

FINANCIAL AID ADVISORY COMMITTEE (FAAC)

Meeting Presentations/Handouts (09/05/2019):

- Current Agenda
- Minutes from the June 2019 Meeting
- Handout for Agenda Item D: Presentation: THECB Chatbot
- Handout for Agenda Item E: Presentation: Overview of College Access Loan Bond Funding
- Handout for Agenda Item G: Presentation: TASFA and FAFSA Requirements from the 86th Legislative Session
- Handout for Agenda Item J: Presentation: Peace Officers Loan Repayment Assistance program
- Handout for Agenda Item K: Update: Slate of Nominees to be Presented at September Committee on Affordability, Accountability, and Planning
- Handout for Agenda Item M: Presentation: Review of proposed rules whose 30-day comment period recently ended
- Handout for Agenda Item N: Proposed updates to Texas Administrative Code
- Handout for Agenda Item P: Preliminary Considerations for 87th Legislative Session

Financial Aid Advisory Committee Meeting Agenda

Name of Committee: Financial Aid Advisory Committee
Date of Meeting: September 5, 2019
Time of Meeting: 9:30 a.m.
Location: TX Higher Education Coordinating Board Headquarters
Board Room, Room 1.160
1200 E. Anderson Lane
Austin, Texas 78752

Agenda

- A. Welcome, Introductions, and Overview of Meeting – Diane Todd Sprague, Chair
- B. Consideration of Approval of Minutes from meetings held on June 6, 2019 – Diane Todd Sprague, Chair
- C. Update: Prior FAAC Business – Charles Puls, Deputy Assistant Commissioner
- D. Presentation: THECB Chatbot – Erin Willig, Program Specialist, College Readiness and Success
- E. Presentation: Overview of College Access Loan Bond Funding – Ken Martin, Assistant Commissioner/CFO
- F. Discussion: CAL Loan Annual and Aggregate Maximums – Rinn Harper, Senior Director, Borrower Services
- G. Presentation: TASFA and FAFSA Requirements from the 86th Legislative Session – Jerel Booker, Assistant Commissioner, and Claudette Jenks, Director, College Readiness and Success
- H. Discussion: TASFA Sub-Committee – Robert Merino, sub-committee Chair
- I. Presentation: Texas WORKS Planning Efforts – Jerel Booker, Assistant Commissioner, College Readiness and Success
- J. Presentation: Peace Officers Loan Repayment Assistance program – Lesa Moller, Senior Director, Student Financial Aid Programs
- K. Update: Slate of Nominees to be Presented at September Committee on Affordability, Accountability, and Planning - Charles Puls, Deputy Assistant Commissioner
- L. Update: Data Collection Sub-Committee – Samantha Stalnaker, sub-committee Chair
- M. Presentation: Review of proposed rules whose 30-day comment period recently ended – Charles Puls, Deputy Assistant Commissioner
- N. Discussion: Proposed updates to Texas Administrative Code – Charles Puls, Deputy Assistant Commissioner
- O. Discussion: Establishing a Sub-committee to Develop Legislative Recommendations – Diane Todd Sprague, Chair
- P. Discussion: Preliminary Considerations for 87th Legislative Session – Charles Puls, Deputy Assistant Commissioner
- Q. Update: Acknowledging Members whose Terms are Ending – Diane Todd Sprague, Chair
- R. Transition of Leadership – Diane Todd Sprague, Chair
- S. Adjournment – Robert Merino, Chair

Financial Aid Advisory Committee
Meeting Notes
June 6, 2019
(Minutes Approved at _____, 2019 FAAC Meeting)

Committee Members in Attendance	Committee Members Absent	THECB Staff	Audience
Diane Sprague (Chair) Jose Merino (Vice Chair) Shannon Crossland Christine Stuart Carruthers - Teleconferenced Zelma De Leon Delisa Falks Karla Flores Paul Galyean - Teleconferenced Heidi Granger - Teleconferenced Briget Jans Ed Kerestly Minh-Tam Nguyen Alan Pixley Charles Puls Terry Sheneman Samantha Stalnaker Kelly Steelman Kara Tappendorf Denise Welch Brent Williford Marilyn Abedrabbo (Student Rep.) Johnathan Cereceres (Student Rep.) – Teleconferenced		Wanda Carr Lizette Montiel DeChá Reid Lourdes Sanchez Leah Smalley	Brian Ashton Scott Born Rissa McGuire

Agenda Item B. Consideration of Approval of Minutes from meetings held March 6, 2018 Diane Todd Sprague, Chair	Formal Decision/Action Required
Critical Discussion Points Minutes Approved	

Agenda Item C. Update: Prior FAAC Business Charles Puls, Deputy Assistant Commissioner	Formal Decision/Action Required
Critical Discussion Points Prior Minutes – <ul style="list-style-type: none"> Update received a big pool of nominations for FAAC this year that covered the geographic area. Great feedback in reaching school districts for the nominations. Shannon Crossland has filled one of the current vacancies in the board. 	

