, 21.790, and 21.792 of Board rules, concerning the Exemption for Firefighters Enrolled in Fire Science Courses

RECOMMENDATION: Approval

Background Information:

The proposed amendments to Board rules correct rules referenced within the text of the Texas Administrative Code, which had not been updated when this subchapter was moved from Chapter 22 to Chapter 21.

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, will be available to answer questions.

Date Approved by the Commissioner for Publication in the *Texas Register*: April 12, 2019.

Date Published in the *Texas Register*: April 26, 2019.

The 30-day comment period with the *Texas Register* ends on: May 26, 2019.

No comments were received regarding this rule.

CHAPTER 21. STUDENT FINANCIAL AID PROGRAMS

SUBCHAPTER Z. EXEMPTION FOR FIREFIGHTERS ENROLLED IN FIRE SCIENCE COURSES

Section

21.786	Authority and Purpose
21.787	Definitions
21.788	Tuition and Laboratory Fee Exemption
21.789	Eligible Firefighters
21.790	Excess Hours
21.791	Degree and Certificate Programs and Courses Eligible for the Exemption
21.792	Hardship Provisions

21.786-21.788 No Changes.

21.789 Eligible Firefighters

(a) To receive an initial exemption under this program:

(1) A paid firefighter must be employed by a political subdivision of the State of Texas.

(2) A volunteer firefighter must:

(A) currently, and for at least the past year, be an active member of an organized volunteer fire department in this state participating in the Texas Emergency Services Retirement System or a retirement system established under the Texas Local Fire Fighters Retirement Act (Article 6243e, Vernon's Texas Civil Statutes); and

(B) hold one of the following credentials:

(i) an Accredited Advanced level of certification, or an equivalent successor certification, under the State Firemen's and Fire Marshals' Association of Texas volunteer certification program; or

(ii) Phase V (Firefighter II) certification, or an equivalent successor certification, under the Texas Commission on Fire Protection's voluntary certification program under Texas Government Code, §419.071.

(3) Otherwise eligible paid or volunteer firefighters, unless attending a public community college (for which tuition is local revenue), must provide the institution proof that they meet Selective Service registration requirements or are exempt.

(b) To receive an exemption in a subsequent semester the student must be in compliance with the institution's financial aid satisfactory academic progress requirements. If receiving a continuation award in fall 2014 or later, a student may be allowed to receive an award while holding a grade point average lower than the institution's financial aid academic

progress requirements if he or she is granted an exception by the institution under §21.792 [22.524] of this title (relating to Hardship Provisions).

21.790 Excess Hours

(a) An exemption under this subchapter does not apply to any amount of additional tuition the institution elects to charge a resident undergraduate student due to excess undergraduate hours as specified in Texas Education Code, §54.014(a) or (f).

(b) An exemption under this subchapter does not apply to any amount of additional tuition the institution charges a graduate student because the student has a number of semester credit hours of doctoral work in excess of the applicable number provided by Texas Education Code, §61.059(1) or (2).

(c) Unless granted a hardship exception under §21.792 [22.524] of this title (relating to Hardship Provisions) an undergraduate student applying for a continuation exemption in fall 2014 or later and who has completed as of the beginning of the semester or term a number of semester credit hours that is considered to be excessive under Texas Education Code, §54.014, may not receive the exemption under this subchapter.

21.791 No Change.

21.792 Hardship Provisions

a) Each institution of higher education is required to adopt a policy to allow a student who fails to maintain a grade point average as required by §21.789 [22.521] of this subchapter (relating to Eligible Firefighters) to receive an exemption in another semester or term on a showing of hardship or other good cause, including:

(1) a showing of a severe illness or other debilitating condition that could affect the student's academic performance;

(2) an indication that the student is responsible for the care of a sick, injured, or needy person and that the student's provision of care could affect the student's academic performance;

(3) the student's active duty or other service in the United States armed forces or the student's active duty in the Texas National Guard; or

(4) any other cause considered acceptable by the institution.

