

TEXAS HIGHER EDUCATION COORDINATING BOARD

COMMITTEE ON AFFORDABILITY, ACCOUNTABILITY AND PLANNING

1200 EAST ANDERSON LANE, ROOM 1.170
AUSTIN, TEXAS
December 16, 2015
9 a.m.

CHAIR
David D. Teuscher, M.D.
VICE CHAIR
Janelle Shepard
Fred Farias, III, O.D.
S. Javaid Anwar
Christina Delgado
Student Representative, Ex-Officio
Robert "Bobby" Jenkins, Jr.,
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 September 23, 2015, Committee meeting
- 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 Facilities Audit Report
 - B. Consideration of adopting the staff recommendation to the Committee relating to the appointment of a student representative to the Financial Aid Advisory Committee
 - C. Consideration of adopting the staff recommendation to the Committee to authorize the Commissioner of Higher Education to forward a report on the TEXAS Grant Program to the Governor and Members of the Legislature (*S.B. 28, 82nd Texas Legislature, Regular Session*)
 - D. Report on Financial Aid Advisory Committee activities
 - E. Report on data highlight: student debt data
 - F. Report on the history and current state of postsecondary correctional education in Texas
 - G. Report on facilities projects that were submitted to the Coordinating Board
 - H. Discussion of draft legislative recommendations for the 85th Texas Legislature

I. Proposed Rules:

- (1) Consideration of adopting the Commissioner's recommendation to the Committee relating to the proposed new section to Chapter 5, Subchapter A, General Provisions, Section 5.10 concerning tracking career information for graduates of Texas medical schools and persons completing medical residency programs in Texas (*Senate Bill 295, 84th Texas Legislature*)
- (2) Consideration of adopting the Commissioner's recommendation to the Committee relating to amendments to Chapter 21, Subchapter J, Sections 21.254, 21.258, 21.260, new proposed Sections 21.255-21.257, and repeal of Sections 21.255—21.257 of the Board rules, concerning The Physician Education Loan Repayment Program (PELRP)
- (3) Consideration of adopting the Commissioner's recommendation to the Committee relating to amendments to Chapter 21, Subchapter M, Sections 21.403 and 21.405, and new Section 21.410 concerning the Texas College Work-Study Program (*Senate Bill 1750, 84th Texas Legislature*)
- (4) Consideration of adopting the Commissioner's recommendation to the Committee relating to amendments to Chapter 22, Subchapter K, Sections 22.197, and new Section 22.203 concerning the Provisions For Scholarships for Students Graduating in the Top 10 Percent of their High School Class
- (5) Consideration of adopting the Commissioner's recommendation to the Committee relating to amendments to Chapter 22, Subchapter L, Section 22.235 of Board rules, concerning the Toward EXcellence, Access & Success (TEXAS) Grant Program
- (6) Consideration of adopting the Commissioner's recommendation to the Committee relating to amendments to Chapter 22, Subchapter M, Section 22.261 of Board rules, concerning the Texas Educational Opportunity Grant Program (TEOG)

J. 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.

Committee on Affordability, Accountability and Planning

AGENDA ITEM I

Welcome and Committee Chair's meeting overview

Dr. David Teuscher, 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 September 23, 2015, Committee meeting

RECOMMENDATION: Approval

TEXAS HIGHER EDUCATION COORDINATING BOARD
MINUTES
Committee on Affordability, Accountability and Planning
1200 East Anderson Lane, Room 1.170
Austin, Texas
September 23, 2015, 9:00 a.m.
DRAFT Minutes

The Texas Higher Education Coordinating Board ***Committee on Affordability, Accountability and Planning*** convened at 9:05 a.m. on ***September 23, 2015***, with the following members present: Bobby Jenkins, Chair, presiding; Janelle Shepard; Dora Alcalá; Javaid Anwar; Fred Farias; David Teuscher; and Christina Delgado, Student Representative, Ex-Officio.

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

AGENDA ITEM	ACTION
I. Welcome and Committee Chair's meeting overview	Mr. Bobby Jenkins called the meeting to order and advised that the meeting was being broadcast.
II. Consideration of approval of the minutes from the June 24, 2015, meeting of the Committee on Affordability, Accountability and Planning.	On motion by Ms. Janelle Shepard, seconded by Mr. Fred Farias, the Committee approved this item.
III. Consideration of approval of the Consent Calendar	Mr. Jenkins stated that there are no items on the Consent Calendar for consideration.
IV. Public Testimony on Items Relating to the Committee on Affordability, Accountability and Planning meeting	Mr. Bobby Jenkins stated that there is no public testimony.

<p>V. Matters relating to the Committee on Affordability, Accountability and Planning</p> <p>A. Consideration of adopting the Commissioner’s recommendation to the Committee relating to report on Financial Aid for College Students in Texas, Fiscal Year 2014 (<i>H.B. 1, 84th Texas Legislature General Appropriations Act, Rider 30, page III-49</i>).</p> <p>B. Consideration of adopting the Commissioner’s recommendation to the Committee relating to the report on Student Loan Default Prevention and Financial Aid Literacy Pilot Program (<i>S.B. 60, 83rd Texas Legislature</i>)</p> <p>C. Consideration of adopting the staff recommendation to the Committee for approval of nominated members of the Financial Aid Advisory Committee</p> <p>D. Report on 60x30TX Communications Plan</p> <p>E. Report on Data Highlight: 8th grade cohort</p> <p>F. Report on activities of the competency based education (CBE) workgroup</p>	<p>Dr. Charles Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, provided a brief report on the significant findings.</p> <p>On motion by Ms. Janelle Shepard, seconded by Mr. Fred Farias, the Committee approved the recommendation to adopt the report.</p> <p>Dr. Charles Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, provided a brief report on the significant findings.</p> <p>On motion by Mr. Javaid Anwar, seconded by Ms. Janelle Shepard, the Committee approved the recommendation to adopt the report.</p> <p>Dr. Charles Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, was available to answer questions.</p> <p>On motion by Ms. Janelle Shepard, seconded by Mr. Fred Farias, the Committee approved the recommendation.</p> <p>Ms. Kelly Carper Polden, Assistant Director of Communications, presented the proposed 60x30TX communications plan/brand campaign.</p> <p>This item was for information only.</p> <p>Dr. Julie Eklund, Interim Assistant Commissioner for Strategic Planning and Funding, presented highlights from a new analysis of eighth grade cohort data.</p> <p>This item was for information only.</p> <p>Dr. Judith Sebesta, Director of Innovation, provided an overview of the activities of the group.</p> <p>This item was for information only.</p>
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<p>G. Report on studies required by the 84th Texas Legislature</p> <p>H. Report on facilities projects that were submitted to the Coordinating Board</p> <p>I. Proposed Rules:</p> <p>(1) Consideration of adopting the Commissioner's recommendation to the Committee relating to Chapter 21, new Subchapter P, concerning the Loan Repayment Program for Mental Health Professionals (<i>S.B. 239, 84th Texas Legislature</i>)</p> <p>(2) Consideration of adopting the Commissioner's recommendation to the Committee relating to Chapter 21, new Subchapter R, concerning the Dental Education Loan Repayment Program (<i>H.B. 1, 84th Texas Legislature General Appropriations Act, page III-41</i>)</p> <p>J. Adjournment</p>	<p>Dr. Julie Eklund, Interim Assistant Commissioner for Strategic Planning and Funding, provided information on the studies.</p> <p>Dr. Rex Peebles, Assistant Commissioner for Academic Quality and Workforce; Dr. Kristen Kramer, Deputy Assistant Commissioner for College Readiness and Success; and Dr. Charles Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, were available for questions.</p> <p>This item was for information only.</p> <p>Dr Julie Eklund, Interim Assistant Commissioner for Strategic Planning and Funding, was available for questions.</p> <p>This item was for information only.</p> <p>Dr. Charles Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, was available for questions.</p> <p>On motion by Ms. Janelle Shepard, seconded by Mr. Javaid Anwar, the Committee approved the recommendation.</p> <p>Dr Charles Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, was available for questions.</p> <p>On motion by Ms. Janelle Shepard, seconded by Mr. Javaid Anwar, the Committee approved the recommendation.</p> <p>On motion by Mr. Fred Farias, seconded by Ms. Janelle Shepard, the Committee approved adjourning 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 made the decision to establish a Consent Calendar for items that are noncontroversial. Any item can be removed from the Consent Calendar by a Board member.

Consent Calendar

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

No consent items for this meeting.

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 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 Facilities Audit Report

RECOMMENDATION: Approval

Background Information:

The Texas Education Code (TEC) requires the Texas Higher Education Coordinating Board (THECB) to periodically conduct a comprehensive audit of all educational and general (E & G) facilities on the campuses of public sector senior colleges and universities. Per TEC 61.0583 (d), the results of the facilities audits are reported to the audited institutions and the Legislative Budget Board.

Objectives of the audit are to verify the accuracy of facilities data reported to the Board, and to determine if the institution has followed Board rules and received approvals as required.

The facilities audit protocol was originally crafted by a working group made up of representatives from public colleges and universities around the state. In October 2008, the audit protocol was approved by the Board.

The following institutions were audited between May 2013 and April 2015 using the approved protocol:

- The University of Texas at Austin (Second Review)
- Sul Ross State University (Second Review)
- Texas A&M University-Central Texas
- West Texas A&M University
- Texas A&M University-San Antonio
- Texas A&M International University (Second Review)
- University of North Texas at Dallas (Third Review)

Mr. Tom Keaton, Director of Funding, will be available for any questions.

Facilities Audit Report

The audits are conducted with two groups participating. The institution's Internal Auditor conducts the review of the facility project development and issues a report to the institution's chief executive officer and the staff of the Texas Higher Education Coordinating Board (THECB). The peer review team (PRT) conducts an onsite audit of the facility inventory and internal control procedures. The peer review team is accompanied by one THECB staff person. The peer review team report is sent to the management of the institution at the conclusion of the field work. Management is given the opportunity to respond to the report, including an action plan to address any recommendations of the peer review team and the findings of the Internal Auditor.

The results listed below are the culmination of the first five-year audit cycle and include audits from May 2013 to April 2015. The second cycle began this spring and results will be reported in the future, once complete reports are received.

The University of Texas at Austin (Second Review) – August 2013

The institution made great progress and showed significant improvement and met all standards. The only significant discrepancies found were in reference to functional category (i.e., how the room is being used). UT-Austin has a robust database that captures the fully spectrum of space data. Less than 5 percent deviation between reported and sample square footage indicates excellent data alignment.

Sul Ross State University (Second Review) – December 2013

The institution showed great improvement in this audit and was found to meet standards in all areas. While some errors were found within the data, process improvements should result in improved accuracy and will result in long-term efficiencies in data management.

Texas A&M University-Central Texas – December 2013

While the institution marginally passed the audit, there were significant issues with the coding of room information. Primary areas of concern are the functional category (i.e., how is the space being used) and Classification of Instructional program codes (i.e., who is using the rooms). Executive administration has acknowledged these issues and has taken steps as recommended by the PRT toward increasing the veracity of the data.

West Texas A&M University – May 2013

The PRT found minor discrepancies in the reported data but felt the institutional inventory provided an accurate representation of the educational and general facilities inventory. Overall, the team determined the institution met standards.

Texas A&M University-San Antonio – July 2013

Commendable results were found by the PRT in the facilities audit. The institution has instituted effective and enduring systems that will provide accurate data in the future, provided the institution continues to place a premium on accurate facilities data.

Facilities Audit Report

Texas A&M International University (Second Review) – November 2014

The improvement in data accuracy in the second review is substantial with a 3 percent difference between reported and sample square footage. While some errors were detected, the institution received maximum scores in all but one of the objective areas. It is clear TAMU-I places a premium on providing accurate facilities data and has instituted systems and processes to ensure long-term effectiveness and efficiency.

University of North Texas at Dallas (Third Review) – April 2015

While UNT-Dallas encountered some challenges in establishing facilities data collection and reporting processes, the results of this review indicate they have overcome the difficulties faced in the previous two reviews. All objective areas received maximum scores with less than a one percent difference between reported and observed data.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-B

Consideration of adopting the staff recommendation to the Committee relating to the appointment of a student representative to the Financial Aid Advisory Committee

RECOMMENDATION: Approval

Background Information:

Texas Education Code, Section 61.071 directs the Coordinating Board to appoint student representatives to various advisory committees each year. This agenda item relates to the appointment of a student representative to the Financial Aid Advisory Committee.