Agenda Item D. Presentation: Ethical Dilemmas in Determining Cost of Attendance Pamela Fowler, University of Michigan; Mary Sommers, University of Nebraska Kearney	Formal Decision/Action Required
Critical Discussion Points NASFAA has been advocating for the development of best practices with regard to this topic. The slides presented at the meeting had been presented at the 2018 NASFAA annual conference. Slide 10 refers to an article that appeared in the March 9, 2017, Journal of Higher Education: "The Cost of College Attendance: Examining Variation and Consistency in Institution Living Cost Allowances." This has started a national discussion about this subject. For example, the researchers found that nearly half of all colleges provide living-cost allowances at least 20% above or below estimated county-level living expenses. Some of the statements in the article stirred controversy and created concerns among financial aid administrators that their offices were perceived as not doing a good job in this area. NASFAA's working group to discuss cost of attendance made the following general recommendations: <ul style="list-style-type: none"> COA should not be used as a vehicle to achieve institutional goals Institutions should separate the COA components that are combined in practice and statute Institutions should clearly indicate exactly what expenses are included in each COA component 	

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Comments/questions from the Committee

- It is extremely difficult to come up with a one-size-fits-all solution to the determination of cost issues.
- Question for the presenters: what is the frequency of their student surveys and are there any incentives for students to complete surveys? Answer: the surveys are done in the fall every other year and the institutions provide small gift cards as incentives for completion.
- Question from Chad: Is there anything the THECB should be focusing on to help institutions make sure that the cost of attendance is accurate? Responses: One member uses the data posted on College for all Texans (CFAT) to make sure its institutional costs are in line. Another member noted that the guidance provided on CFAT is helpful.

Agenda Item E. Update: External Relations

John Wyatt, Director

Formal Decision/Action Required

Critical Discussion Points

The 86th Texas Legislature

- Regular session ended May 27
- Governor Abbott has until June 16 to:
 - Sign or veto bills
 - Line item veto budget items
- Special session **not** expected

Higher Education Budget Outcomes

- **TEXAS Grant**
 - Increased by \$80M
 - FY 2020-21 Biennium: \$866.4M
 - Expect to maintain target awards of \$5K to 70% of newly eligible students
 - Not Funded: Request for 2.5% increase in target awards
- **TEOG**
 - No change in funding (FY 2020-21 Biennium: \$88.47M)
- **TEG**
 - Increased by \$6.8M
 - FY 2020-21 Biennium: 178.6M (Reflects shift of funds from BOT Private)
- **TCWS**
 - No change in funding (FY 2020-21 Biennium: \$18.81M)
- **TASSP**
 - Increased by \$4.17M
 - FY 2020-21 Biennium: \$6.84M
 - Annual awards increased from \$4k to \$10k
- **BOT Public**
 - Decreased by -\$17.16M
 - FY 2020-21 Biennium: 1M (Estimate for renewals only)
 - Awards ending FY 2020
- **BOT Private**
 - Decreased by -\$7.08M
 - FY 2020-21 Biennium: \$200K (Estimate for renewals only)
 - Awards ending FY 2020
- **Texas WORKS Internship Program – HB 3808**
 - Creates a centralized paid internship program at the THECB
 - Removes the current off-campus requirements under TCWS
 - No "new" funding: \$1M/year (FY 2020-21 Biennium) of TCWS funding will be used for Texas WORKS
 - Preliminary allocations sent to institutions by FAS, already accounted for the \$1M usage for Texas WORKS
 - Final allocations expected to go out June 18
 - Allows the THECB to work with employers across the state to offer paid internship opportunities to students
- **Efficient Student Transfer – SB 25:** includes changes intended to safeguard student course transfer process
 - New reporting requirement – institutions must submit a report to the THECB identifying transferred courses that **do not** apply and include an explanation of such
 - The THECB will use the reports to identify where student transfer challenges are and report them to the legislators; first report due **March 1, 2021**
 - Co-Admission – this would allow students to give consent, on the Apply Texas Application, to share their application with another institution, if denied admission for a specific program by the first institution of choice

