

Financial Aid Advisory Committee
Meeting Notes
February 23, 2017

Committee Members in Attendance	Committee Members Absent	THECB Staff	Audience
Delisa Falks Zelma De Leon Chris Murr Diane Todd-Sprague Rosario Juarez Harold Whitis Alan Pixley Carl Gordon Kara Tappendorf Doris Constantine Carolyn Mallory William Bloom Robert Merino Melissa Elliott – Teleconference	Alan Ahmad Jeannie Gage Audree Hernandez Sandi Jones Cathy Sanchez Anne Walker Matthew Vandermause	Davin Birt Vanessa Romero Renee Jones Charles Puls DeChà Reid Leah Smalley John Wyatt Natalie Sunderlin Ken Martin Rinn Harper Lesa Moller Connie Cooper	

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
B. Consideration of Approval of Minutes of the meeting held on November 16, 2016. Delisa Falks, FAAC Chair	Changes: <ul style="list-style-type: none"> Date change, page 6 (section 1): From January 2016 to January 2017. Name change, page 6 (section 1): From Karen Tappendorf to Kara Tappendorf. Discussion: <ul style="list-style-type: none"> Motion to approve meeting minutes from November 16, 2016. 	Minutes approved

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C. External Relations Update John Wyatt, Director, External Relations	External Relations Update: John Wyatt provided an overview of legislation that has been filed (or appears to be on its way to being filed) related to higher education and financial aid, specifically. Discussion: <ul style="list-style-type: none"> Members asked questions in order to get clarification regarding THECB's recommendations and bills that have been filed in the 85th Texas Legislative session. Members addressed their concerns of how the adoption of these bills could possibly impact the student population at their particular institutions and the administration of these state aid programs. Concerns discussed: <ul style="list-style-type: none"> SB18 - Repeal of Designated Tuition Set-Asides <ul style="list-style-type: none"> Members expressed their confusion as to what purpose repealing set asides accomplishes if institutions plan to utilize these funds for financial aid, and expressed strong convictions that the bill needs to allow institutions the choice of continuing set asides. SB33/SB885 TEXAS Grant <ul style="list-style-type: none"> Members expressed their concern regarding the number of students who would be ineligible for the program if they had to achieve 30 SCH. A specific 	None

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	<p>recommendation was offered to allow transfer credit (whether through testing, AP, dual enrollment, etc.) to count, so that students could still achieve the 30 SCH requirement, even if not enrolled at their home institution.</p> <ul style="list-style-type: none"> • THECB acknowledged that no award amounts or target award changes have been discussed since no official changes have been made. Also, as part of the GAA, an attempt is being made to get rider authority to allow cross-biennial carry-forward of funds, which would pave the way for summer grants, (which could be used to help students achieve the 30 SCH requirement). Even if funding isn't increased, the change still sets the stage for the ability to create a summer grant pathway for future opportunity. <ul style="list-style-type: none"> ○ HB653 TEOG <ul style="list-style-type: none"> • Members expressed that if high-need students can only receive Pell (since it would cover tuition, fees, and books, thus eliminating TEOG eligibility), institutions may lose students who won't have funding for costs that exceed T/F/B's; borrowing may increase for these high need students; students may choose not to enroll full-time due to lack of grant funds; and students may reduce their hours, thus delaying graduation (which goes against the goal of timely completion). • Would EFC cut-off change? As with any administrative legislation that is adopted, administrative code would be adjusted accordingly. (Based on the current EFC, some institutions reported that they would lose up to 80-90% of current TEOG recipients.) • Texas WORKS (Working Off-campus Reinforcing Knowledge and Skills) <ul style="list-style-type: none"> ○ Create a centralized off-campus work-study program. ○ Students would apply directly to THECB for career related internship opportunities. ○ Repeal the off-campus requirement at the institutions. • HB 836/SB 877 Student Loan Indebtedness <ul style="list-style-type: none"> ○ Members expressed their hopes that institutions will have the ability to use existing tools to provide students annual information regarding their state loans. 	
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	<ul style="list-style-type: none"> ○ THECB acknowledged that the agency hopes to collaborate with institutions regarding suggestions for how best to provide comprehensive and accessible information. Many students are shocked when they earn their degree and receive their initial loan payment that becomes due, so how best to provide information such as repayment plans. • Future agenda item suggestion: presentation on the information that the THECB provides to students regarding their student loan indebtedness, in comparison/contrast to what the Federal government provides. 	
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D. SFAP Department Update Charles Puls, Deputy Assistant Commissioner	<p>SFAP Department Update:</p> <ul style="list-style-type: none"> • Desired adjustments to the CAL terms in relation to the bond market: • Appropriate interest rate. • Restrictions regarding credit approval. • Reallocation/Allocation process for FY 2018: • THECB still missing certified Financial Aid Data Report (FADs) data. • Two-Stage Process for FY 2018 FADS: • Error-free FADs due mid-November. • Certified FADs due mid-December. <p>Discussion:</p> <p>Members discussed the fact that all institutions have not certified FADs, although the due date has past. Members also discussed the communication methods that were used to reach these late institutions, in addition to what approach may be used to encourage institutions to submit these reports in a more timely fashion.</p> <p>Members made the following suggestions as to what might help institutions submit FADs in a more timely manner:</p> <ul style="list-style-type: none"> • THECB provide institutions with program status information (heads up as to what the institutions should be looking for in preparation for the FADs). • Turn on the opportunity for submission earlier and to make sure it is open for as long as possible. • Reconciliation and error checking simultaneously if possible as opposed too sequentially. • Immediate Edit Report results returned to the institution. • Analyze frequency of errors to gain insight. • Add a statement to the MOU (if not already there) that says institutions will submit FADs by the certification deadline. • When a school is awarded Mentorship funding, notify the Financial Aid Officer. • Provide a report at the start of the FADS process, letting the institutions know the specific programs the agency believes the institution participated in over the past year. • Include error checks starting in the first submission (in Feb) to allow institutions to start getting problems resolved. 	THECB staff will review suggestions for FY 2018 FADS submission process.