(b) An institution may, on a showing of good cause, permit an undergraduate continuation award applicant to receive an exemption or waiver although he or she has completed a number of semester credit hours that is considered excessive under Texas Education Code, §54.014.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-F (3)

Consideration of adopting the Commissioner's recommendation to the Committee relating to repeal of Chapter 22, Subchapter A, Section 22.8 of Board rules, concerning General Provisions

RECOMMENDATION: Approval

Background Information:

The proposed repeal of Section 22.8 of Board rules, Fund Requirements for Student Loan Bonds Interest Sinking Fund, removes duplicated and unnecessary rules in the Texas Administrative Code. The requirements outlined in statute and the individual bond resolutions are self-enacting.

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, will be available to answer questions.

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No comments were received regarding this rule.

AGENDA ITEM V-F (3)

CHAPTER 22 STUDENT FINANCIAL AID PROGRAMS

SUBCHAPTER A GENERAL PROVISIONS

Section

- 22.1. Definitions
- 22.2. Timely Distribution of Funds
- 22.3. Student Compliance with Selective Service Registration
- 22.4. Records Retention
- 22.5. Exclusion of Certain Resources in Determining Need for State Aid
- 22.6. Priority Deadline for Applying for State Aid
- 22.7. Dissemination of Information and Rules
- ~~22.8. Fund Requirements for Student Loan Bonds Interest and Sinking Fund]~~

22.1 – 22.7. No Changes

~~22.8. Fund Requirements for Student Loan Bonds Interest and Sinking Fund~~

~~(a) — There shall be deposited into the interest and sinking fund the following:~~

~~—(1) Money received in each Fiscal Year as repayment of student loans granted under the General Provisions of the Student Financial Assistance Act of 1975. The accumulated amount for all outstanding bonds at each fiscal year end shall be sufficient to pay the interest on and principal due in the ensuing fiscal year.~~

~~—(2) Money transferred by the Board from the Student Loan Auxiliary Fund to the extent permitted by law, including Subchapter F of the General Provisions of the Student Financial Assistance Act of 1975, the Interest and Sinking Fund in the event funds on deposit in the Interest and Sinking Fund are insufficient to pay principal of and interest on any of previously issued bonds and additional bonds; and to the extent permitted by law, including Subchapter F of the General Provisions of the Student Financial Assistance Act of 1975, to transfer to other funds and accounts established by the Board to comply with covenants related to maintaining the tax-exempt status of the bonds.~~

~~(3) Accrued interest earned by the interest and sinking account, if any.~~

~~(4) In the event funds on deposit in the Interest and Sinking Fund are insufficient to pay principal of and interest on any of all outstanding bonds at year end, money required by the Constitutional Provision and the General Provisions of the Student Financial Assistance Act of 1975 is to be transferred into the Interest and Sinking Fund by the Comptroller out of first moneys coming into the State Treasury in each Fiscal Year not otherwise appropriated by the State Constitution.~~

~~(b) — The board may transfer funds, in excess of the ensuing fiscal year requirement above, to the Texas Opportunity Plan Fund or the Student Loan Auxiliary Fund at the beginning of each ensuing fiscal year.]~~

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-F (4)

Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed repeal of Chapter 22, Subchapter H, Sections 22.142 and 22.148 and amendment to Sections 22.143 and 22.144 of Board rules, concerning the License Plate Insignia Scholarship Program

RECOMMENDATION: Approval

Background Information:

The proposed repeal of Section 22.142 of Board rules repeals definitions that either are not used in the subchapter or are already defined in Subchapter A, Section 22.1. The amendment to Section 22.143(c)(3) is proposed to incorporate uniform reporting language into the rule, thereby eliminating references to specific reports. The Section 22.144 is proposed to remove language pertaining to the exclusion of public community colleges from the Selective Service requirements. The amendment to Section 22.148 concerning the dissemination of information and rules is currently under the authority of the Texas Department of Motor Vehicles Board, and therefore, proposed for repeal in Texas Administrative Code, Chapter 22, Subchapter H.

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, will be available to answer questions.

Date Approved by the Commissioner for Publication in the Texas Register: April 12, 2019.

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The 30-day comment period with the Texas Register ends on: May 26, 2019.

No comments were received regarding this rule.