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- **Degree Plan (DP) Filing – SB 1324:** recently signed by the Governor
 - University students must file a DP after 30hrs (previously 45hrs)
 - Added Provision: Dual credit students must file a DP after 15hrs
- **Recommended Course Sequences** – institutions required to develop at least one recommended course sequence of lower division courses for each certificate and degree program offered
 - Institutions must include in course catalog and online
 - Institutions required to report information to the THECB
- **Articulation Agreements**
 - Institutions can enter into articulation agreements and extend the existing agreements to other institutions
- **Study on Core Curriculum and Meta Majors**
 - The THECB to create and Advisory Committee consisting of two-year and four-year institution representatives to study the viability of splitting the core curriculum between general core and meta major
 - Committee to present outcome/recommendations to legislatures
- **Graduation Supplement**
 - SB 1504 was introduced since the THECB's initial recommendation (allocating portion of formula funding on basis of undergraduate completers) did not receive enough support. With SB 1504, proceeds from BOT will be used on a variety of initiatives, such as:
 - Intrusive advising
 - Academic support
 - Various methods aimed at increasing at-risk student degree completers
 - Account abolishment extended from 2020 to 2024 (funds were not appropriated during 86th legislative session)
- **Student Loan – SB 1474**
 - \$200M annual cap per bond issuance
 - Existing statute amendment allows the THECB to continue to meet the demands of the student loan program
- **Student Debt Letter – SB 499**
 - Amendment to SB 241
 - Institutions are **not** required to provide information on private loans
 - Effective: September 1, 2019
- **Texas Application for State Financial Aid (TASFA) – HB 2140**
 - The THECB must establish an electronic submission portal for the TASFA through the Apply Texas website
 - Effective 2022-23 academic year
 - THECB's College Readiness department will lead on creation
 - The THECB must appoint an advisory committee of financial aid and student representatives to assist with implementation
 - Committee established **only** for the period of creation
 - Report on recommendations due to legislators no later than **January 1, 2021**
- **FAFSA/TASFA for HS Graduation – HB 3**
 - Requires HS students to complete and submit a FAFSA/TASFA prior to graduation
 - Effective 2021-22 school year
 - No consequences outlined in legislation for those not fulfilling the requirement
 - Members discussed challenges school districts may face in tracking this data
 - Requirement Waiver
 - Student's parent/guardian can sign a form to decline
 - Student's over 18 can sign a form to decline
 - School counselor can authorize a student to decline
 - School districts must adopt a form to be used
 - ✓ Must be approved by Texas Education Agency (TEA)
 - ✓ Must be available in English and Spanish
- **Disabled Peace Officers – HB 766**
 - Adds disabled fire fighters as eligible recipients
 - Makes the exemption **mandatory** for institutions, but includes a cap
 - May not provide to more than 20% of the maximum number of students allowed to be enrolled in a specific course (as designated by the institution)