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	<ul style="list-style-type: none"> Be more transparent in the explanations of the errors or problems. Allow overrides to carry forward to later submissions. Survey why schools are late. Ineligible for reallocation, if late. Selected for an audit, if late. <p>THECB:</p> <ul style="list-style-type: none"> Three submissions will hopefully provide a better structure to make sure administrators are able to resolve things quickly and easily. THECB FY 2018 – one of the goals is to get manual out earlier to allow for better preparation. 	
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E. Presentation: New Loan Software System Leah Smalley, Assistant Director, Financial Aid Services	<p>Overview:</p> <ul style="list-style-type: none"> Live Demo of the HelmNet loan portal system upgrade: <ul style="list-style-type: none"> Institutional Upgrades Basic Navigation New Launch, Look, and Layout New Navigation Enhancements <p>Discussion:</p> <p>Trainings on the new HelmNet environment coming March 2017.</p>	None

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F. Update from the MOU Sub-Committee Chris Murr, FAAC Past Chair	<p>Update:</p> <ul style="list-style-type: none"> Charge of the sub-committee was to review the MOU's with THECB in advance of distribution to institutions in hopes of creating a universal document that would minimize the need for additional changes by individual schools. Sub-committee members, along with their compliance officers, general counsels, and others, reviewed the separate private and public MOU's and provided feedback in early December. THECB provided a consolidated version (combining the private and public MOU's into one document) in late January for the sub-committee to review. In going through the consolidation version, the sub-committee noticed changes in language based on the consolidation (e.g. language from the private MOU that is now in the public) and reviewed those changes. The sub-committee also noticed that some of the requests and comments raised by the sub-committee had not been implemented. The Coordinating Board is going back through the consolidated document to make revisions and also to provide the committee with context as to why suggestions had not been incorporated into the document. Language with respect to record retention is one of the primary items for which the sub-committee is requesting rationale. Retention requirements in the prior MOU mimicked the federal Title IV retention 	None

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	<p>guidelines (e.g. active year plus three), while the consolidated MOU retention requirements reflect seven years. Since separating federal aid records from state aid records would be very difficult, the new state language essentially creates a new retention length for federal aid documents, as well. And the requirement reaches beyond financial aid offices, as academic records and other materials would also need to be retained across campuses.</p> <ul style="list-style-type: none"> The sub-committee will need an additional four weeks to review the materials and provide feedback once the agency provides the updated consolidated MOU with the requested feedback and rationale. <p>Discussion: Discussion centered on the records retention requirement; specifically concerns regarding the 7-year retention requirement and to what records the 7-year requirement applied. The committee, the sub-committee, and the agency are all in agreement that this aspect of the MOU is the primary item that needs clarification. The requirement has changed over the past few years (3-year requirement in MOU's that expired in 2016; 7-year requirement in most all of the 1-year extensions that were signed in 2016; 3-year requirement in the initial MOU provided to the sub-committee for review, and then 7-year requirement in the most recent consolidated draft MOU that was routed for review). The underlying cause of the change from a 3- to a 7-year retention length is a change that occurred in statute. The records retention requirement will be reviewed further by the agency and the sub-committee (including their respective General Counsel Offices).</p>	
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<p>G. Update from the Priority Deadline Sub-Committee</p> <p>Chris Murr, FAAC Past Chair</p>	<p>Handouts were distributed to provide members copies of the results from the data collected by the sub-committee.</p> <p>Update:</p> <ul style="list-style-type: none"> Would low income students be disproportionately impacted by a state priority deadline change? <ul style="list-style-type: none"> Based on first-year data, low income students would be more likely to file early. How long should this window of time be left open (typically 2½ months): <ul style="list-style-type: none"> Mid-December would provide a 2½ month open window of time, however; from a high school standpoint, a mid-December priority deadline would be difficult because this time is lost to final exams and vacation. Moving to a mid-January priority deadline would provide a 3½ month open window of time and this would be more ideal for high school outreach efforts. <p>Discussion: Members discussed the reasons that led the committee to recommend a January priority deadline date, rather than December. In addition, the purpose of the state priority deadline was clarified for board members.</p>	<ul style="list-style-type: none"> January 15th of each year recommended as the new state priority deadline date. Charles Puls will deliver this recommendation to the agency and any proposed change will go through the regular Texas Register posting process.