CHAPTER 22 STUDENT FINANCIAL AID PROGRAMS

SUBCHAPTER H PROVISIONS FOR THE LICENSE PLATE INSIGNIA SCHOLARSHIP PROGRAM

Section

22.141	Authority and Purpose
22.142	Definitions
22.143	Institutions
22.144	Eligible Students
22.145	Award Amounts and Uses
22.146	Allocations and Reallocations
22.147	Disbursements
22.148	Dissemination of Information and Rules

22.141. Authority and Purpose.

(a) Authority. Authority for this subchapter is provided in the Texas Transportation Code regarding Collegiate License Plates. These rules establish procedures to administer the subchapter as prescribed in the Texas Transportation Code, §504.615, generally known as the License Plate Insignia Scholarship Program.

(b) Purpose. The purpose of the License Plate Insignia Scholarship Program is to provide financial assistance to needy students attending eligible public or independent colleges or universities in Texas.

~~22.142. Definitions.~~

~~The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:~~

~~(1) Board—The Texas Higher Education Coordinating Board.~~

~~(2) Cost of Attendance—A Board approved estimate of the expenses incurred by a typical financial aid recipient in attending a particular college or university. It includes direct educational costs (tuition, fees, books and supplies) as well as indirect costs (room and board, transportation, and personal expenses).~~

~~(3) Department—Texas Department of Transportation.~~

~~(4) Expected Family Contribution—The amount of discretionary income that should be available to a student from his or her resources and that of his or her family, as determined following the federal methodology.~~

~~(5) Financial need—The cost of attendance at a particular public or private institution of higher education less the expected family contribution and any gift aid for which the student is entitled. The cost of education and family contribution figures are to be determined in accordance with Board guidelines. Federal and state veterans'~~

~~educational and special combat pay benefits are not to be considered in determining a student's financial need.]~~

22.143. Institutions.

(a) Eligibility.

(1) Any college or university defined as a public, private or independent institution of higher education by Texas Education Code, §61.003, is eligible to participate in the License Plate Insignia Scholarship Program.

(2) No institution may, on the grounds of race, color, national origin, gender, religion, age, or disability exclude an individual from participation in, or deny the benefits of the program described in this subchapter.

(3) Each participating institution must follow the Civil Rights Act of 1964, Title VI (Public Law 88-353) in avoiding discrimination in admissions.

(b) Approval. Each approved institution must enter into an agreement with the Board, the terms of which shall be prescribed by the Commissioner.

(c) Responsibilities.

(1) Probation Notice. If the institution is placed on public probation by its accrediting agency, it must immediately advise grant recipients of this condition and maintain evidence in each student's file to demonstrate that the student was so informed.

(2) Disbursements to Students.

(A) Documentation. The institution must maintain records to prove the receipt of program funds by the student or the crediting of such funds to the student's school account.

(B) Procedures in Case of Illegal Disbursements. If the Commissioner has reason for concern that an institution has disbursed funds for unauthorized purposes, the Board will notify the institution and offer an opportunity for a hearing pursuant to the procedures outlined in Chapter 1 of this title (relating to Agency Administration). Thereafter, if the Board determines that funds have been improperly disbursed, the institution shall become primarily responsible for restoring the funds to the Board. No further disbursements of grants or scholarships shall be permitted to students at that institution until the funds have been repaid.

(3) Reporting Requirements/Deadlines. All institutions must meet Board reporting requirements in accordance with stated deadlines in the Board's published materials. ~~[a timely fashion. Such reporting requirements shall include the Financial Aid Database Report as well as progress and year-end reports of program activities.]~~

(4) In addition, the institution must meet the Department of Transportation's requirements for designing and issuing license plates bearing the institution's insignia.

22.144. Eligible Students.

In order to qualify for an award through this program a student must demonstrate financial need and [~~unless attending a public community college (for which tuition is local revenue),~~] provide the institution proof that the student meets Selective Service registration requirements or is exempt.

22.145. Award Amounts and Uses.

(a) Funding. No awards may be made by an institution in excess of the amount of money on balance at the State Comptroller's Office for that institution, generated through the sale of special license plates bearing the institution's insignia.

(1) The License Plate Insignia Scholarship Program is funded through funds paid to the department for the purchase of automobile license plates bearing the insignia of Texas colleges and universities. The amount of money available for scholarships to students at each institution will depend on the number of license plates purchased with that school's insignia.

(2) Funds for license plates bearing the insignia of public senior colleges and universities will be held on deposit by the State Comptroller's Office, for the institutions to draw down as needed. Funds for license plates bearing the insignia of other public, private and independent institutions will be deposited in the State Treasury to the credit of the Board, which in turn will allocate the funds to the relevant institutions.