In September 2015, the Commissioner notified Texas institutions of higher education of these opportunities and provided the information required to solicit nominees. The nominations process began on September 1, 2015, and ended December 1, 2015.

Coordinating Board staff received applications from two-year and four-year public institutions. Applicants were reviewed to ensure they first met the minimum criteria, and then were further evaluated based on the following criteria:

- academic achievement
- community and school service
- work or internship experience
- general commitment to higher education issues

A review committee, composed of staff who directly support the Financial Aid Advisory Committee identified the finalist. Finalist information is provided under separate cover.

Ms. Linda Battles, Deputy Commissioner for Agency Operations and Communications/Chief Operating Officer, will be available to answer any questions.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-C

Consideration of adopting the staff recommendation to the Committee to authorize the Commissioner of Higher Education to forward a report on the TEXAS Grant Program to the Governor and Members of the Legislature (S.B. 28, 82nd Texas Legislature, Regular Session)

RECOMMENDATION: Approval

Background information:

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

Senate Bill (S.B.) 28, 82nd Texas Legislature, Regular Session and Texas Education Code, Section 56.311(c-1) requires the Coordinating Board to submit by September 1 of each year a report regarding the operation of the TEXAS Grant Program to the Governor, Lieutenant Governor, Speaker of the House of Representatives, and the Senate Higher Education Committee members. The report must include from the three preceding state fiscal years information regarding 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; and the persistence, retention, and graduation rates of students receiving TEXAS grants.

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

Committee on Affordability, Accounting and Planning

AGENDA ITEM V-D

Report on Financial Aid Advisory Committee activities

RECOMMENDATION: No action required

Background Information:

Coordinating Board rules require advisory committees to report on committee activities on an annual basis. This allows the Board to properly evaluate the committee's work, usefulness, and the costs related to the committee's existence. The current report covers the period from December 2014 through November 2015.

The Financial Aid Advisory Committee (FAAC) is authorized under the Texas Education Code, Section 61.0776 and the Texas Government Code, Chapter 2110, Section 2110.0012. The Financial Aid Advisory Committee provides the Board with advice and recommendations regarding the development, implementation, and evaluation of state financial aid programs for college students. The FAAC also assists staff in the development of training materials for use by the Center for Financial Aid Information and others in informing students, parents, secondary education counselors, college personnel, members of appropriate community-based organizations, and others about financial aid opportunities for Texas students, including eligibility requirements and procedures for applying for financial aid.

Dr. Lisa Blazer, Associate Vice President for Student Affairs, The University of Texas at San Antonio, and Past Chair of the FAAC, will present a summary of the FAAC's recent activities and will be available to answer questions.

FINANCIAL AID ADVISORY COMMITTEE

ANNUAL REPORT

AGENDA ITEM V-D

COMMITTEE ABOLISHMENT DATE: 10/31/2017

Committee Purpose: *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. In this capacity, it is also to assist staff in the development of training materials for use by the Center for Financial Aid Information and others in informing students, parents, secondary education counselors, college personnel, and members of appropriate community-based organizations, and others about financial aid opportunities for Texas students. In addition, the committee shall review state financial aid program policies and procedures; review state financial aid reports, including their uses; recommend changes in the allocation of financial aid funds to address state goals; review the collection and uses of data; and identify areas of research for consideration.*

Report Period: December, 2014-November, 2015

Chair: Lisa Blazer-The University of Texas San Antonio

Vice Chair: Tom Melecki-The University of Texas at Austin-Ended in August 2015

Chris Murr-Texas State University served as Vice Chair from September-November 2015

Committee Members: •Marcus Wilson-Texas Tech HSC, •Ron Brown-Mary Hardin Baylor, •Doris Constantine-St Edward's University, •Anne Walker-Rice University, •Carolyn Jones-Collin County CCD, •Zelma De Leon-University of North Texas, •Pilar Janis-Brownsville ISD, •Anna Drake-Student Representative, •George Torres-Texas Guaranteed, •Delissa Falks-Texas A&M, •Chris Murr-Texas State University, •Carolyn Mallory-University of Houston Victoria, •Harold Whitis-Alamo CCD, •Rosario Juarez-Austin Community College, •Melissa Elliot-Vernon College, •Carl Gordon-College of the Mainland, •Audree Hernandez-College Advising Group, •Mary-Gallegos-Adams-TSTC Harlingen

Committee Meeting Dates: December 11, 2014, February 19, 2015, June 25, 2015 and September 17, 2015

Annual Costs Expended

Travel: \$11,355.77

Other: N/A

Time Commitments:

Committee Members and Agency staff spends an estimate of 120 hours every Quarter for preparation, meeting day, completing minutes and clean up after meeting.

Current Recommendations to the Board:

- Work to solidify the nomination process for the FAAC committee, ensuring we meet guidelines and meet the needs of the financial aid community
- Continue to provide feedback leading into the next legislative session
- Work with Student Financial Aid Programs (SFAP) by providing feedback on new initiatives including ideas for the SFAP "central office," Texas Student Aid Handbook, and reporting requirements
- Continue to have a sub-committee that provides feedback to THECB on data collection and reporting
- As the federal process moves to Prior, Prior Year and the FAFSA application opens up on October 1, 2016 for the 2017-18 year, FAAC will need to work with THECB to potentially change processes for state aid in order to effectively package all forms of financial aid at the school level.
- Work with THECB to improve the allocation process, providing information in a timely manner and a more streamlined process.

Summary of Tasks Completed:

Over the course of the year, we spent time discussing what was happening during the legislative sessions. We discussed the possibility of increased funding for Texas Grant and the likelihood that B-on-Time and the Top 10% would be reduced and/or eliminated. We also discussed the continued concern about Hazlewood. We recognize that reductions to the program would cause issues for veterans but it is an unfunded mandate that is costing the universities in the state several million dollars. Also, one of the things we talked about was communication to high school counselors and how we need to amp that up, especially when programs could potentially be eliminated or reduced in any way. One of the items that the FAAC worked on previously was the changes to the Texas Grant rules. At the February meeting, we discussed the changes to the rules, which will help limit eligibility while still providing access to the students that need grant funding. There are still many questions regarding allocation formulas and the need for more negotiated rulemaking. While we came to a conclusion for Texas Grant during negotiated rulemaking, the outcomes were quite severe for some institutions so a request was made to have more negotiated rulemaking, which is currently underway. More data has been requested to ensure we make decisions based on solid data. There are concerns about the new requirement for Texas Work-study requiring off-campus positions. Many of us have small allocations and funding off-campus positions can be difficult to manage. We are looking forward to the study that will be conducted so that FAAC can provide additional feedback on how to best implement this new requirement.

We have also heard from TG regarding the effectiveness of counseling and student loan debt. Committee members agree that we need more financial literacy and student debt counseling, but there are concerns about funding and ensuring we have adequate resources to fully implement a program across the state. Most institutions struggle keeping up with the demands of financial aid processing and counseling in general. We also provided feedback on FAFSA simplification happening at the federal level. While we recognize the need for simplification, we also need to ensure we gather information to determine eligibility for state funded programs. FAAC will also play a role in providing feedback for the new 60x30 strategic plan, especially as it relates to student loan debt.

We are looking forward to the changes in how the student financial aid programs will be enhanced and restructured, based on the presentation provided in June by Charles Puls, Deputy Assistant Commissioner. The changes are needed and FAAC will continue to provide feedback as needed.

Financial Aid Advisory Committee
Meeting Notes
December 11, 2014

Committee Members in Attendance

Lisa Blazer
Ron Brown
Zelma De Leon
Anna P. Drake
Carolyn Jones
Tom Melecki
George Torres
Ann Walker
Marcus Wilson via Broadcasting

Absent Committee Members

Doris Constantine
Pilar Janis

Staff

Connie Cooper
Katherne Carson
Lesa Moller
Rafael Villarreal
Teresa Aleman

Guests

Ray Martinez, Independent Colleges and Universities of Texas
Jeff Webster, TGSLC
Mary Gallegos Adams, Texas State Technical College - Harlingen
Carolyn Mallory, University of Houston - Victoria
Carl Gordon, College of the Mainland
Christopher Murr, Texas State University
Audree Hernandez, College Advising Corp.
David Young, Governor's Office
Linda Battles, THECB
Ginger Gossman, THECB
Paul Turcotte, THECB
Albert Contreras, THECB
Janie Miramontes, THECB
Michelle Williams, THECB

Lisa Blazer greeted everyone in attendance and had all members of the committee and guests in the audience introduce themselves.

Selection Process for New Members

New member recommendations were approved by the CAAP committee on December 10, 2014 and will be presented for final approval at the next Board meeting in January.

Member Service Dates

Lisa Blazer began a discussion of rule changes for member service dates. Currently, new presiding members start with the 2nd meeting of the year. The options discussed were:

- Change the process for next year. The Chair would take over in September and members would start to serve with the 2nd committee meeting in December. This would require moving up the recommendation process to be completed by the September meeting; or
- Start the new service year with September and members would begin to serve with the September meeting. This option would require a rule change.

After several minutes of discussion, the motion was made to go with option one: The Chair would take over in September and committee members will begin to serve with the December meeting. The motion carried; Linda Battles stated the requirement to have nomination materials ready and provided to Board members two weeks prior to the September 23, 2015 Board meeting.

Meeting Minutes

It was acknowledged that the meeting minutes from the September 16 meeting had a typo on page 3, under the Exceptional Items Requests. The LBB total was initially listed as \$300. The correction was previously made to \$300M. The motion to approve the minutes was made and carried.

BOT Loan Counseling Module

Janie Miramontes discussed and provided a slide presentation of the changes to the loan counseling module. The original module presented the student with a certificate of completion at the end; the new module will require the student to register to complete the module and print a certificate of completion. Schools will be able to review an online report of students that have completed the module from an Excel spreadsheet. The following questions/answers resulted from the discussion:

- Q: Is the report available to the schools cumulative? A: Yes, it is a cumulative report.
- Q: What ID is used for the student? A: Whatever the student provides, the module asks for the student id number.
- Q: Can schools with multiple campuses be listed together in the drop-down selection box for the students? A: Yes, that can be looked at.

84th Legislative Session

Lisa acknowledged the upcoming Legislative session and the priorities for the Coordinating Board, and opened for discussion topics the committee should prepare for conversation regarding financial aid. The following topics were cited:

- House Bill 117, regarding the reduction of set-asides and using funds to cover expenses of the Hazelwood program. Christopher Murr suggested the FAAC community stress the benefit that the set-asides provide to high-need populations and that maybe Hazelwood should be funded from other sources.
- BOT appropriations process: Lisa Blazer spoke on how set-asides aren't coming back to schools at the volume of contribution for public schools; there's \$120M sitting that cannot be touched (example: for public institutions, UTSA received \$900k less than what was set aside)

- Lesa Moller expressed that a reallocation of unused funds will be done in March 2015.
- Linda Battles explained the CB submitted a recommendation:
 - to have \$50M on top of the base appropriated to the CB for BOT in the general revenue dedicate;
 - to include any set-asides collected for 2016/2017 biennium;
 - to curtail the accumulation of dollars so at least the legislature could appropriate those dollars as they are collected; and
 - to appropriate any loan repayments collected during the biennium.

Linda also shared there will be a movement towards eliminating set-asides. The Commissioner can see the argument on both sides but wants to be prepared to provide a recommendation to the legislature on what to do if those tuitions set-asides are eliminated.