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Agenda Item F. Presentation: TEXAS Grant report Charles Puls, Deputy Assistant Commissioner	
Critical Discussion Points <ul style="list-style-type: none"> The report was streamlined this year to include only the statutorily required elements, but there are plans to highlight additional information in other forums, such as "two-pagers". Chad asked members to let us know if there were particular items that had been in previous TEXAS Grant reports that they are interested in. <p>The following will be highlighted for the presentation of the report to the Board:</p> <ul style="list-style-type: none"> The \$80 million increase in funding for the upcoming biennium, which should allow the agency to continue to fund approximately 70% of students who are eligible for an initial award. The enrollment pathways section - not only the percentage of students who are eligible via a particular pathway, but also the percentage of those students who receive awards through each pathway. Staff plan to examine any discrepancy between eligibility and receipt of awards to determine if there are opportunities/recommendations for closing those gaps. Most notable is the TEOG pathway, where the percentage of students qualifying for TEXAS Grant through this pathway is increasing, while only .4% of the eligible students are receiving the funds. Due to the changes to the FAD Report, for the first time the agency is able to see the extent to which students are receiving TEXAS Grants through the military pathway. We still don't know how many students are eligible through this pathway, but we can at least identify how many are funded through that pathway (fewer than 5 students for FY2018). The Urban Institute has identified Texas as one of two states where Sandy Baum and Kristin Blagg are going to be conducting a study to identify opportunities for improvement to the state grant programs using the THECB data. For example, are there elements that achieve the goals of the programs or are they just rationing devices? The funding for this study ends in 2020, so there will be time to benefit from what is learned before the next legislative session. <p>Regarding the TEXAS Grant Program, Chad noted that there have been some inquiries about how the four different priorities for TEXAS Grant relate to one another: (1) the priority deadline, (2) the priority EFC, (3) the Priority Model, and (4) the priority for renewal students. Staff are researching this matter and working on additional guidance, likely to be available this fall.</p>	
Agenda Item G. Update: Data Collection Sub-Committee Samantha Stalnaker, sub-committee Chair	Formal Decision/Action Required
Critical Discussion Points <ul style="list-style-type: none"> The sub-committee met March 27. Summer guidance for the grant programs was discussed. The sub-committee will meet on June 12 to get a demonstration of the new auto grant application. The FAD Report Manual was reviewed, and the group is still making recommendations based on FY18-19. DeCha Reid gave a preview of what the new Auto Grant Payment application looks like from the institution side. <ul style="list-style-type: none"> The new application will allow institutions to see the total allocation that has been approved, the available remaining amount and a running total of the student count. It will allow institutions to see which transactions are pending approval by the Coordinating Board. It will allow institutions to see when refunds have been received by the Coordinating Board. It will allow institutions to query for all transactions statuses including cancelled transactions. When institutions receive their final allocations, a message will be included, stating that the ability to start requesting funds for FY19-20 will begin on August 1 through the new application. 	
Agenda Item H. Update: TASFA Sub-Committee Robert Merino, sub-committee Chair	Formal Decision/Action Required
Critical Discussion Points <ul style="list-style-type: none"> The sub-committee met March 27 and May 7. The sub-committee conducted an informal email poll of primary institution contacts, but the response rate was inconsistent. An electronic survey using Qualtrax was conducted. The survey was distributed through the TASFAA list serve and 47 respondents answered at least one question on the survey. Based on the survey results and discussions with the sub-committee, four recommendations have been proposed. <ul style="list-style-type: none"> Incorporate the selective service statement within the TASFA application. Remove the "not registered" option to the selective service statement. This should reduce the likelihood that student will need to make a correction to an already submitted application. Remove the question that asks non-tax filers to explain how they financially support themselves. (Question #79). This requirement has been removed from the verification groups. 	

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<ul style="list-style-type: none"> ○ Add "money received or paid on your behalf" under the student's untaxed income. This is to align untaxed income with the FAFSA. • Other observations from the data include: <ul style="list-style-type: none"> ○ A show of general support of the creation of the online TAFSA which will be accomplished by HB 2140. ○ The opening of the TASFA on October 1 is accepted by a large majority of the schools but the schools would like to receive have the application a month earlier to allow for system modifications. • Leah Smalley, Assistant Director of Financial Aid Services, informed the sub-committee that the selective service statement will be reviewed with the next FAAC Data Collection sub-committee meeting.
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Agenda Item I. Discussion: Proposed updates to Texas Administrative Code Chapter 22 – General Provisions and Tuition Equalization Grant Charles Puls, Deputy Assistant Commissioner	Formal Decision/Action Required <ul style="list-style-type: none"> • Charles to review rules further regarding THECB's definition of Period of Enrollment vs. Academic Year • After proposed updates are posted in the Texas Register for 30-day comment period, a notification will be sent out through the SFAP and TASFAA Listservs.
Critical Discussion Points Handout provided for committee to review. General Provisions <ul style="list-style-type: none"> • Are dual credit courses considered in the calculation of total attempted hours? Currently, nothing in statute excludes dual credit courses in the calculation of attempted hours. • Period of Enrollment vs. Academic Year <ul style="list-style-type: none"> ○ It appears that institutions are not relying on the THECB's definition between the two. TEG No concerns addressed.	