(b) Award Amount. No award received through this program may exceed a student's financial need.

(c) Uses. Institutions may only use funds generated through the sale of license plates under Texas Transportation Code, §504.615, to issue scholarships to students with financial need or to issue need-based grants through the Texas Public Educational Grant Program, authorized in Texas Education Code, §§56.031 - 56.039.

(d) Over Awards. If, at a time after an award has been offered by the institution and accepted by the student, the student receives assistance that was not taken into account in the student's estimate of financial need, so that the resulting sum of assistance exceeds the student's financial need, the institution is not required to adjust the award under this program unless the sum of the excess resources is greater than \$300.

22.146. Allocations and Reallocations.

Each institution will have at its disposal the portion of funds generated through the sale of its own license plates in accordance with Texas Transportation Code, §504.615.

22.147. Disbursements.

Awards are to be made to eligible students at each institution in accordance with this section.

(1) For public senior colleges and universities. The department deposits funds from purchased license plates directly into the institution's account at the State Comptroller's Office. Therefore, public senior colleges and universities may draw from those funds as appropriate to make awards to eligible students.

(2) For other institutions. Funds will be made available to the institution through the Board. At least once per year the Board will send the institution the amount of License Plate Insignia Scholarship funds generated through the sale of license plates and deposited by the department in the State Comptroller's Office for that institution. An institution that accumulates a balance of funds exceeding \$500 may request and receive up to three supplemental disbursements in a given year.

~~[22.148. — Dissemination of Information and Rules.~~

~~The Board is responsible for publishing and disseminating general information and program rules for the program described in this subchapter.]~~

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-F (5)

Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed new Chapter 22, Subchapter I, Section 22.174 of Board rules, concerning the Texas Armed Services Scholarship Program

RECOMMENDATION: Approval

Background Information:

The proposed new Section 22.174 of Board rules concerning Hardship Provisions clarifies the Coordinating Board's ability to provide an extension for filing the required demonstration of a commitment to service in situations where hardship or other matters support the extension.

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, will be available to answer questions.

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No comments were received regarding this rule.

CHAPTER 22 STUDENT FINANCIAL AID PROGRAMS

SUBCHAPTER I. TEXAS ARMED SERVICES SCHOLARSHIP PROGRAM

Section

- 22.163. Authority and Purpose
- 22.164. Definitions
- 22.165. Award Amount
- 22.166. Requirements for Appointment by Elected Officials
- 22.167. Initial Award Eligibility and Agreement Requirements
- 22.168. Promissory Note
- 22.169. Eligibility for Continued Awards
- 22.170. Conversion of the Scholarship to a Loan
- 22.171. Repayment of Loans
- 22.172. Enforcement of Collection
- 22.173. Exemption and Cancellation
- 22.174. Hardship Provisions

22.174. Hardship Provisions

(a) In the event of a hardship or for other good cause, Board staff may allow an otherwise eligible person who is awarded a scholarship to maintain eligibility for forgiveness in situations where the verification requirements of §22.167(3)(C) of this title (relating to Initial Award Eligibility and Agreement Requirements) are not completed within six months after graduation. Such conditions are not limited to, but include:

- (1) a showing of a severe illness or other debilitating condition that may affect the scholarship recipient's timely completion of the verification requirements; or
- (2) a natural disaster or other event of similar magnitude that may affect the scholarship recipient's or military personnel's timely completion of the verification requirements.

(b) The hardship provisions outlined in this rule allow for an extension of the six-month provision for submitting the required verification. The hardship provisions in this rule do not allow for alteration of the required service commitment in the Texas Army National Guard, Texas Air National Guard, Texas State Guard, United States Coast Guard, or United States Merchant Marine, or any branch of the armed services of the United States.