- Linda suggested it would be helpful for ideas for a plan B if the legislature decided to eliminate all tuition set asides. The Commissioner has tasked CB staffer for ideas; a new office, Innovation and Policy Development, has been created to help formulate these types of policy recommendations. Any kind of feedback from the FAAC and other external stakeholders would be helpful.
- Private institutions have concerns of TEG dollars and the EFC cap that limits what a school is able to spend. Ann Walker explained it is hard for someone in the legislature to look at a family with an EFC of \$20K and feel as if they have need and should be worthy of getting need-based aid from the state, but the private institutions rely on those dollars. Funds that aren't used because of the cap are sent back but it's not equitable.
- Community colleges have concerns with diploma mills, definitions, and home schools (institutions not accredited where students receive high school credentials; high volume in Houston area). Carl Gordon expressed the concern is that students go to diploma mills, receive their high school credentials, are able to get accepted because community colleges are open admission institutions, but when they go through the financial aid process the high school credentials don't meet the requirements. Ann Walker shared she received a call from an investigator with the Department of Education that students, particularly in the Houston area, are going to area universities and community colleges with a piece of paper that's not valid and questioned how as institutions it's tracked and what's real and not real.
- Mary Gallegos Adams shared one of the concerns for TSTC and Lamar Colleges is the reset for negotiated rule-making for TEOG and the impact on funding for both college systems. There is a hold-harmless in place for the next two years but they're unsure what will happen after that. Lesa Moller stated the committee was disbanded because it didn't come to a consensus so the CB had to put together proposed rules which were approved at the CAAP meeting the day before (December 10, 2014).
- Linda Battle brought up Senate Bill 117 by Van Taylor, requiring students to demonstrate eligibility for federal aid in order to receive state aid.

Lisa reiterated the need to be geared up and ready to go and asks to be emailed with anything that may come up that the FAAC should have a conversation about or be heard on. She will make sure that contacts for a variety of offices are updated so FAAC can be put on the agenda when necessary.

Zelma De Leon asked Lesa Moller to elaborate on revised statutory provision of Top 10% Scholarship Program and the recommendations that will be put forth. Current language states graduating seniors

taking less than full time enrollment cannot receive the scholarship; they're wondering if the language can be changed to allow student to receive the scholarship in the semester they are graduating. Lesa states she is not familiar with any legislative recommendation due to very recent staff changes and deferred to Linda Battles. Linda confirmed it is part of the CB legislative packet; the Top 10% Scholarship Program has been operating as it was created in a rider in 2009. Subsequently another Top 10% statute was created but never funded and never implemented. What the CB wants to do now is get statutory authorization of the program currently being administered and are recommending an allocation methodology.

Student Loan Debt Goal 2016-2030

Lesla Moller opened the presentation stating the current Closing the Gap by 2015 plan was adopted in October 2000 and it will soon be time to adopt a new plan for the next 15 years. One of the strengths of the plan was the contribution and strong support from the state's educational, business and political communities. To develop the same level of engagement and support, the Board has created the Texas Higher Education Strategic Planning Committee. The tasks assigned to the Committee are:

1. making recommendations for the goals, targets and statewide strategies for the next long term strategic plan for higher education in Texas; and
2. soliciting input from stakeholders and the general public across the state.

Embedded within the framework are communications, meetings, and conferences to invite, secure, and consider institutional and other stakeholder feedback on the potential goals and the perspective measurable targets associated with the next long term plan. It's anticipated that at the July 23, 2015 meeting, the Strategic Planning Committee will present to the Board, for consideration and adoption, their final recommendations regarding the next long-term strategic plan for higher education. The Strategic Planning Committee has considered the following four goals for the next long-range higher education plan for Texas:

1. An overall state educational attainment goal;
2. A completion goal;
3. A marketable skills goal; and
4. A student debt goal.

Institutions will be invited to provide input through subcommittees and during comment periods. Lesa Moller turned it over to Lisa Blazer for additional discussion on the topic. Lisa stated there will be additional requirements placed upon the schools to make sure the goals implemented are met on their various campuses and asked for thoughts from the audience. The following recommendations were made:

- George Torres recommended the committee make sure that when the strategies are set up, they make sense; it's a good opportunity for the FAAC to step up and advise the group writing the plan. TG stands ready to assist in any way they can.
- Ann Walker recommended the committee look at the broader picture of how to get loan borrowing down and how to provide financial literacy to students; schools want to reduce borrowing without the burden of administrative costs, resources, or personnel. Support from the legislature is needed to ease cost concerns.
- Ann Walker recommended the need to make sure state loans (CAL and BOT) remain competitive with low interest so they are preferable over private loans.

- Ann Walker recommended the state come up with a richer, more contextual way to understand a family's financial strength for allocation of state funds; the federal EFC is not a true picture of what a family can contribute.
- Lisa Blazer recommended the committee be prepared to discuss the impact to institutions of 15 hours becoming the new full-time requirement; there could be a lot of ramifications at the state and federal level. The committee needs to make sure the legislature understands the population the schools serve and the different needs.
- Lisa Blazer recommended documenting the work the FAAC does to provide valuable educational tools for legislature and campus communities; to share how FAAC is able to fill gaps to help the state meet strategic objectives.

Paul Turcotte (involved with staffing the Strategic Planning Committee) assured the committee that all the items discussed are key points to the Strategic Planning Committee. Student loan debt for Texas is doing quite well when compared to the nation, but it's not necessarily quite well enough for Texas; they want to make sure we continue to do well over the next 15 years. That's why the committee picked 60% compared to wage and not some other metric. The goal won't be met from the financial aid office; the goal involves a cultural shift in getting students to think about spending tomorrow's money if they're not going to be making it back.

Ann Walker asked that the Strategic Planning Committee keep in mind that most students in the state of Texas do not look like the kid we all imagine going off to college; it's not the 18 year old going off to college for the first time.

Carolyn Jones asked that they keep in mind 15 hours per semester to get an award could impact whether community college students can go or not.

The strategic plan is supposed to be completed in June. Each month the committee will continue to meet. Meetings will be broadcasted; Lesa will speak with Mary Smith to see if the FAAC can be included on the mail list for invites.

THECB Reorganization

Lesa Moller directed everyone to the website to find the new THECB organization chart. Lesa recognized a new Innovation and Policy Development group; Ginger Gossman is the Senior Director. The group will likely be interested in working with the FAAC on any policies that come up regarding state financial aid.

The agency is also going through the process to hire a new Deputy Assistant Commissioner for State Financial Aid Programs. The CB lost Lyn Kinyon to Baylor University; her position had also been posted and recently closed.

FAAC Meetings

A decision needs to be made on the next committee meeting, it's anticipated for February. A doodle poll will be sent out for response. Lisa recommended the 2015 Meeting Schedule for February, June, September, and December.

Meeting Adjourned.

Financial Aid Advisory Committee
Meeting Notes
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Committee Members in Attendance

Lisa Blazer,
Pilar Janis
George Torres
Ann Walker
Anna Drake
Zelma De Leon
Harold Whitis
Carolyn Mallory
Carl Gordon
Delisa Falks
Marcus Wilson
Carolyn Jones
Audree Hernandez
Mary Gallegos-Adams
Chris Murr
Tom Melecki

Absent Committee Members

Melissa Elliot
Ron Brown
Doris Constantine
Rosario Juarez

Staff

Linda Battles
John Wyatt
Ken Martin
Lesa Moller
Janie Miramontes
Katherne Carson
Connie Cooper
Albert Contreras

Guests

Carla Fletcher-Research Analyst TG,

Approval of Minutes

The minutes from the last meeting were approved by the committee.

HB1 and Other Bills Impacting Financial Aid Programs

John Wyatt, Director, External Relations, THECB

Bills have been introduced in both the House (HB1) and Senate (SB2).

SB 2 Level Funded Programs

02/2015

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- Texas Grants was level-funded, which had been reduced based on removal of transfer from TX Grant to TEOG FY 15 and a gift from TG which was not included in our base. THECB did receive what we requested at our base.
- TX B-On-Time maintains level funding for the public institutions.
- Tuition Equalization Grant Program
- Texas Educational Opportunity Grant Program (TEOG)
- Texas College Work Study Program

SB2 Reductions

- Reduction of funding for the CB of \$97 Million - ~ 6.4% reduction.
- Single largest reduction was \$30 Million to reimburse institutions for tuition and fees under the Hazlewood program; program was transferred to the Texas Veterans Commission in 2014.
- Texas B-On-Time for private institutions was only funded to cover renewal students –eventual phase-out of the program.
- Top 10% Scholarship Program was funded only at the level sufficient to cover renewal students, which represents a \$21 Million reduction over the 14/15 level. SB2 includes a rider language restricting funding to renewal students only.
- Texas Armed Services Scholarship Program was reduced at 25%, which represents about a \$1.7(8) Million reduction

HB1 Includes an increase of 5.3% or \$8 Million in all funds and increases Texas Grant at ~\$41.3 Million over the 14/15 base.

HB1 Level Funded Programs

- Tuition Equalization Grant Program
- Texas Educational Opportunity Grant Program (TEOG)
- Texas College Work Study Program

HB 1 Reductions

- Top 10% Scholarship Program was funded only at the level sufficient to cover renewal students.
- Texas B-On-Time program - restricts program for both Private and Public institutions funding to cover renewal students only. HB1 will wind it down for all institutions. There is a provision to appropriate about \$99 Million in the GRD account for B-On-Time, but that is contingent upon passage of legislation eliminating the tuitions set asides for B-On-Time.

Tuition set asides

- HB117: Would make tuition set asides optional for institutions and would require that set aside proceeds be directed first for covering tuitions and fee exemptions for Veterans and their dependents.
- HB1325: Would permit institutions to retain any excess set asides for B-On-Time loans that they make, but that excess would have to be dedicated for Veterans and their dependents.
- HB375: Would eliminate the requirements for set asides in their entirety. Set aside requirements would be eliminated but institutions would retain ability to use set asides for financial aid.
- HB952: Would give institutions the option to retain set asides and potentially make B-On-Time awards or use set asides for other eligible financial aid purposes.

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Residency

- HB209 and HB360: would eliminate the current path way that allows undocumented students to be considered residents for both tuition and financial aid purposes.

TEXAS Grant

- SB117: Would require all Texas grant recipients to be eligible for federal financial aid.

Tuition and Fee Rates

- HB 89: By Rep. Mary Gonzalez would limit institutions' future tuition rates to no more than what they charge in 14/15 academic year.
- SB255: By Senator Ellis would limit institutions' tuition rates to no more than what they charged in the 15/16 academic year.
- SB233: Would limit growth to no more than the rate of inflation.

Appropriations

The Commissioner and Vice Chairman appeared before the Senate Finance Committee.

- Texas Grant –\$137.9 Million exceptional item request (EIR) to be able to serve 100% eligible students at a \$5,300 grant reward amount.
- TEOG - \$37.3 Million EIR to insure level funding with the FY15 funding amount which was not funded in the introduced bill.
- Work-Study -\$5.3 Million EIR to provide awards to 1,577 additional students each year; this was not included in either introduced bill.
- TEG - \$18 Million EIR to restore the program to FY09 funding levels and serve approximately 30,000 students each year.

B-On-Time

- The Commissioner has made the point that B-On-Time was one of the few state programs aimed more toward middle class students - students that don't necessarily have the largest amount of need.
- Rep Giddings has expressed concern that institutions were not receiving what they were contributing in set asides - if an institution doesn't use its entire allocation the funding is reallocated to other institutions.
- Various House bills would eliminate set asides and return \$99 Million that has accumulated to the institutions, but there is no specific bill to phase-out BOT. There is still some discussion on how to wind-down the program. The provision to return the \$99 Million is contingent upon passage of legislation.
- Because the need requirement for B-On-Time is much lower, there is the ability to extend that program to students higher up the income chain. CB staff has traveled to Washington to find relief to the requirement that prohibits institutions from promoting alternative loans to its students.
- Several committee members commented about the importance of making students aware of the program.

Top 10%

- The CB had submitted a scenario in its LAR where Top 10% would be reduced to renewal students *only if we had to take a cut*. This was just in the reduction scenario, if needed.

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- Both HB1 and SB2 have the same funding level and restrictions for Top 10% - only for renewal students.

The Committee requested a copy of the Commissioner's presentation to both finance committees.

Other comments and concerns

- Potential aid cuts would affect the neediest students (example – Brownsville ISD – 85% to 100% of students have applied to at least one post-secondary institution). Studies show that 60% of the Texas population is going to need a secondary credential in order to meet our work force needs by 2020.
- Committee members were encouraged to communicate any concerns regarding bills affecting financial aid to the Chair, as hearings will be starting soon.
- The CB does not yet know how the Legislature intends to treat undocumented students.
- Any reductions for the Hazlewood program would hurt veteran population; but, institutions need a remedy for rising costs of the program. Both the House and Senate appropriations bills included \$30 Million to reimburse institutions for some of their costs.
- The set aside elimination bill (designated tuition only) would go into effect in September.
- Lisa Blazer reiterated that the FAAC needs to make the counselors aware of these proposed bills. A suggestion was made to distribute a notice to high school counselors stressing that funding for these programs is in "limbo", and to use caution when advising students.
- \$8 Million dollars EIR for Advise Texas to replace the CACG funding. John W. was not aware of any plans to increase the endowment.