Agenda Item J. Discussion: School District Recommendations Terry Sheneman, Fort Bend ISD	Formal Decision/Action Required
Critical Discussion Points <ul style="list-style-type: none"> • District Coordinator for Fort Bend ISD <ul style="list-style-type: none"> ○ Eight largest school districts ○ 80 schools ○ Largest employer ○ 37% economically disadvantage ○ Offered Dual Credit through Houston Comm College • Three early college High Schools <ul style="list-style-type: none"> ○ One ECHS (Early College High School) and two P-TECH schools is basically <ul style="list-style-type: none"> ▪ P-Tech is basically an associate degree or level II which focus on health care & computer science ○ Statistics of Diverse student population ○ All statistics of dual credit spiked way up • Career & Technical Center (CTE) <ul style="list-style-type: none"> ○ Financial Aid and College Education ○ Welders - we do not have welders welding in a booth, Firefighters- backup a firetruck near a ravine, Law Enforcement- 360-degree interactive screen, Culinary Arts, and Cosmetology • National Student Clearinghouse <ul style="list-style-type: none"> ○ Founded 1993 by higher ed community ○ 12,200 participating high schools ○ Measure postsecondary education • DATA <ul style="list-style-type: none"> ○ Percentage of students enrolled in college in the summer or fall immediately after high school about average 72% go up ○ The majority go to a public instead of a private institution 	

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<ul style="list-style-type: none"> ○ 2014 decrease in 4yr to 2yr because of the change in _____ ○ Most FBISD stay close to home for college ○ Percentage of student enrolling after they wait a year to enroll in college avg 3% ○ Average of about 50% (of what _____) ○ Student through the data show kids graduating after seven years ○ Some students may take as much as 8 years (or longer) to finish college ○ Two years out about 81% of student show enrolling in college after high school ○ About 90% retention rate return the second year the first semester is tough ○ Percent of high school class that complete a degree in five years about 50% • Best practices for ISDs and IHEs <ul style="list-style-type: none"> ○ College visits to high schools ○ College application boot camps ○ College presentations by reps ○ College fairs ○ Alumni visits- contacting college representatives

Agenda Item K. Discussion: TASFAA Recommendations Delisa Falks, TASFAA President	Formal Decision/Action Required
Critical Discussion Points <ul style="list-style-type: none"> • Senate bill 499 TASFAA to support the bill the confusion among some institutions about loans. Submit a letter Zelma and Allen went to the capital to support. • SB 249 no intent of alternative loans what you can provide or easy access too for loans. • Past spring provide NASFAA credentialing- Subject Satisfactory Academic Progress. • TASFAA early awareness to try to increase the number of high schools' counselors. Tailor presentation two ways make it shorter, sometimes do long workshops that are tailored certificates something out in the list serv Workshops for counselors to provide thru the year. Fall conference -request for presentations Oct 9-11th in Fort Worth TX - theme "denim dollars and decreasing debt." • Aspiring Directors track provide some training increasing the skills, knowledge. 	

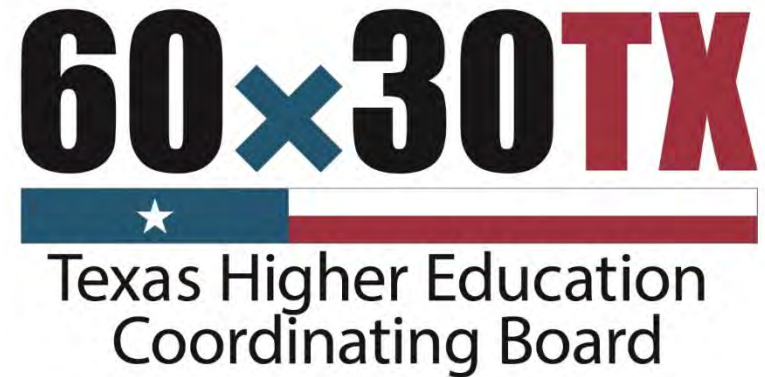
Agenda Item L. Update: Office of Student Financial Aid Programs Charles Puls, Deputy Assistant Commissioner	Formal Decision/Action Required
Critical Discussion Points <ul style="list-style-type: none"> • The Net Price Calculator is now available. • The credit card processing fee went into effect May 17. • CAL loans that are certified on or after May 1 will have an interest rate of 5.2% instead of 5.3%. • Ken Martin worked with the bonding authority to ensure there is enough authority to meet demand for the foreseeable future as well as adjusted the timing of the bond issuance which will save about four million dollars a year in interest payments. • The Coordinating Board is assessing the current process of placing academic holds on delinquent students. • Due to new legislation, occupational license holds will be removed effective September 1. • Future topics for the FAAC meeting will include the chatbot that is being launched at the CB and dual credit. 	