(c) The scholarship recipient must provide acceptable documentation of the circumstances supporting the request for the extension, which shall be maintained in agency records for monitoring of the person's period of eligibility.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-F (6)

Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter G, Sections 22.128 - 22.136 of Board rules, concerning the Texas College Work-Study Program

RECOMMENDATION: Approval

Background Information:

The proposed amendment to Section 22.128 of Board rules repeals definitions that are either not used in the subchapter or are already defined in Subchapter A, Section 22.1. The proposed amendment to Section 22.129(a)(1) eliminates language that is addressed in Chapter 4, Subchapter J, and the proposed amendment to Section 22.129(a)(3) aligns the rule with Texas Education Code (TEC), Section 56.077(b). The proposed amendment to Section 22.129(c)(3) incorporates uniform reporting language into the rule. Section 22.134 is proposed for repeal because it is redundant with Section 22.7. Section 22.135 is renumbered accordingly. Section 22.136 is proposed for repeal because the statute itself is self-enacting and a rule is unnecessary. Throughout Subchapter G, language is proposed for amendment to align with the definitions formatted in Section 22.128.

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, will be available to answer questions.

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No comments were received regarding this rule.

CHAPTER 22 STUDENT FINANCIAL AID PROGRAMS

SUBCHAPTER G TEXAS COLLEGE WORK-STUDY PROGRAM

Rules

- 22.127. Authority and Purpose
- 22.128. Definitions
- 22.129. Institutions
- 22.130. Eligible Student Employees
- 22.131. Eligible Employers
- 22.132. Award Amounts and Uses
- 22.133 Allocation and Disbursement of Funds
- ~~[22.134. Dissemination of Information and Rules]~~
- 22.135. Authority to Transfer Funds
- ~~[22.136. Biennial Report and Data Collection]~~

22.127. No Change

22.128. Definitions

In addition to the words and terms defined in Texas Administrative Code, §22.1 the ~~[The]~~ following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

~~[(1) Board--The Texas Higher Education Coordinating Board.]~~

~~[(2) Commissioner--The Commissioner of Higher Education, the Chief Executive Officer of the Board.]~~

~~[(3) Cost of attendance--A Board-approved estimate of the expenses incurred by a typical financial aid student in attending a particular college or university. It includes direct educational costs (tuition, fees, books, and supplies) as well as indirect costs (room and board, transportation, and personal expenses).]~~

(1) ~~[(4)]~~ Encumbered funds--Program funds that have been offered to a specific student, which offer the student has accepted, and which may or may not have been disbursed to the student.

~~[(5) Expected family contribution--The amount of discretionary income that should be available to a student from his or her resources and that of his or her family, as determined following the federal methodology.]~~

~~[(6) Financial need--The cost of attendance at a particular public or private institution of higher education less the expected family contribution. The cost of attendance and family contribution are to be determined in accordance with Board guidelines. Federal and state veterans' educational and special combat pay benefits are not to be considered in determining a student's financial need.]~~

~~[(7) General academic teaching institution--The University of Texas at Austin; The university of Texas at El Paso; The University of Texas of the Permian Basin; The University of Texas at Dallas; The University of Texas at San Antonio; Texas A&M University, Main University; The University of Texas at Arlington; Tarleton State University; Prairie View A&M University; Texas Maritime Academy (now Texas A&M University of Galveston); Texas Tech University; University of North Texas; Lamar University; Lamar State College--Orange; Lamar State College--Port Arthur; Texas A&M University--Kingsville; Texas A&M University--Corpus Christi; Texas Woman's University; Texas Southern University; Midwestern State University; University of Houston; University of Texas--Pan American; the University of Texas at Brownsville; Texas A&M University--Commerce; Sam Houston State University; Texas State University--San Marcos; West Texas A&M University; Stephen F. Austin State University; Sul Ross State University; Angelo State University; The University of Texas at Tyler; and any other college, university, or institution so classified as provided in this chapter or created and so classified, expressly or impliedly, by law.]~~

~~[(8) Half-time student--For undergraduates, a person who is enrolled or is expected to be enrolled for the equivalent of six or more semester credit hours. For graduate students, a person who is enrolled or is expected to be enrolled for the equivalent of 4.5 or more semester credit hours.]~~

~~(2) [(9)] Institution of Higher Education or Institution--Any public technical institute, public junior college, public senior college or university, medical or dental unit or other agency of higher education as defined in Texas Education Code, §61.003(8).~~

~~(3) [(10)] Program--The Texas College Work-Study Program.~~

~~[(11) Program Officer--The individual named by each participating institution's chief executive officer to serve as agent for the Board. The Program Officer has primary responsibility for all ministerial acts required by the program, including maintenance of all records and preparation and submission of reports reflecting program transactions. Unless otherwise indicated by the administration, the director of student financial aid shall serve as Program Officer.]~~

~~[(12) Resident of Texas--A resident of the State of Texas as determined in accordance with Chapter 21, Subchapter B of this title (relating to Determination of Resident Status). Nonresident students who are eligible to pay resident tuition rates are not residents of Texas.]~~

22.129. Institutions

(a) Eligibility.