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H. Update from the Data Collection Sub-Committee and Presentation of FY18 FADS Proposal Doris Constantine, Sub-Committee Chair and DeChà Reid, Director, Financial Aid Services	Update: <ul style="list-style-type: none"> FADS FY 2018 draft released for review in February 2017 to: <ul style="list-style-type: none"> Data Collection Sub-Committee members Research and Collection Data Committee at the THECB Vendor (Banner) FAAC Members Feedback should be given to DeChà Reid no later than one week from today (March 2, 2017). Discussion: Members discussed the benefits of combining several reports into one comprehensive report, as well as the methods in which overrides will be handled using the new structure of the FY 2018 FADS report.	None

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I. Update on FAAC Nomination Timeline Charles Puls, Deputy Assistant Commissioner	Update: <ul style="list-style-type: none"> Terms in office scheduled to end fall 2017: <ul style="list-style-type: none"> Carolyn Mallory Rosario Juarez Melissa Elliott Carl Gordon Harold Whitis Audree Hernandez Chris Murr Alan Ahmad Discussion: Members are encouraged to advocate with their peers to get actively involved with FAAC.	<ul style="list-style-type: none"> Nomination Timeline: <ul style="list-style-type: none"> Launch nomination process in April 2017. Deadline for nominations is set for May 2017. New member positions to be finalized in August 2017. New member positions will be presented at the September 2017 CAPPS meeting. New member positions will be approved at the October 2017 THECB Board meeting.

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J. Update on Allocation Timeline Charles Puls, Deputy Assistant Commissioner	Update: <ul style="list-style-type: none"> Allocation Timeline: <ul style="list-style-type: none"> Goal is to start in April (earlier than before): <ul style="list-style-type: none"> Tentative allocation numbers and data used to determine them. Ten-day review period in advance of appropriations. <ul style="list-style-type: none"> If a second review is needed, institutions could have allocation information mid-May at the latest. Once approved, THECB can provide information to institutions: Reallocation Timeline: <ul style="list-style-type: none"> February 21st was the deadline for institutions to encumber program funds (TEXAS Grant, TEOG, TEG, and BOT-Private). All institutions will be notified, once the reallocation process is complete (even those institutions who did not request additional funds during this process). 	<ul style="list-style-type: none"> The ten-day review period for allocation data will occur in April. <ul style="list-style-type: none"> The THECB will provide reallocation information to institutions in mid-March.

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K. Discussion: FERPA's Impact on Disclosing Loan Information Delisa Falks, FAAC Chair	Discussion: <ul style="list-style-type: none"> Suggestions on ways to allow loan information to be disclosed parents of dependent students without violating FERPA: <ul style="list-style-type: none"> Create an avenue on the FAFSA application in which a student can allow parent discussion. Change criteria in FERPA guidelines for dependent students that used parent data to complete the FAFSA; that would allow parent discussion for this population of students. Provide parent access to institutional portals with viewing capabilities only, to view student accounts in a case where a student gives consent. A clear and concise meaning of FERPA is agreed upon. FERPA prohibits the release of any part of a student's "educational record" without a student's permission. 	None

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L. 4-Year Extension of FAAC Delisa Falks, FAAC Chair	Discussion: <ul style="list-style-type: none"> Current abolishment date of FAAC is October 2017. What are some suggestions that can be presented to the board that would warrant a 4-year extension of FAAC? <ul style="list-style-type: none"> The opportunity to share information helps both the agency and the institution gain a better understanding and make better decisions Discussion regarding legislative proposals and other ideas provides the opportunity to help inform the agency and to help the agency incorporate ideas that can create a greater opportunity for success with these proposals. Current financial aid practitioners can share thoughts on what does and doesn't work across the sectors based on actual day to day experiences. Helping address administrative inefficiencies and identifying key services and how we can make those more efficient and more successful. Serving as student advocates to promote a balance between the statutory/regulatory world and what actually occurs on campuses. Providing an opportunity to influence research and reporting. Additionally, our annual reports outline specific accomplishments that have occurred each year. 	A recommendation to extend the FAAC abolishment date by four years will be submitted.

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M. Adjournment Delisa Falks, FAAC Chair	<ul style="list-style-type: none"> No further business discussed. Next FAAC meeting set for June 1, 2017. Adjournment at 2:37 pm. 	None