Agenda Item M. Adjournment Diane Todd Sprague, Chair	Formal Decision/Action Required
Critical Discussion Points <p>Diane Todd Sprague, Chair Adjourned; next meeting at September 5, 2019.</p>	

411, Government Code, regardless of whether the handgun is concealed or carried in a shoulder or belt holster, in the room or rooms where a meeting of a governmental entity is held and if the meeting is an open meeting subject to Chapter 551, Government Code, and the entity provided notice as required by that chapter." Thus, no person can carry a handgun and enter the room or rooms where a meeting of the THECB is held if the meeting is an open meeting subject to Chapter 551, Government Code.

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

The Virtual Advising Project: Meet ADVi



Erin Willig, LMSW
Division for College Readiness and Success

THECB has developed a **virtual advising system** to reach students via text and online chat.



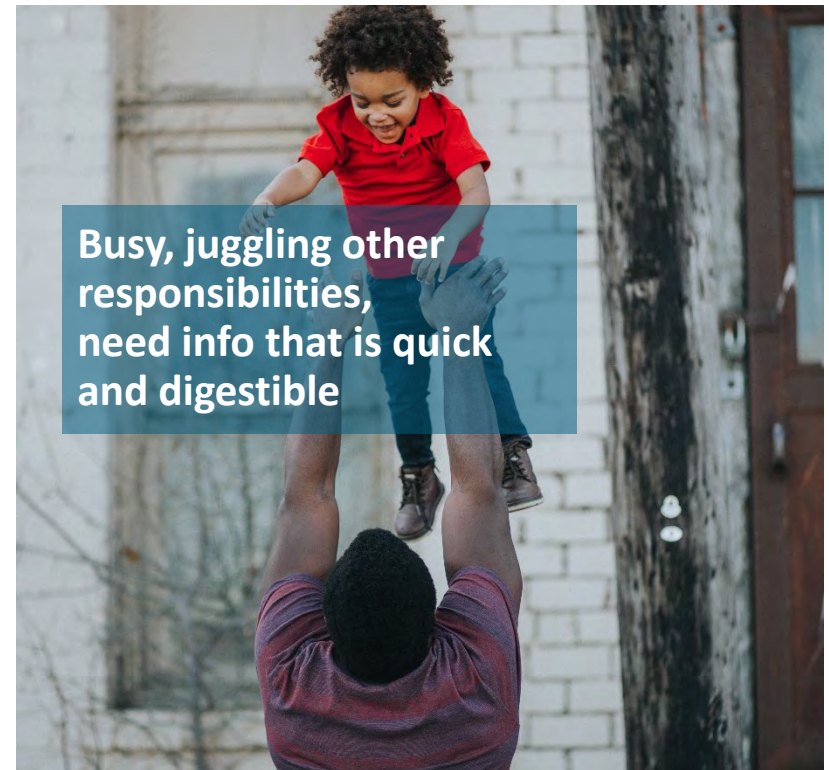
- Partnership with the University of Texas at Austin.
- Initially launched in South Texas / Rio Grande Valley in May 2019.

Who We Need to Reach Most

Generation Z



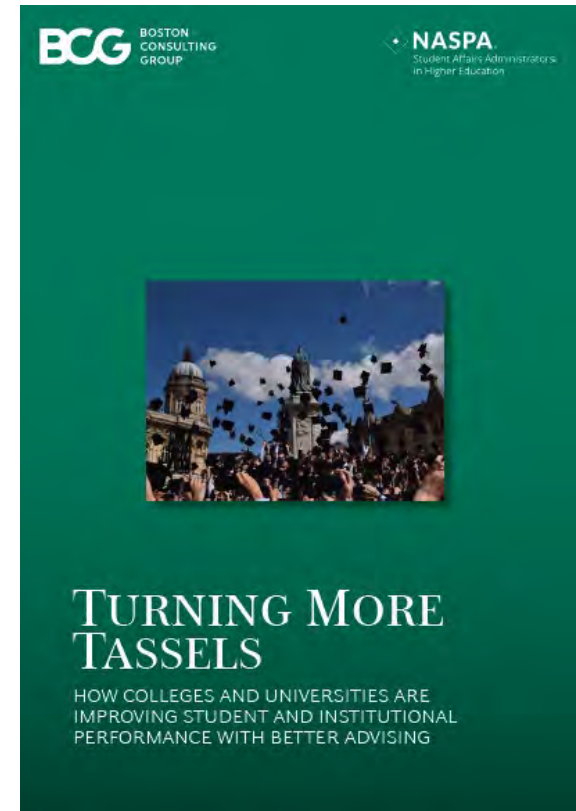
Returning Students



Good Advising Matters

“Helping students navigate the college experience, whether by providing advice on how to sequence courses or how to adapt to campus life, **frees up time and energy** for students to focus on learning and progressing toward graduation.”