(1) Any public, private, or independent institution of higher education as defined by Texas Education Code, §61.003, except a theological or religious seminary, is eligible to participate in the **Program** ~~[general work study program. Only general academic teaching institutions may participate in the mentorship program.]~~

(2) No institution may, on the grounds of race, color, national origin, gender, religion, age, or disability exclude an individual from participation in, or deny the benefits of the program described in this subchapter.

(3) Each participating institution must follow the Civil Rights Act of 1964, Title VI (Public Law 88-353) in avoiding discrimination in admissions or employment.

(b) Approval.

(1) Agreement. Each approved institution must enter into an agreement with the Board, the terms of which shall be prescribed by the Commissioner.

(2) Approval Deadline. An institution must be approved by April 1 in order for qualified students enrolled in that institution to be eligible to receive grants in the following fiscal year.

(c) Responsibilities.

(1) Probation Notice. If the institution is placed on public probation by its accrediting agency, it must immediately advise the Board and work-study award recipients of this condition and maintain evidence in each student's file to demonstrate that the student was so informed.

(2) Disbursements to Students.

(A) Documentation. The institution must maintain records to prove the receipt of program funds by the student or the crediting of such funds to the student's school account.

(B) Procedures in Case of Illegal Disbursements. If the Commissioner has reason for concern that an institution has disbursed funds for unauthorized purposes, the Board will notify the Program Officer and financial aid director and offer an opportunity for a hearing pursuant to the procedures outlined in Chapter 1 of this title (relating to Agency Administration). Thereafter, if the Board determines that funds have been improperly disbursed, the institution shall become primarily responsible for restoring the funds to the Board. No further disbursements of work-study funds shall be permitted to students at that institution until the funds have been repaid.

(3) Reporting Requirements/Deadlines. All institutions must meet Board reporting requirements in accordance with stated deadlines in the Board's published materials. [~~a timely fashion. Such reporting requirements shall include reports specific to allocation and reallocation of grant funds (including the Financial Aid Database Report) as well as progress and year-end reports of program activities.~~]

(4) Program Reviews. If selected for such by the Board, participating institutions must submit to program reviews of activities related to the [~~Texas College Work Study~~] Program.

(5) Publicizing Work-Study Employment Opportunities. Institutions participating in the [~~Texas College Work Study~~] Program must establish and maintain an online list of work-study employment opportunities available on campus, sorted by department as

appropriate, and ensure that the list is easily accessible to the public and prominently displayed on the institution's website.

22.130. Eligible Student Employees

(a) To be eligible for employment in the Program [~~general work-study program~~] a person shall:

- (1) be a Texas resident as defined by Board rules;
- (2) be enrolled for at least the number of hours required of a half-time student, and be seeking a degree or certification in an eligible institution;
- (3) establish financial need in accordance with Board procedures; and
- (4) have a statement on file with the institution of higher education indicating the student is registered with the Selective Service System as required by federal law or is exempt from Selective Service registration under federal law.

(b) A person is not eligible to participate in the Program [~~work-study program~~] if the person:

- (1) concurrently receives an athletic scholarship;
- (2) is enrolled in a seminary or other program leading to ordination or licensure to preach for a religious sect or to be a member of a religious order.

22.131. Eligible Employers

(a) An eligible institution may enter into agreements with outside employers to participate in the Program [~~general work-study program~~]. To be eligible to participate, an employer must:

- (1) provide part-time employment to an eligible student in nonpartisan and nonsectarian activities;
- (2) provide, insofar as is practicable, employment to an eligible student that is related to the student's academic interests;
- (3) use Program [~~Texas college work-study program~~] positions only to supplement and not to supplant positions normally filled by persons not eligible to participate in the work-study program; and
- (4) unless eligible for a waiver of matching funds under subsection (b) of this section, provide not less than 25 percent of an employed student's wages and 100 percent of other employee benefits for the employed student from sources other than federal college work-study program funds, if the employer is a nonprofit entity; or
- (5) provide not less than 50 percent of an employed student's wages and 100 percent of other employee benefits for the employed student, if the employer is a profit-making entity.