Possible end of modification of tuition deregulation - Impact to Financial Aid

Consensus has not been reached. Senator Seliger has proposed "performance based" tuitions, based on the 9 performance metrics that institutions are using currently; those meeting 5 of 9 metrics would have the ability to raise tuition. If not, it would default to the rate of inflation.

Rules Adopted on January 22, 2012 and FY2016 Update

Lesa Moller, Interim deputy Assistant Commissioner, Student Financial Aid Programs, THECB

- Rules adopted in January - will become effective March 4, 2015.
- TEG Rule - No significant changes; only language recommended by ICUT.
- TXG - Main change was to change the definition of attempted hours for eligibility limits. Current rule allowed student to qualify for a grant up to 150 semester hours attempted while receiving the grant. Adopted rule would limit eligibility to hours "attempted", 150 credit hour attempted hours period regardless if student received a Texas Grant for those hours. It also includes a professional judgment option to allow eligibility beyond 150 attempted semester credited hours based on student's hardship circumstances, as long as the student does not attempt more than 150 hours while receiving the Grant.
- New rule includes clarifying language concerning eligibility for renewal awards, periods of grant eligibility for students and the required adjustment to awards if additional resources are identified after the disbursement.
- TEOG -The rule for allocation and reallocation applies only to allocations for FY16 and FY17. By limiting the rule to apply to FY16 and 17, allows for a possible legislative resolution and another negotiating committee to determine allocation methodologies for period after FY17.

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Discussion of the New BOT Loan Counseling Module

Janie Miramontes, Director, Loan Program Operations, THECB

Janie reported that over 700 students have completed the module at 37 institutions. No problems or issues have been reported.

Reallocation

General reminder and discussion about the deadlines to request additional funds through reallocation. Ken Martin commented that in prior years, we had seen a much stronger utilization of funds, and was surprised by the amount (TEXAS Grant) that was still outstanding.

Discussion of the TG/NASFAA Study, Effectiveness of Counseling and Student Loan Debt

George Torres introduced Carla Fletcher-Sr. Research Analyst TG

TG has been working with NASFAA over the last year to create recommendations for improving administration of student loan counseling. A copy of the presentation was provided to the members.

Practitioner Recommendations:

- Provide background/introductory information, send YouTube link to student first, help borrowers locate their servicer contact information and explain the purpose behind the budget tools.
- Include cost of housing, bills, food, transportation, insurance cost, and other expenses.
- Would be helpful if the financial aid counselor could advise the student of the average or range of reasonable costs to put into the calculator to budget.
- Most students don't know the difference between a high loan burden and an income driven repayment plan - the Module presentation is the problem.
- Students want advice which the financial aid office could provide.
- TG gave all recommendations to the Department.

Policy Recommendations:

- Clarify counseling regulations and allow greater professional discretion,
- Explore incentives for robust, supplemental, or innovative counseling methods and providing greater resources for counseling in financial aid offices,
- Provide clarity and executive flexibility for HEA counseling requirements, more learning with less information, and
- Require intermediate/additional counseling.

General discussion regarding the presentation:

- The ppt presentation has not been presented to the DOE.
- Schools may not have resources to do more "in the middle" entrance and exit counseling - students should be more accountable
- Secretary of Education's Chief of Staff is interested in Texas' plan for financial literacy.
- TG has conducted studies concerning integrated counseling - you can't just borrow loans in a bubble. A greater emphasis on financial literacy is important - if students do not graduate they

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are more likely to default on their loans, no matter what they majored in or how much they borrowed.

- One-on-one counseling vs group – which is more effective? Most of the schools performed group counseling, possibly due to limited resources.
- Possible recommendation for next phase – compare delinquency rates for persons who did or did not receive some type of exit counseling.
- Loan counseling needs to occur early in high school.
- No clear guidance regarding holding disbursements for students who fail to complete loan counseling.

THECB Higher Education Strategic Planning Committee (HESPC)

The Committee is in charge of providing recommendations regarding the Board's development of the next long term strategic plan. "Student debt" is one of the items.

Texas HESPC has been meeting on a monthly basis since 2014. The agenda and meeting minutes are on the CB web site. Meetings are open to the public and are "live". Last meeting was February 12, 2015; next meeting March 17, 2015. Public can submit input via on line tools like College Town Hall Texas <http://www.collegetownhalltx.com>. Lisa B will send information to committee. It is anticipated at the CB quarterly meeting they will present recommendation for consideration of adoption.

RE: NASGAP FAFSA simplification questionnaire and the "two question" post cards - what field(s) would your state need?

If Feds make the changes, are the State's programs able to comply or would rule changes be required? Suggestion was made to reply to NASSGAP survey that Texas considers the following data elements essential for determination of eligibility for state financial aid: 1) dependent status, 2) the number of dependents in college, and 3) untaxed income.

No new business was introduced.

Meeting Adjourned at 12:20 pm.

Next meeting – TBD.

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<u>Committee Members in Attendance</u>	<u>Committee Members Absent</u>	<u>THECB Staff</u>	<u>Audience</u>
Lisa Blazer Harold Whitis Zelma De Leon Delisa Falks Anna Drake Mary Gallegos-Adams Tom Melecki Carla Fletcher for George Torres Carolyn Jones Carl Gordon Doris Constantine Carolyn Mallory Audree Hernandez Ron Brown Chris Murr via Tel-Conference Marcus Wilson via Tel-Conference	Melissa Elliot Pilar Janis Rosario Juarez Anne Walker	Ken Martin Charles Puls Linda Battles Lesa Moller Katherine Carson Wanda Carr DeCha Reid Janie Miramontes Albert Contreras Roosevelt Sanchez Michelle Williams Lizette Montiel Holly Kosiewicz Ginger Gossman Connie Cooper Michelle Salazar Rafael Villarreal Sophia Rodriguez Renee Jones Shebah Spears	Lois Holl-ICUT Rissa Pokker-ED Ray Martinez-ICUT Laura Hartmann-UT Systems Tomas Guajardo-UT Systems Charlotte Sellin-SFA Meredith George-UT Systems

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Approval of Minutes</u>	The minutes from the 2/19/15 meeting were approved by the committee.	Approved

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Presentation on Student Financial Aid Programs (SFAP)</u> Charles Puls, Deputy Assistant Commissioner – Student Financial Aid Programs	Goal is to build the Office of Student Financial Aid Programs into an integrated unit. <ul style="list-style-type: none"> SFAP "Central Office" – Office Coordinator, Administrative Assistant, Trainer, etc. Looking to expand institutional resources (e.g. a Texas Student Aid Handbook, improved institutional portal, etc.) Comprehensive review of state financial aid reporting requirements to improve efficiency and effectiveness. Working within our agency to make sure we know what each part of the agency is working on and how we can help each other succeed. 	None

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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<p><u>Update the recently completed legislative session</u></p> <p>Lizette Montiel- Office of External Relations</p>	<ul style="list-style-type: none"> • Texas Grant program received an increase of \$62.7M or 9.6% over 2014-2015 levels. This represents the adjusted base and does not include a one-time donation of \$30M from Texas Guaranteed. • Texas Educational Opportunity Grant received a biennial increase in funding from \$65.1 million in FY 2014-15 \$94.0M for 2016-2017. However, because two-year college students previously served by TEXAS Grants were moved to TEOG • Beginning in FY2015 (Senate Bill 215, 83rd Legislature), An Additional \$8.4 million would have been required to continue to fund TEOG at the FY2015 service level. Also, for FY2016-17, TEOG was split into separate pools for community colleges and for state and technical colleges to reflect the different allocation methodologies needed for these sectors. • Tuition Equalization Grant received an increase in funding of \$12.2M or 6.8% for 2016-2017. • The Texas B-On-Time Loan Program is phased out over the next five years. The loan will be provided to students who received an initial loan before the 2015-2016 academic year and the five percent tuition set-aside is eliminated as of the fall 2015 semester. • Top 10% Scholarships are phased out. It has been decreased 54% or \$21.4M limiting awards to renewal students only. • Texas Armed Services Scholarship Program received a cut in funding by \$2.0M or 25%. • The College Work Study Program was level funded at \$18.8M for the biennium. • SB 1750 requires institutions to ensure that at least 20% but not more than 50% of work study positions are provided by employers located off campus beginning with the 2016-2017 academic year. • The Educational Aide Exemption received \$1.5M in new appropriations after funding was discontinued in 2011. • HB 3027 - Texas Competency-Based Education Grant Program did not pass. 	<p>Coordinating Board will be reviewing rules for impacted programs accordingly.</p>

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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Update on Loan repayment programs (LRP)</u> Lizette Montiel- Office of External Relations	<ul style="list-style-type: none"> • Border County Faculty LRP was level funded \$375,626 total (Biennium) • Dental Education LRP received-\$220,000 new appropriations for the biennium. • Mental Health Professional LRP is a new program authorized per SB 239 with \$2.13M total (Biennium) • Physician Education LRP was level funded \$33.8M total (Biennium) • Teach for Texas LRP was level funded \$4.43M total (Biennium) • Math and Science Scholars LRP is a new program authorized per SB 686 \$2.60M total (Biennium) • Math and Science scholars were authorized in the previous session and it calls for the first awards to be made during the 2016-2017 school year. 	Coordinating Board will be reviewing rules for impacted programs accordingly.

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Update on new THECB strategic plan</u> Ginger Gossman, Sr. Director for Innovation and Policy Development	60X30TX new strategic plan builds on Achievements of Closing the Gaps 2015-2030 draft plan. <ul style="list-style-type: none"> • Attainment - By 2030, at least 60% of Texans aged 25-34 will have a postsecondary credential or degree. • Completion – By 2030, 550,000 students in that year will complete a certificate, associate, bachelors, or masters from a Texas higher education institution. • Marketable Skills – By 2030, all graduates from Texas public institutions of higher education will have completed programs with identified marketable skills. • Student Debt – By 2030, undergraduate student loan debt will not exceed 60% of first-year wage. • The 60% is a maintenance goal and is structured as a <u>state wide</u> goal. • We are using the median debt ratio to measure the debt compared to wages regarding the 60% goal. • Committee suggested that we create an ongoing state wide advisory group to focus on this goal. The group would include Council of Public University Presidents and ICUT. • Committee members suggested we involve other organizations to participate and share with the main focus of this plan, for instance Centers for Public Policy Priorities, Education is Freedom and Project GRAD. 	None

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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Discussion of nomination process for new FAAC members</u> FAAC Chair, Lisa Blazer	<ul style="list-style-type: none"> New board members Term begin with December 2015 meeting. Tom Melecki will take over the Chair position in the December meeting. In order to meet the deadlines for submitting information for the board, we will have to use email to accomplish this goal prior to the September meeting The Presidents of the institutions will nominate the new members. The timeline stand point for the Board is to have the votes in by the end of August 2015 to have them distributed out to the committee members. The TASFAA President changes as well. Members who are still interested in continuing servicing, keep in touch with your President. 	<p>The Coordinating Board will send out an announcement to the Presidents of the institutions.</p> <p>Committee members will look at the type of institutes and the rotations of service.</p> <p>Lisa Blazer will work with the CB staff to let you know how many positions are needed.</p>

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Discussion of Rule 1.155 – Report to the Board; Evaluation of Committee Costs and Effectiveness</u> FAAC Chair, Lisa Blazer and Charles Puls	<p>"The committee chair person shall report any recommendations to the Board on no less than an annual basis. The committee shall also report committee activities to the Board to allow the Board to properly evaluate the committee's work, usefulness, and the costs related to the committee's existence. The Board shall report its evaluation to the Legislative Budget Board in its biennial Legislative Appropriations Request."</p> <ul style="list-style-type: none"> Create a formal report in communicating to the board and appropriate departments the cost and effectiveness of the programs and committees. There is not a time table on when the template will be available. We are hoping to have a pilot template to present to the board in October. 	None