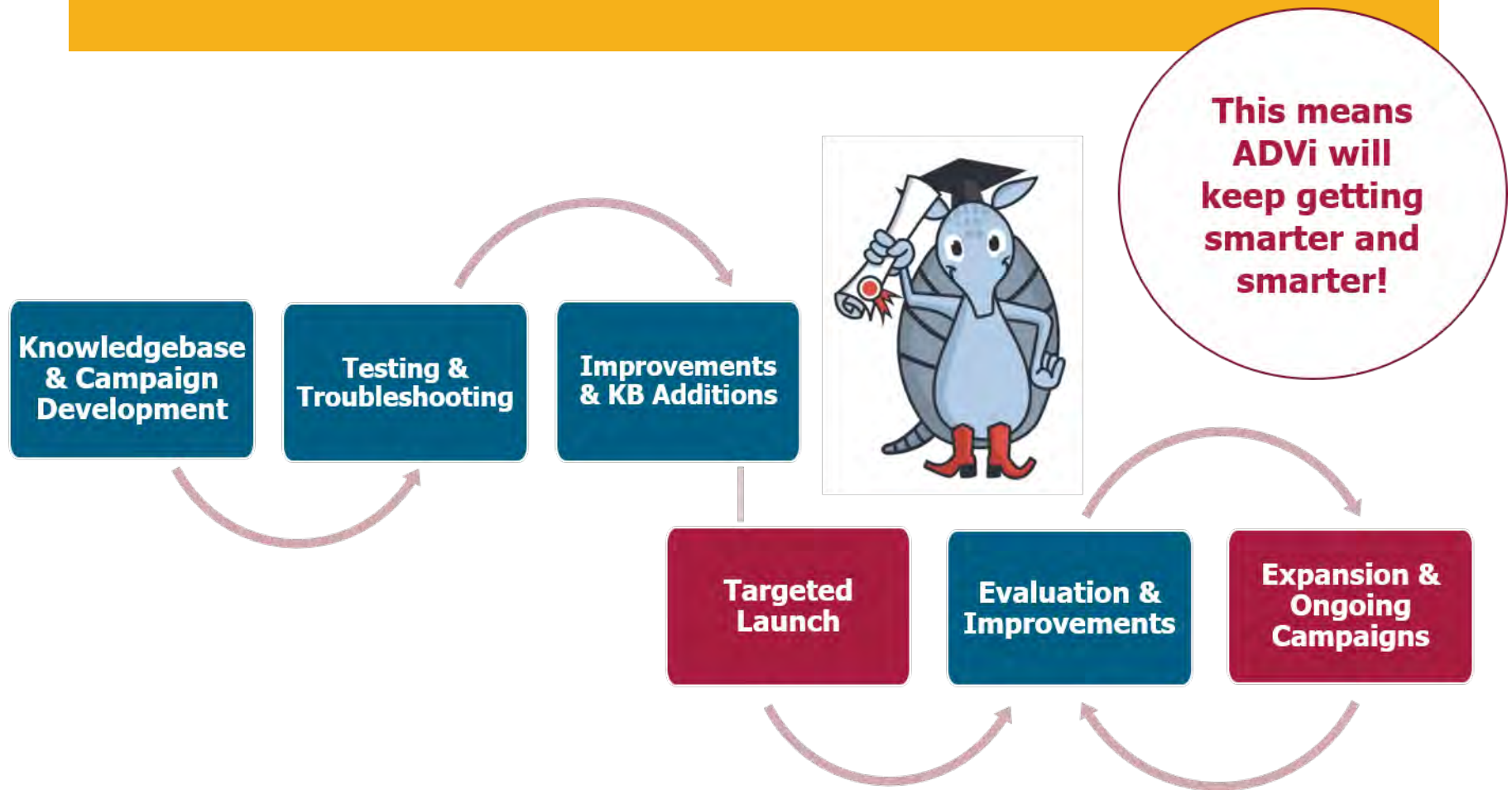
<https://www.bcg.com/publications/2019/turning-more-tassels.aspx>