(b) Institutions eligible to receive Title III funds from the U. S. Department of Education are exempted from the Program [~~general work-study program~~] requirement to provide 25

percent of an employed student's wages, if they provide the Board with a copy of a current Title III eligibility letter from the U. S. Department of Education.

(c) Beginning with the 2016-2017 academic year, each eligible institution shall ensure that at least 20 percent, but not more than 50 percent of the employment positions provided through the work-study program in an academic year are provided by eligible employers who are providing off-campus employment.

22.132. Award Amounts and Uses

(a) Funding. Funds awarded through this program may not exceed the amount appropriated by the Legislature for that purpose, plus matching funds provided by the students' employers.

(b) Award Amount. No award amount shall exceed a student's financial need.

(c) Uses. No [~~general work-study~~] funds earned through this program may be used for any purpose other than for meeting the cost of attending an approved institution.

(d) Over awards. If, at a time after an award has been offered by the institution and accepted by the student, the student receives assistance that was not taken into account in the student's estimate of financial need, so that the resulting sum of assistance exceeds the student's financial need, the institution is not required to adjust the award under this program unless the sum of the excess resources is greater than \$300.

22.133. Allocation and Disbursement of Funds

(a) Allocations. Allocations for the [~~Texas College Work Study~~] Program are to be determined on an annual basis as follows:

(1) All eligible institutions will be invited to participate; those choosing not to participate will be left out of the calculations for the relevant year.

(2) The allocation base for each institution choosing to participate will be the number of students it reported in the most recent financial aid database report who met the following criteria:

(A) were classified as Texas residents;

(B) were enrolled at least half-time, with full-time students weighted as 1 and part-time students weighted as .5;

(C) completed either the FAFSA or TASFA; and

(D) have a 9-month Expected Family Contribution less than the simple average in-district 9-month cost of attendance for community college students enrolled for 30 semester credit hours while living off campus, as reported in the most recent year's College Student Budget Report.

(3) Each institution's share of the available funds will equal its share of the state-wide total of students who meet the criteria in paragraph (2) of this subsection.

(b) Verification of Data. Allocation calculations will be shared with all participating institutions for comment and verification prior to final posting and the institutions will be given

10 working days, beginning the day of the notice's distribution and excluding State holidays, to confirm that the allocation report accurately reflects the data they submitted or to advise Board staff of any inaccuracies.

(c) Disbursements. At the beginning of each year or upon request by the institution, the year's full allocation or funds needed for immediate disbursement to students will be provided to each participating institution for use in reimbursing students for their work.

(d) Reallocations. Institutions will have until February 20 or the first workday thereafter if it falls on a holiday or a weekend to encumber all funds allocated to them. On that date, institutions lose claim to their unencumbered funds and the unencumbered funds are available to the Board for reallocation to other institutions requesting reallocated funds, calculated on the same basis as the original allocation. If necessary for ensuring the full use of funds, subsequent reallocations may be scheduled until all funds are awarded and disbursed.

(e) Summer Awards. Unless given specific permission by the Board to use funds for summer awards, schools will be required to utilize their original state work-study allocation of funds for employment during the nine-month academic year (fall and spring terms). However, institutions may use reallocated funds for summer awards but the funds must be expended by August 31 of the fiscal year.

~~[22.134. Dissemination of Information and Rules~~

~~The Board is responsible for publishing and disseminating general information and program rules for the program described in this subchapter.]~~

22.135. Authority to Transfer Funds

Institutions participating in a combination of the Toward EXcellence, Access and Success Grant, Texas Educational Opportunity Grant, Tuition Equalization Grant, and Texas College Work-Study Programs, in accordance with instructions from the Board, may transfer in a given fiscal year up to the lesser of 10 percent or \$20,000 between these programs.

~~[22.136. Biennial Report and Data Collection~~

~~Not later than January 1 of each odd-numbered year, the Board shall submit to the legislative higher education standing committees and post on its website a report on the Texas College Work-Study Program. The report must include the total number of students employed through the program, disaggregated by: the employment's position's location on or off campus; and the employer's status as a for-profit or nonprofit entity. The Board shall submit its initial report not later than May 1, 2019.]~~