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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Discussion of FAAC involvement in data collection</u> FAAC Chair, Lisa Blazer	<ul style="list-style-type: none"> • Our involvement in data collections. In the past we had a sub-committee. Do we want to continue with a sub-committee on the FAAS report or do we want one only for the data collection from financial aid offices and how that inter-acts with other committees. • Per Linda Battles with the CB our sunset bill required us to engage in the negotiated rule making and re-evaluating the collection of data. • We will have a formal negotiated rule making process of stake holders from the institutions. 	<p>A Sub-committee was discussed and the board agreed that we should form this committee.</p> <p>Charles Puls with the Coordinating Board will follow up with Chair regarding the formation of sub-committees.</p> <p>Lisa Blazer committee chair will send out email requesting volunteers across the state.</p> <p>Doris Constantine volunteered as the lead of the committee; Carolyn Jones has volunteered to be on the committee.</p>

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Discussion of opportunities to improve the agency's support of financial aid administration</u> FAAC Chair, Lisa Blazer	<ul style="list-style-type: none"> • In moving from the prior approach to allocation to the negotiated-rule approach to allocations, the negotiated rule process did not include detailed data runs. It will be important for the agency and the negotiated rule committee members to review data related to proposed rules, since this did not occur for TEXAS Grant, which caused some surprising outcomes. • Charles Puls also asked for feedback on the short-term and long-term needs the committee would want us to be looking at, in order to best service the board in the future. • Committee request a list of the current contact information for the CB staff. • Committee members would like to see both FAQ and the FSA handbook resources working together. • Committee requested that if Legislative update with high points could go out to the Presidents and CFO's? • Committee suggested when funds are delayed, can CB expedite the disbursements? 	<p>Coordinating Board will provide something in writing regarding the THECB institutional complaint process.</p>

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	<ul style="list-style-type: none"> Committee suggested that on non-Legislative years can CB get an idea of the allocations so the institutions can start packaging earlier? 	
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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
Coordination Board Allocations Schedule	<ul style="list-style-type: none"> B-On-Time preliminary went out June 23, 2015, now in the 10 day review period Texas Work Study and TEOG going out June 26, 2015 TEOG preliminary going out June 26, 2015, then will go into 10-day review period Texas Grant going out June 26, 2015, then will go into a 10-day review period The Texas Work Study funds are allowed to be used for the summer with permission from the CB. 	None

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
Closing of meeting	<p>No New Business</p> <p>Meeting adjournment at 1:10pm</p>	<p>FAAC Member nominations will be done prior to next meeting.</p> <p>Next meeting scheduled for September 17, 2015.</p>

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Texas Higher Education Coordinating Board
Financial Aid Advisory Committee
Meeting Notes
September 17, 2015

<u>Committee Members in Attendance</u>	<u>Committee Members Absent</u>	<u>THECB Staff</u>	<u>Audience</u>
Lisa Blazer Harold Whitis Zelma De Leon Delisa Falks Anna Drake George Torres Carolyn Jones Carl Gordon Doris Constantine Carolyn Mallory Audree Hernandez Chris Murr Melissa Elliot Anne Walker Marcus Wilson Melissa Elliot Mary Gallegos-Adams Via Tel-Conference	Pilar Janis Rosario Juarez Anne Walker Ron Brown	Ken Martin Charles Puls Linda Battles Lesa Moller Katherine Carson Wanda Carr DeCha Reid Janie Miramontes Albert Contreras Roosevelt Sanchez Michelle Williams Michelle Salazar Sophia Rodriguez	Chris Scott-TG Diane Todd Sprague-UT Austin

<u>Agenda Item</u>	<u>Critical Discussion Points</u>	<u>Formal Decision/Action Required</u>
<u>Approval of Minutes</u>	Corrections made to 6/25/15 meeting minutes <ul style="list-style-type: none"> Agenda Item FAAC involvement in data collections, corrected sub-committee volunteer from Carolyn Mallory to Carolyn Jones Marcus Wilson was present via conference call Agenda Item-Allocations schedule should be B-On-Time not B-On-Top and TEOG not TEGO. 	Minutes corrected Amended minutes approved

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September 17, 2015

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Student Financial Aid Program-Updates</u> Charles Puls, Deputy Assistant Commissioner – Student Financial Aid Programs	<p>THECB has contracted with 5280 a Nelnet company in upgrading a new version of our loan management system.</p> <ul style="list-style-type: none"> • This will be a migration of our existing management system instead of a new loan management system. • It will improve our processing and customer interfacing system • Functions will be for interaction with students submitting applications and schools certifying those applications • The process will be done in the course of 17-18 months • The anticipated "Go Live" date is set for January 2017 <p>THECB is working on training of the new loan software for schools prior to the "Go live" date.</p> <p>Update on the Trainer position in the Financial Aid Dept.</p> <ul style="list-style-type: none"> • HR is finalizing this position which has grown into a Manager position • The position will oversee: <ul style="list-style-type: none"> • A team of 3 individuals who will be focused on supporting schools • Developing the Texas Student Aid Handbook • Creating a more effective Financial Aid Dept. web portal <p>Update on the Restructuring within Student Financial Aid Program (SFAP)</p> <p>We now have two Divisions under the SFAP Dept.</p> <ul style="list-style-type: none"> • Borrower Services for borrowers • Financial Aid Services for Schools <ul style="list-style-type: none"> • We are moving toward being skill based rather than program based • As positions open they will be posted outside the agency as well as internal within the next 6 months. • Our goal is to assign one designated phone number where the institutions can call with questions <p>Lisa Blazer-Chair; How does the CB handle customer service complaints?</p> <p>Charles Puls-CB Deputy Assistant Commissioner; Stated that customer service complaint are handled by a staff member in our Division of College Readiness and Success. Dr. Puls- also stated that the CB has distributed the complaint process via the TASFAA listserv.</p>	None

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September 17, 2015

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<p><u>Presentation on new processing dates for GSP</u></p> <p>DeChá Reid, Director of Financial Aid Services</p>	<p style="text-align: center;">2015-2016 Institutional Calendar</p> <p>May, June and July are the Month's we will go over on the end of year reporting</p> <ul style="list-style-type: none"> • May 1 is the deadline date to submit the Summer update file • Common Error's came up during the end of year process for all programs in FY2015 due to prior year SAP not being met. • The new deadline for summer update file will minimize the number of corrections for the institutions. • Goal is to have all End-of-Year (EOY) reports done prior to end of the fiscal year. • Institutions can submit summer update file before May 1 • June 17 is the deadline date for submitting end of year reporting for Top 10% for public institutions and Texas College Work-study Program for all institutions • We are trying to stagger deadline dates because in FY2015, community colleges had to submit four EOY reports on the same day. <p>In July you have two deadline dates</p> <ul style="list-style-type: none"> • July 1 is the deadline date for institutions to submit their FY2016 reports for TEG, TEOG and Texas Grants. • July 15-Texas Grants for the community colleges to submit their FY2016 EOY report. • These deadlines allow THECB to assist institutions with corrections and submit before the end of July. Our expectation is that all institutions can meet the set deadline dates. • This is a draft, will correct the timeline to reflect that the earliest date to set priority for all (initial and renewal) students is March 15 and not October for renewal students. • FAAC agreed that the dates would work and made no further comments regarding the calendar 	<p>DeChá Reid- CB Director of Financial Aid Services will assemble the final calendar.</p> <p>The FAAC members agreed that a Sub-committee should be created to review the impact of the Federal move to prior-prior year.</p> <p>Members who are not part of the main committee can serve on the sub-committee</p> <p>Chris Murr- Director of Financial Aid Texas State University-has volunteered as the lead to the sub-committee</p> <p>The following volunteered to assist with the sub-committee:</p> <ul style="list-style-type: none"> • Harold Whitis- District Director of Student Financial Aid-Alamo CCD • Marcus Wilson-Director of Financial Aid-Texas Tech University HSC • Delisa Falks-Executive Director Scholarships & Financial Aid-Texas A&M University • Zelma De Leon-Director of Financial Aid-University of North Texas • Diane Todd Sprague-Director, Office of Financial Aid The University of Texas at Austin <p>Lisa Blazer-Chair will give the volunteer list to Chris Murr.</p>

Texas Higher Education Coordinating Board
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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Update on TG Pilot Project</u> Chris Scott-TG Program Director	<p style="text-align: center;">TX Student Loan Default Prevention Pilot Program</p> <p style="text-align: center;">3 key elements</p> <ol style="list-style-type: none"> 1. Educate the borrower 2. Academic and Career Choices 3. Strategies to avoid delinquency and default <p>11 Institutions are participating in the program</p> <p>Four Pilot Features are <u>operational now</u></p> <ul style="list-style-type: none"> • Default Prevention Plans <ul style="list-style-type: none"> • Completion/acceptance of plan is the short-term • Lower cohort default rates is the long-term • Student Financial Education and Loan Counseling <ul style="list-style-type: none"> • Number of student attendees • Knowledge gained-pre-test vs post-test • Behavior modification survey • College-Going tips and Emails <ul style="list-style-type: none"> • Mighty Money Minute • Available formats: email, text message and PDF. • Financial Coaching <ul style="list-style-type: none"> • Post session survey • AFCPE-Trained and credentialed coaches • Personal, 1:1, student /coaching sessions <p>Two Features <u>in development</u></p> <ul style="list-style-type: none"> • Integrated advising • Reports and assessments. <p>Pilot is up and running-The first year (June 2014) to now was spent designing and recruiting institutions</p> <ul style="list-style-type: none"> • Pilot should evolve and modify • Cohort default rates take years to develop • Expect interim results we can track. <p>George Toires Assist VP Congressional/Legislative Relations with Texas Guaranteed added that the pilot was to carry out the legislative intent of SB6080 but feels like it is also targeted to the student debt goal for 60x30 goal. TG submitted this pilot to the Dept. of Education in April as a proposal. TG has a surplus of funds to pay for defaulted claims. We would like to use some of the accrued interest from the Federal fund to expand the pilot to include other Texas schools.</p>	None

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Select new Vice Chair</u> Lisa Blazer, FAAC Chair	<p>Tom Melecki is no longer in the industry and has resigned from the Financial Aid Advisory Committee.</p> <p>The Vice Chair will serve until they become Chair 3-year commitment</p> <ul style="list-style-type: none"> • Chris Murr nominated for Vice Chair • Delisa Falks nominated for Vice Chair 	Chris Murr- Director of Financial Aid Texas State University was voted Vice Chair for a few hours then will become Chair at the end of this meeting.

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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Finalize nominations</u> Lisa Blazer, FAAC Chair and Charles Puls, Deputy Assistant Commissioner – Student Financial Aid Programs	<p style="text-align: center;">Current update on FAAC Member Nominations</p> <ul style="list-style-type: none"> • High School representative can't be finalized now because we do not have any nominations • Committee needs the following members <ul style="list-style-type: none"> • 2 from 4-yr public Institutions • 2 from 2-yr Institutions • 2 from private Institutions • 2 from Health-related Institutions • Appointed members (TASFAA and Student) <p style="text-align: center;">Proposed Committee Members for Dec 2015-Nov 2018</p> <p>2-Yrs</p> <ul style="list-style-type: none"> • Harold Whitis-Alamo CCD • Melissa Elliot-Vernon College • Rosario Juarez-Austin Community College • Carl Gordon-College of the Mainland • Mary Gallegos-Adams-TSTC-Harlingen • Sandi Jones-McLennan Community College <p>4-Yrs</p> <ul style="list-style-type: none"> • Lisa Blazer-UT SA • Jeannie Gage-Texas A&M University Corpus Christi • Zelma De Leon- University of North Texas • Chris Murr- Texas State University • Carolyn Mallory-University of Houston-Victoria <p>4-Yr Private</p> <ul style="list-style-type: none"> • Doris Constantine-St. Edwards • Lyn Kinyon-Baylor University <p>Health-Related</p> <ul style="list-style-type: none"> • Delissa Falks-Texas A&M • Cathy Sanchez-University of N.TX HSC <p>Other Group</p> <ul style="list-style-type: none"> • Audree Hernandez-College Advising Group <p>Student Rep</p> <ul style="list-style-type: none"> • Anna Drake-University of Texas at Austin <p>TASFAA Representative</p> <ul style="list-style-type: none"> • Shannon Crossland-Texas Tech University <p>Dec 15-Sep 16 under appointed member</p> <p>Charles Puls- CB Deputy Assistant Commissioner; stated that the recommendation on nominations to the board comes from the agency in terms of committee membership not solely from the advisory committee. The agency as well as the Board needs to be looking at nominations of members.</p> <p>THECB Commissioner is concerned with having two members on the committee from the same institutions. Since the TASFAA President Shannon Crossland (appointed member) is from Texas Tech University and one FAAC nominee- Becky Wilson is also from Texas Tech University.</p> <p>At this time the two institution issue was resolved due to Becky Wilson from Texas Tech University asking to rescind her nomination.</p> <p>George Torres from TG asked to rescind TG's position on the committee so that another representative can serve in the future.</p>	<p>Nominations for High School representative still needed</p> <p>Committee approved the request from TG to rescind their position on the committee</p> <p>Committee approved the following nominee's to the committee.</p> <ul style="list-style-type: none"> • Sandi Jones-McLennan Community College • Jeannie Gage-Texas A&M University Corpus Christi • Doris Constantine-St. Edwards • Lyn Kinyon-Baylor University • Cathy Sanchez-University of N.TX HSC • Shannon Crossland-Texas Tech University-TASFAA • Zelma De Leon- University of North Texas

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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<p><u>Discuss potential rule changes to clarify membership eligibility, nomination process, and Vice Chair, Chair, Past Chair eligibility.</u></p> <p>Lisa Blazer, FAAC Chair and Charles Puls, Deputy Assistant Commissioner-THECB</p>	<p style="text-align: center;">Current FAAC Membership Rules</p> <p>Chapter 1 Subchapter J section 1.151: Membership shall consist of financial aid practitioners, public school counselors, and other persons who can provide insight into the informational needs of students.</p> <p>Chapter 1 Subchapter A (g): Membership. The Board shall solicit nominations and make appointments from such nominations for membership on advisory committees from presidents and chancellors or the respective designee.</p> <p>Challenges and possible changes to the these rules</p> <ul style="list-style-type: none"> • Hard to get HS Counselors nominated • TAFAA Rep only services one year • Members serve a 3-year term • What falls under "Other" • 2 Reps from Health-Related even though there are only about half a dozen HRI's • 1 Student rep from a 2yr and 1 from a 4yr, do we look for 1 or 2 student reps • No language that "other" could not serve as VC then Chair • More specific rule on a vacated slots • Rule regarding who ultimately decides who can be a member. (Agency or Board) • Members from same systems <p>Additional discussion regarding Committee Members</p> <p>Linda Battles-CB Deputy Commissioner-TASF AA rep does not have to be the TASF AA president.</p> <p>In the rules there is a provision regarding a member unable to continue to service on the committee.</p> <p>Charles Puls- CB Deputy Assistant Commissioner and Lisa Blazer-Chair have left some vacancies in order to balance the rotation of members.</p>	<p>Charles Puls-CB Deputy Assistant Commissioner; will put together the comments and issues related to the issues discussed for the new members to review prior to next year's nominations.</p>

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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Initial ideas that have arisen on legislative recommendations for the next biennium</u> Charles Puls, Deputy Assistant Commissioner-THECB	<p>THECB is already think about the next legislative session and discussing ideas. There is a Board retreat next week to discuss the following ideas.</p> <ul style="list-style-type: none"> • Review of the gaps that will follow with the phasing out of Top 10% and BOT Scholarships • Adjustments to address some of the gaps • TEOG issues for Bachelors-some CC offer Bachelor's degrees- TEOG eligibility runs out before completion of a Bachelor's Degree • CAL loan process and access to the program • Required credits and length of eligibility for grant programs. <p>Carolynn Jones-Collin County CC; pointed out that we need to look at the prior-prior year in order to help with the topics.</p> <p>Chris Murr-Texas State University; suggestion on the two year allocations oppose to the one.</p>	None

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Discussion of trends in CAL usage</u> Charles Puls, Deputy Assistant Commissioner-THECB	<p>Discussion and thoughts over Loan Treads and usage</p> <ul style="list-style-type: none"> • The number of students using College Access Loan is up. • FY16 looks to be higher than FY15 • Questions: <ul style="list-style-type: none"> • What caused the drop on using CAL • What turned the drop around • CB lent students less money • Trends that the Agency should take into consideration <p>Lisa Blazer-UT San Antonio stated that the following may have been reasons for trends.</p> <p>Ideas on downward Trend</p> <ul style="list-style-type: none"> • The changes on private loans • No advertising • Unable to talk about the CAL loan • Students did not know about the CAL • Institutions need to know how to package the loan within the Federal guidelines. <p>Ideas on upward Trend</p> <ul style="list-style-type: none"> • BOT phased out • Figuring out how to inform students • Alternative Lender list <p>THECB is encouraging institutions to reach out if they need more allocations.</p>	NONE

Texas Higher Education Coordinating Board
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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Adjournment</u> Lisa Blazer, FAAC Chair	Next FAAC Meeting set for December 10, 2015 Minutes need to be approved or not approved not a voted item Adjournment at 12:20pm	Lisa Blazer- Chair completed her term as Chair and Chris Murr- Director of Financial Aid at Texas State University has become the Chair.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-E

Report on data highlight: student debt data

RECOMMENDATION: No action required

Background Information:

The fourth goal of the *60x30TX* higher education strategic plan states: By 2030, undergraduate student loan debt will not exceed 60 percent of first-year wages for graduates of Texas public institutions. The 60 percent goal is a statewide average, and variances are expected in this ratio when considered across sectors, undergraduate degree levels, and disciplines. Exploring these differences and other breakouts of debt data, such as by student demographics, can bring focus to areas that may need attention. With the adoption of the *60x30TX* plan, staff have begun to delve more deeply into student debt data, working to broaden their understanding in ways that can help shape policies and strategies to support the plan. This presentation will highlight data of interest that has emerged from these efforts.

Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding, will provide a presentation.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-F

Report on the history and current state of postsecondary correctional education in Texas

RECOMMENDATION: No action required

Background Information:

The Department of Education (DOE) launched an initiative called the "Second Chance Pell Pilot" in July 2015. This program serves incarcerated individuals. Under this pilot program, inmates will be eligible for Pell Grants, a needs-based federal grant program for low-income undergraduate students. "Second Chance" is not a new policy idea. Inmates were Pell eligible from 1972, when Pell was established as the Basic Education Opportunity Grant, to 1994, when Congress amended the Higher Education Act to eliminate Pell Grant eligibility for students in federal and state penal institutions.

The national attention to this policy has renewed state interest in Texas policy related to correctional education.

Texas has been providing correctional education since 1969, when the Texas Board of Corrections established the Windham School District (WSD). WSD is one of the largest correctional education systems in the nation and offers literacy, life skills, vocational, and post-secondary classes to eligible inmates.

Texas has been providing **postsecondary** correctional education since 1966, through efforts at Lee College. Funding for postsecondary correctional education is through a budget line item under the Texas Department of Criminal Justice (TDCJ). TDCJ contracts with individual community colleges and universities for services. These contracts cover tuition and operating costs.

The state will pay for enrollment of incarcerated students in academic courses each semester. However, each inmate student must repay the state for the loaned amount as a condition of his or her parole. The main impetus for providing education to inmates is that it will reduce recidivism rates, and thus save tax dollars and contribute to safer communities. There is a plethora of research that supports the argument that there is an inverse relationship between education and reoffending.

Dr. Ginger Gossman, Senior Director of Innovation and Policy Development, will be provide a brief presentation and will be available for questions.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-G

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.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-H

Discussion of draft legislative recommendations for the 85th Texas Legislature

RECOMMENDATION: No action required

Background Information:

The 85th Texas Legislature will convene on January 10, 2017. Based on the Coordinating Board's initial direction, the External Relations staff has been working with stakeholders to develop and refine higher education policy recommendations for consideration by the next Legislature. The Board will discuss draft recommendations at the January 2016 Board meeting, with the goal of adopting final recommendations at the April 2016 Board meeting.

Mr. John Wyatt, Director for External Relations, will provide an overview of the draft legislative recommendations for discussion by the Board.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-I (1)

Consideration of adopting the Commissioner's recommendation to the Committee relating to the proposed new section to Chapter 5, Subchapter A, General Provisions, Section 5.10 concerning tracking career information for graduates of Texas medical schools and persons completing medical residency programs in Texas

RECOMMENDATION: Approval

Background Information:

The intent of this new section is to establish a system to acquire and maintain data regarding the initial residency program choices made by graduates of medical schools in this state and the initial practice choices made by persons completing medical residency programs in this state, as required by Texas Education Code, Subchapter C, Section 61.0906.

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

Date approved by the Commissioner for publication in the *Texas Register*: September 21, 2015.

Date Published in the *Texas Register*: October 2, 2015.

The 30-day comment period with the *Texas Register* ends on: November 2, 2015.

The 30-day comment period with the *Texas Register* ends on: November 2, 2015

The following comment was received from the Texas A&M Health Science Center College of Medicine:

Comment: The Texas A&M Health Science Center College of Medicine requested clarification be made in the proposed new Section 5.10 as to what entity will be reporting practice choices made by a physician upon completion of his or her residency as well as for the two-year period following completion of that program. The Texas A&M Health Science Center College of Medicine expressed concern that as written, the rules propose using "any data reasonably available... including data maintained or accessible to medical schools or residency programs" without clarifying how this data is to be obtained. The Texas A&M Health Science Center College of Medicine states that (a) medical schools currently do not collect data on what practice choice individuals make upon completing their residency program; and (b) it is unclear how either a medical school or a residency program would obtain data from a person who has completed their residency program and is two years into their medical career or a fellowship.

Staff Response: The Coordinating Board entered into a Memorandum of Understanding with the Texas Medical Board (TMB) in 2014, which allows the TMB to send physician licensure data to the Coordinating Board. The Coordinating Board will match Texas physician licensure data to

AGENDA ITEM V-I (1)

the existing data collected from the Texas medical schools about the residents pursuing graduate medical education training in Texas. Using these existing data resources, the Coordinating Board intends to collect data on practice choices made by persons completing a medical residency in the state. The Coordinating Board does not anticipate collecting this data from medical schools or residency programs. However, data collection on practice choices made by persons completing a medical residency in the state is one of the requirements of Texas Education Code, Subchapter C, Section 61.0906. If data from TMB becomes unavailable to the Coordinating Board or is deemed insufficient, the Coordinating Board will be required to analyze and determine other potential sources for these data. The Coordinating Board will provide medical schools and residency programs in the state reasonable notice of and opportunity to comment on new data reporting requirements, if that is necessary. No changes were made as a result of this comment.

Chapter 5. Rules Applying to Public Universities, Health-Related Institutions, and/or Selected Public Colleges of Higher Education in Texas

Subchapter A. General Provisions

Section

- 5.1 Purpose
- 5.2 Authority
- 5.3 Definitions
- 5.4 Time Limit on implementing New Programs or Administrative Changes Approved by the Board or the Commissioner
- 5.5 Uniform Admission Policy
- 5.7 Uniform Grade-Point Calculation for Admission to Graduate and professional Schools
- 5.8 Criteria for Posting Faculty-Related Measures on Institutional Websites
- 5.9 Institutional Input Measures in the Texas Higher Education Accountability System

5.10 Tracking System for Medical Training and Practice Choices

- (a) The Coordinating Board shall, through an established tracking system, acquire and maintain data regarding the initial residency program choices made by graduates of medical schools in this state and the initial practice choices made by persons completing medical residency programs in this state.
- (b) The tracking system shall:
 - (1) use any data reasonably available to the Coordinating Board, including data maintained by or accessible to medical schools or residency programs in this state; and
 - (2) with respect to a person who completes a medical residency program in this state, collect relevant information for the two-year period following completion of that program.
- (c) General academic and public and private health related institutions with a program in medicine or osteopathic medicine shall provide to the Coordinating Board, on a yearly basis, data regarding the initial residency program choices made by their graduates unless otherwise directed by the Coordinating Board.

AGENDA ITEM V-I (2)

Consideration of adopting the Commissioner's recommendation to the Committee relating to amendments to Chapter 21, Subchapter J, Sections 21.254, 21.258, 21.260, repeal of Sections 21.255—21.257, and new proposed Sections 21.255-21.257, of the Board rules, concerning the Physician Education Loan Repayment Program (PELRP)

RECOMMENDATION: Approval

Background Information:

Section 21.254 is amended to add definitions for National Provider Identifier, Program, Texas Medicaid and Healthcare Partnership, and Texas Provider Identifier. The definition of primary care specialty is expanded to include hospitalists practicing in Health Professional Shortage Areas, and language referring to combined internal medicine and pediatrics is added to clarify the term "medicine-pediatrics".

Section 21.258 currently specifies that, to be eligible for repayment, a loan may not be subject to repayment through another student loan repayment or loan forgiveness program. The amendment adds "or repayment assistance provided by the physician's employer", in addition to the phrase "while the physician is participating in the program".

Section 21.260 regarding limitations is amended to clarify that a physician may not receive loan repayment assistance through any other loan repayment program while participating in the PELRP. Additionally, this section is amended to delete a provision under §21.260(d) that is included in proposed new §21.257 regarding applications based on services to Medicaid or Texas Women's Health Program enrollees.

Section 21.255 is no longer relevant. Sections 21.256 and 21.257 must be repealed and readopted to reflect renumbering and new language.

Section 21.255 replaces former §21.255 which was repealed because it is no longer applicable. New §21.255 regarding eligibility adds language to the previous eligibility rule clarifying that physicians practicing in Health Professional Shortage Areas (HPSAs) must serve uninsured persons, persons enrolled in Medicare (except in the case of pediatricians), Medicaid, and CHIP (if the practice includes children), to qualify for loan repayment assistance. Additionally, this section clarifies that only primary care physicians who are not practicing in HPSAs may qualify on the basis of meeting specified service levels for Medicaid and Texas Women's Health Program enrollees.

Section 21.256 was repealed. The new §21.256 includes new language regarding priorities of ranking criteria for physicians qualifying strictly on the basis of Medicaid and Texas

Women's Health Program service levels, if there are insufficient funds for all applicants who qualify on this basis.

New §21.257 provides additional information about the source of data used in determining Medicaid and Texas Women's Health Program service levels, the basis for required service levels, and requirements relating to verification of physician services data.

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

Date approved by the Commissioner for publication in the *Texas Register*: October 12, 2015

Date published in the Texas Register: October 23, 2015

The 30-day comment period with the *Texas Register* ended on November 23, 2015

No comments were received regarding the amendments or repeal.

CHAPTER 21. STUDENT SERVICES

SUBCHAPTER J. THE PHYSICIAN EDUCATION LOAN REPAYMENT PROGRAM

Section

- 21.251. Authority and Purpose.
- 21.252. Administration.
- 21.253. Dissemination of Information.
- 21.254. Definitions.
- ~~[21.255. Loan Repayment Assistance Under Former Law; Saving Provision.]~~
- 21.255[6]. Eligibility.
- 21.256[7]. Application Ranking Criteria.
- 21.257. Applications Based on Services to Medicaid or Texas Women's Health Program Enrollees
- 21.258. Eligible Lender and Eligible Education Loan.
- 21.259. Amount of Repayment Assistance.
- 21.260. Limitations.
- 21.261. Disbursement of Loan Repayment Assistance.
- 21.262. Reporting and Data Collection.

- 21.251. Authority and Purpose.

(a) Authority. Authority for this subchapter is provided in the Texas Education Code, Subchapter J, Repayment of Certain Physician Education Loans. These rules establish procedures to administer the subchapter as prescribed in the Texas Education Code, Sections 61.531 through 61.540.

(b) Purpose. The primary purpose of the Physician Education Loan Repayment Program is to encourage qualified physicians to practice medicine in a health professional shortage area designated by the U. S. Department of Health and Human Services, and provide health care services to recipients under the medical assistance program authorized by the Texas Human Resources Code, Chapter 32, and to enrollees under the child health plan program authorized by the Texas Health and Safety Code, Chapter 62.

- 21.252. Administration.

The Texas Higher Education Coordinating Board, or its successor or successors, shall administer the Physician Education Loan Repayment Program and may enter into a memorandum of understanding with the Texas Department of State Health Services to perform specified duties in administering the program.

- 21.253. Dissemination of Information.

The Board shall disseminate information about the Physician Education Loan Repayment program to health-related institutions of higher education, appropriate state agencies, interested professional associations, and the public.

- 21.254. 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) CHIP--The Children's Health Insurance Program, authorized by the Texas Health and Safety Code, Chapter 62.
- (3) Commissioner--The commissioner of higher education, the chief executive officer of the Board.
- (4) Federally Qualified Health Center--Any entity in Texas defined under 42 USC §1396d (l)(2)(B).
- (5) DSHS--The Texas Department of State Health Services.
- (6) Full-time Service--An average of at least 32.5 hours of direct patient care per week during the service period at the [HPSA] practice site.
- (7) HPSAs--Health Professional Shortage Areas (HPSAs) are designated by the U. S. Department of Health and Human Services (HHS) as having shortages of primary medical care, dental or mental health providers and may be geographic (a county or service area), demographic (low income population) or institutional (comprehensive health center, federally qualified health center or other public facility). Designations meet the requirements of Sec. 332 of the Public Health Service Act, 90 Stat. 2270-2272 (42 U.S.C. 254e). Texas HPSAs are recommended for designation by HHS based on analysis of data by DSHS.
- (8) Medicaid--The medical assistance program authorized by Chapter 32, Human Resources Code.
- (9) NPI – National Provider Identifier; the Health Insurance Portability and Accountability Act (HIPAA) Administrative Simplification Standard unique identification number for covered health care providers. Covered health care providers and all health plans and health care clearinghouses must use the NPIs in the administrative and financial transactions adopted under HIPAA.
- (10)[(-9)] Primary Care Specialty--Family medicine, family practice, general practice, obstetrics/gynecology, general internal medicine, general pediatrics, combined internal medicine and pediatrics (medicine-pediatrics), psychiatry, [or] geriatrics, or hospitalists who practice in HPSAs.
- (11) Program – The Physician Education Loan Repayment Program.
- (12)[(10)] Rural HPSA--A HPSA-designated whole county whose population is less than 50,000 or a HPSA-designated facility or population group located in a county whose population is less than 50,000.
- (13)[(11)] Service Period--A period of 12 consecutive months qualifying a physician for loan repayment.

(14) TMHP – Texas Medicaid and Healthcare Partnership; the entity that administers Texas Medicaid and other state health-care programs on behalf of the Texas Health and Human Services Commission.

(15) TPI – Texas Provider Identifier; the number Managed Care Medicaid Providers must use when filing claims with the Texas Medicaid and Healthcare Partnership (TMHP), for payment of services rendered.

(16[12]) Texas Women's Health Program – The program authorized by Health and Safety Code, §31.002(a)(4)(C) and (H), §31.003, and §31.004, which provides primary health care services, including family planning services and health screenings, at no cost to eligible low-income women; administered by the Texas Health and Human Services Commission.

~~[21.255. Loan Repayment Assistance Under Former Law; Saving Provision.]~~

~~[Physicians qualifying for loan repayment assistance on the basis of applications submitted to the Board before September 1, 2009, may receive loan repayment assistance pursuant to Sections 61.531 through 61.539 of the Texas Education Code, the statute in effect prior to the passage of H.B.2154, 81st Texas Legislature.]~~

21.255[6]. Eligibility.

(a) To be eligible for the Board to reserve loan repayment funds, a physician must:

(1) ensure that the Board or its designee has received the completed application by the established deadline, which will be posted on the program web page;

(2) be a U.S. citizen or a Legal Permanent Resident and, at the time of application, hold a Full Physician License from the Texas Medical Board, with no restrictions;

(3) not be currently fulfilling another obligation to provide medical services as part of a scholarship agreement, a student loan agreement, or another student loan repayment agreement;

(4) during the first, second, and third service period, if the physician has not earned and maintained board certification, be eligible to take the exam for board certification from:

(A) an American Specialty Board that is a member of the American Board of Medical Specialties or the Bureau of Osteopathic Specialists in a primary care specialty, or

(B) an American Specialty Board that is a member of the American Board of Medical Specialties or the Bureau of Osteopathic Specialists in a specialty other than primary care if the DSHS determines there is a critical need for the applicant's specialty.

(5) in the case of physicians qualifying on the basis of practice in a HPSA, agree to provide four consecutive service periods in a HPSA.

(b) To be eligible to receive loan repayment assistance, a physician must:

(1) have completed one, two, three, or four consecutive service periods in a:

(A) HPSA, serving persons who are:

(i) enrolled in Medicaid or CHIP or both;

(ii) uninsured; and

(iii) enrolled in Medicare, except in the case of pediatricians.

(B) secure correctional facility operated by or under contract with the Texas Juvenile Justice Department or its successor or in a secure correctional facility operated by or under contract with any division of the Texas Department of Criminal Justice or its successor, or

(C) location other than a HPSA, if the physician practices primary care and during the service period ~~[the physician]~~ has provided health care services to a designated number of Medicaid or Texas Women's Health Program enrollees, established in the Board's Memorandum of Understanding with the Texas Health and Human Services Commission and posted on the program web page. ~~[.]~~

~~[(2) during the service period, have provided direct patient care to:~~

~~(A) Medicaid enrollees and CHIP enrollees, if the practice includes children, [or]~~

~~(B) persons committed to a secure correctional facility operated by or under contract with the Texas Juvenile Justice Department or its successor or persons confined to a secure correctional facility operated by or under contract with any division of the Texas Department of Criminal Justice or its successor, or~~

~~(C) a designated number of Medicaid or Texas Women's Health Program enrollees, established in the board's Memorandum of Understanding with the Texas Health and Human Services Commission and posted on the program web page.]~~

(2) ~~[(3)]~~ for loan repayment based on the fourth service period, have earned certification from an American Specialty Board that is a member of the American Board of Medical Specialties or the Bureau of Osteopathic Specialists in a primary care specialty, or in a specialty other than primary care if the ~~[DSHS has determined that there is a critical need for the applicant's specialty in the HPSA where the]~~ practice is located in a HPSA.

21.256~~[7]~~. Application Ranking Criteria.

(a) Application deadlines will be established throughout the fiscal year and will be posted on the program web page. If there are not sufficient funds to award loan repayment assistance for all eligible physicians whose applications are received by the stated deadline, applications shall be ranked according to the following criteria, in priority order:

(1) applications from physicians practicing in HPSAs, in the following priority order:

- (A) renewal applications, with first priority assigned to those for primary care;
- (B) applications from primary care physicians practicing in rural HPSAs;
- (C) applications from primary care physicians practicing in non-rural areas whose HPSA scores reflect the highest degrees of shortage;

(2) initial applications from non-primary care physicians ~~[who are practicing in HPSAs, if the DSHS determines that there is a critical need for the applicant's specialty];~~

(b) the first ten applications received each year from eligible physicians serving persons committed to a secure correctional facility operated by or under contract with the Texas Juvenile Justice Department or its successor or persons confined to a secure correctional facility operated by or under contract with any division of the Texas Department of Criminal Justice or its successor;

(c) applications from primary care physicians who have provided health care services to a designated number of Medicaid or Texas Women's Health Program enrollees, as established annually by methods outlined in the board's Memorandum of Understanding with the Texas Health and Human Services Commission, in the following order of priority: [-]

- (1) renewal applications;
- (2) applications from physicians practicing in a rural county;
- (3) applications from geriatricians;
- (4) applications from physicians having the greatest amount of student loan debt.

21.257 Applications Based on Services to Medicaid or Texas Women's Health Program Enrollees

(a) The board may hold an application for consideration until the end of the fiscal year if funds are available, upon receipt of a physician's written statement of intent to provide the required Medicaid or Texas Women's Health Program service levels during the anticipated year of service

(b) The source of data to be used in determining required service levels will be Medicaid HMO encounter data.

(c) The method for determining required service levels will be stated in the board's Memorandum of Understanding with the Texas Health and Human Services Commission. Required service levels will be based on the Medicaid Managed Care client counts statewide for each eligible primary care specialty, including obstetrics/gynecology and geriatrics, over a period of one year, thus taking into account variations among these specialties in the number of unduplicated clients.

(d) Any physician applying for loan repayment on the basis of services to Medicaid or Texas Women's Health Program enrollees must use his/her own TPI or NPI and must be the rendering physician for claims/encounters submitted to Texas Medicaid Health Partner (TMHP).

(e) If the administrative data provided by TMHP for the physician's TPI or NPI do not confirm that the physician met the required service levels during the year of service following the application date, the physician must submit a Claims Affidavit and specified data from the clinic's internal billing system, in

the format requested by the board, for review by the HHSC, to receive further consideration for loan repayment.

21.258. Eligible Lender and Eligible Education Loan.

(a) The Board shall retain the right to determine the eligibility of lenders and holders of education loans to which payments may be made. An eligible lender or holder shall, in general, make or hold education loans made to individuals for purposes of undergraduate, medical and graduate medical education and shall not be any private individual. An eligible lender or holder may be, but is not limited to, a bank, savings and loan association, credit union, institution of higher education, secondary market, governmental agency, or private foundation.

(b) To be eligible for repayment, an education loan must:

- (1) be evidenced by a promissory note for loans to pay for the cost of attendance for undergraduate, graduate, or medical education;
- (2) not have been made during residency or to cover costs incurred after completion of medical school;
- (3) not be in default at the time of the physician's application;
- (4) not have an existing obligation to provide service for loan forgiveness through another program;
- (5) not be subject to repayment through another student loan repayment or loan forgiveness program or repayment assistance provided by the physician's employer while the physician is participating in the program;
- (6) if the loan was consolidated with other loans, the physician must provide documentation of the portion of the consolidated debt that was originated to pay for the cost of attendance for the physician's undergraduate, graduate, or medical education; and
- (7) not be an education loan made to oneself from one's own insurance policy or pension plan or from the insurance policy or pension plan of a spouse or other relative.

21.259. Amount of Repayment Assistance.

(a) A physician whose total student loan indebtedness is at least \$160,000 may receive repayment assistance based on full-time service for the following amounts:

- (1) for the first service period, \$25,000;
- (2) for the second service period, \$35,000;
- (3) for the third service period, \$45,000;
- (4) for the fourth service period, \$55,000.

(b) If a physician's total student loan indebtedness is less than \$160,000, the annual loan repayment amounts based on full-time service will be the amounts required to repay the indebtedness over a period of four years, with annual increases that are proportional to the annual increases for physicians whose student loan indebtedness is at least \$160,000.

(c) A physician may receive prorated loan repayment assistance based on the percentage of full-time service provided for each service period, if providing direct patient care for a minimum of 20 hours per week for each service period.

21.260. Limitations.

(a) The total amount of repayment assistance to a physician may not exceed \$160,000 over a period of no more than four periods of service.

(b) Except under circumstances determined by the Board and DSHS to constitute good cause, failure to meet the program requirements will result in non-payment for that service period and removal from the program. Additionally, providers who do not meet the requirements will be ineligible to apply for other loan repayment programs in Texas. Physicians practicing in HPSAs will be released from the agreement to provide four years of eligible service for any year for which loan repayment funds are not available.

(c) A physician may not receive loan repayment assistance under both Texas Education Code, §61.531 and any other loan repayment program, including Texas Government Code §510.156 relating to funds appropriated for purposes of correctional managed health care, or repayment assistance provided by the physician's employer while the physician is participating in the program.

~~[(d) Physicians who are not practicing in HPSAs must apply for participation in the program each year by established deadlines and will be subject to the ranking criteria set forth in Section 21.257 of this title (relating to Application Ranking Criteria.)]~~

~~(d)~~(e) Applications from physicians who establish eligibility under Section 21.255(b)(1)(C) ~~[21.257(c) of this title]~~ will be considered only if funds are available after financial commitments for the fiscal year have been made to physicians practicing in HPSAs and secure correctional facilities.

21.261. Disbursement of Loan Repayment Assistance.

(a) The annual loan repayment amount may be disbursed in the form of:

- (1) one or multiple state warrants co-payable to the physician and the holder(s) of the loan(s), or
- (2) one or multiple state warrants or electronic payments delivered directly to the holder(s) on the physician's behalf.

(b) The Board shall follow Internal Revenue Service requirements for reporting of loan repayment assistance to physicians during each calendar year.

21.262. Reporting and Data Collection.

(a) Prior to September 1 of every even-numbered year, the Board shall report to the Legislative Budget Board and the Governor the results of annual verification of the practice sites of physicians who have completed a Physician Education Loan Repayment Program agreement to practice in a HPSA to determine short-term and long-term rates of retention in those shortage areas and counties.

(b) The Board annually shall solicit and collect information regarding the number of patients enrolled in Medicaid and CHIP who are treated by each physician receiving loan repayment assistance under this subchapter.

Committee on Affordability, Accounting and Planning

AGENDA ITEM V-I (3)

Consideration of adopting the Commissioner's recommendation to the Committee relating to amendments to Chapter 21, Subchapter M, Sections 21.403 and 21.405, and new Section 21.410 concerning the Texas College Work-Study Program (*Senate Bill 1750, 84th Texas Legislature*)

RECOMMENDATION: Approval

Background Information:

The amendment to Section 21.403 aligns the rules with the current statute and describes the method by which an institution is to establish and publicize a listing of work-study employment opportunities.

The amendment to Section 21.405 is made to indicate the Senate Bill 1750 requirements regarding the percentage of off-campus employment positions (at least 20 percent, but no more than 50 percent) that must be provided by institutions participating in the work-study program.

New Section 21.410 adds language to implement legislative changes mandated through the passage of Senate Bill 1750. It outlines new reporting requirements for the Board and specifies the type of data that is to be collected. The report must include the total number of students employed through the program, disaggregated by the positions' location on or off-campus and its status as a for-profit or nonprofit entity. The initial report is due May 1, 2019.

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

Date approved by the Commissioner for publication in the *Texas Register*: September 14, 2015

Date published in the *Texas Register*: September 25, 2015

The 30-day comment period with the *Texas Register* ended on October 25, 2015

No comments were received regarding the amendments or repeal.

CHAPTER 21. STUDENT SERVICES

SUBCHAPTER M. TEXAS COLLEGE WORK-STUDY PROGRAM

Section

- 21.401. Authority and Purpose.
- 21.402. Definitions.
- 21.403. Institutions.
- 21.404. Eligible Student Employees.
- 21.405. Eligible Employers.
- 21.406. Award Amounts and Uses.
- 21.407. Allocations and Reallocations.
- 21.408. Dissemination of Information and Rules.
- 21.409. Authority to Transfer Funds.
- 21.410. Biennial Report and Data Collection.

21.401 – 21.402 No changes.

21.403. Institutions.

(a) – (b) No changes.

(c) (1) –(4) No changes.

(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.

21.404. No changes.

21.405. Eligible Employers.

(a) - (b) No changes.

(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.

21.406 -21.409 No changes.

21.410. 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: 1) the employment's position's location on or off campus; and 2) the employer's status as a for-profit or nonprofit entity. The Board shall submit its initial report not later than May 1, 2019.

Committee on Affordability, Accounting and Planning

AGENDA ITEM V-I (4)

Consideration of adopting the Commissioner's recommendation to the Committee relating to amendments to Chapter 22, Subchapter K, Sections 22.197, and new Section 22.203 concerning the Provisions For Scholarships for Students Graduating in the Top 10 Percent of their High School Class.

RECOMMENDATION: Approval

Background Information:

The amendment to Section 22.197 corrects the citation referenced in the definition of "Institution of Higher Education", from Section 61.003(6) to 61.003(8).

New Section 22.203 adds language to implement legislative changes mandated by the 84th Legislature through the passage of H.B. 1 to address the priority awarding of students if the program is not fully funded.

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

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The 30-day comment period with the *Texas Register* ended on October 25, 2015

No comments were received regarding the amendments or repeal.

CHAPTER 22. GRANT AND SCHOLARSHIP PROGRAMS

SUBCHAPTER K. PROVISIONS FOR SCHOLARSHIPS FOR STUDENTS GRADUATING IN THE TOP 10 PERCENT OF THEIR HIGH SCHOOL CLASS

Section

22.196.	Authority and Purpose.
22.197.	Definitions.
22.198.	Institutions.
22.199.	Eligible Students.
22.200.	Awards.
22.201.	Satisfactory Academic Progress.
22.202.	Processing and Awarding Cycle.
<u>22.203</u>	<u>Priorities in Funding</u>

22.196. No changes.

22.197. Definitions.

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

(1) – (7) No changes.

(8) Institution of Higher Education – 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, Section 61.003~~(8)~~ [(6)].

(9) – (14) No changes.

22.198 – 22.202 No changes.

22.203 Priorities in Funding

If appropriations for the Top Ten Percent Scholarship Program are insufficient to allow awards to all eligible students, continuation awards will be given priority.

Committee on Affordability, Accounting and Planning

AGENDA ITEM V-I (5)

Consideration of adopting the Commissioner's recommendation to the Committee relating to amendments to Chapter 22, Subchapter L, Section 22.235 of Board rules, concerning the Towards EXcellence, Access & Success (TEXAS) Grant Program

RECOMMENDATION: Approval

Background Information:

The title to Section 22.235 is amended to distinguish between awarding a student after the end of his/her period of enrollment instead of during a student's period of enrollment.

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

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No comments were received regarding the amendments or repeal

CHAPTER 22. GRANT AND SCHOLARSHIP PROGRAMS

SUBCHAPTER L. TOWARD EXCELLENCE, ACCESS & SUCCESS (TEXAS)
GRANT PROGRAM

Section

22.225	Authority and Purpose.
22.226	Definitions.
22.227	Institutions.
22.228	Eligible Students.
22.229	Satisfactory Academic Progress.
22.230	Discontinuation of Eligibility or Non-Eligibility.
22.231	Hardship Provisions.
22.232	Priorities in Funding.
22.233	Priorities in Awards to Students.
22.234	Award Amounts and Adjustments.
22.235	<u>Late</u> [Retroactive] Disbursements.
22.236	Allocation and Reallocation of Funds.
22.237	Funds Provided from Student Deposit Fees.
22.238	Funds Provided through Gifts or Donations.
22.239	Authority to Transfer Funds.
22.240	Dissemination of Information and Rules.
22.241	Tolling of Eligibility for Initial Award.
22.242	Reports to the TEXAS Grant Oversight Committee.

22.225-22.234 No changes.

22.235 Late [~~Retroactive~~] Disbursements.

(a) A student may receive a disbursement after the end of his/her period of enrollment if the student:

(1) owes funds to the institution for the period of enrollment for which the award is being made; or

(2) received a student loan that is still outstanding for the period of enrollment.

(b) Funds that are disbursed after the end of a student's period of enrollment must either be used to pay the student's outstanding balance from his/her period of enrollment at the institution or to make a payment against an outstanding loan received during that period of enrollment. Under no circumstances are funds to be released to the student.

22.236-22.242 No changes.

Committee on Affordability, Accounting and Planning

AGENDA ITEM V-I (6)

Consideration of adopting the Commissioner's recommendation to the Committee relating to amendments to Chapter 22, Subchapter M, Section 22.261 of Board rules, concerning the Texas Educational Opportunity Grant Program (TEOG)

RECOMMENDATION: Approval

Background Information:

The title to Section 22.261 is amended to distinguish between awarding a student after the end of his/her period of enrollment instead of during a student's period of enrollment.

The amendment to Section 22.261(b) clarifies that funds disbursed after period of enrollment must be used to pay a student's outstanding balance or payment against an outstanding loan.

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

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The 30-day comment period with the *Texas Register* ended on October 25, 2015

No comments were received regarding the amendments or repeal.

CHAPTER 22. GRANT AND SCHOLARSHIP PROGRAMS

SUBCHAPTER M. TEXAS EDUCATIONAL OPPORTUNITY GRANT PROGRAM

Section	
22.253	Authority and Purpose.
22.254	Definitions.
22.255	Institutions.
22.256	Eligible Students.
22.257	Hardship Provisions for Students Awarded Grants on or After September 1, 2005.
22.258	Priorities in Funding.
22.259	Priorities in Awards to Students.
22.260	Award Amounts and Adjustments.
22.261	<u>Late</u> [Retroactive] Disbursements.
22.262	Allocation and Reallocation of Funds.
22.263	Dissemination of Information and Rules.

22.253-22.260 No changes.

22.261. Late [~~Retroactive~~] Disbursements.

(a) A student may receive a disbursement after the end of his/her period of enrollment if the student:

(1) owes funds to the institution for the period of enrollment for which the award is being made; or

(2) received a student loan that is still outstanding for the period of enrollment.

(b) Funds that are disbursed after the end of a student's period of enrollment [~~retroactively~~] must either be used to pay the student's outstanding balance from his/her period of enrollment at the institution or to make a payment against an outstanding loan received during that period of enrollment. Under no circumstances are funds to be released to the student.

22.262-22.263 No changes.