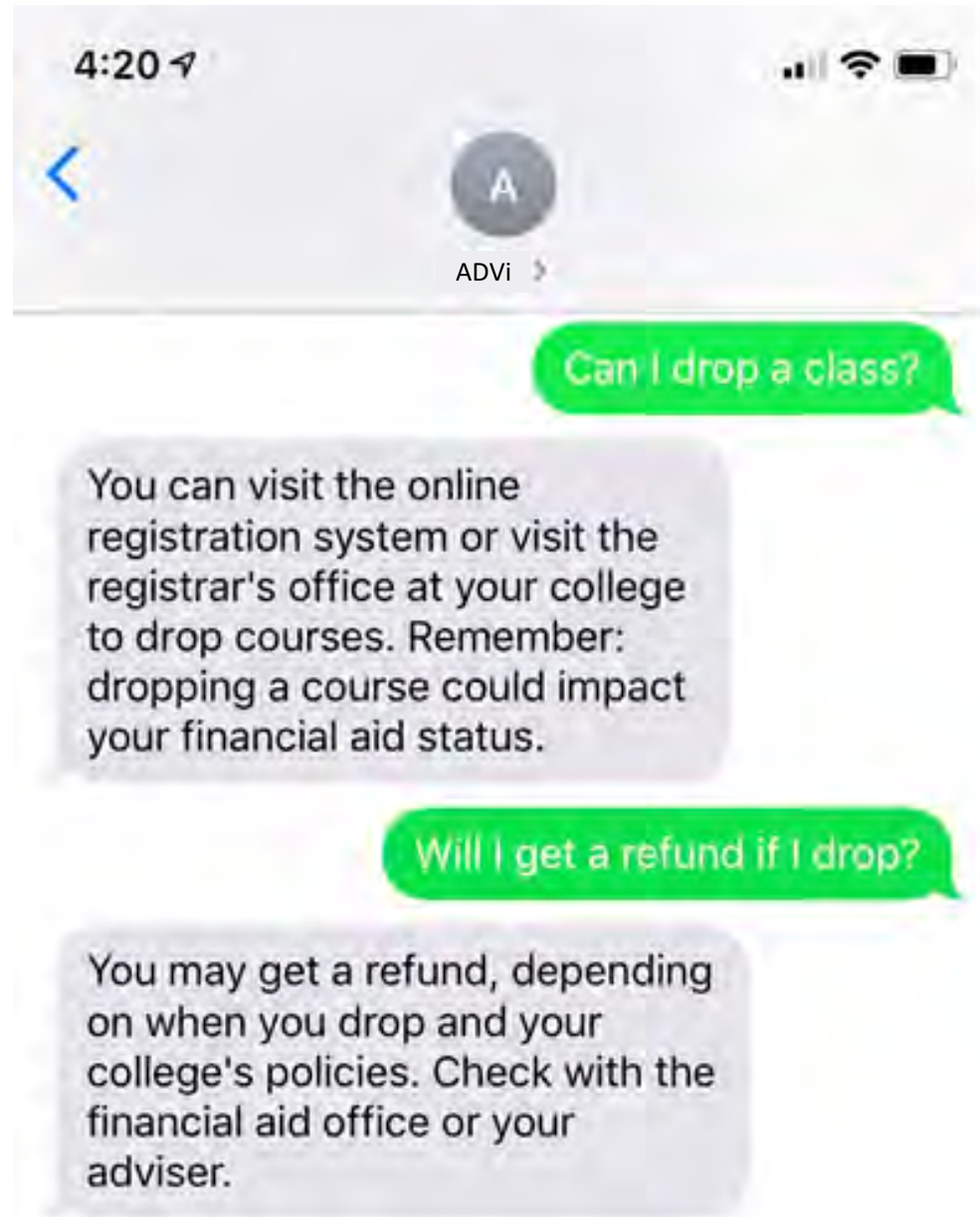
Why a Chatbot?

- **Enables us to meet students where and when** they are ready to engage and ask questions.
- **We can answer student questions at scale**, providing accessible information. When the chatbot cannot answer a question, live near-peer advisers will step in.
- **We can work with returning, under-resourced, and other hard-to-reach student populations** to identify and overcome obstacles to entering, re-entering, and/or completing their post-secondary education.

Iterative Design Process



How ADVi Works



Home About





FAQs



Have questions about college
ADVi has answers.

ADVi

 Hi! We're here to answer any questions you may have.

 Log into Messenger

Chat with ADVi in Messenger



The Role of Virtual Advising

- ADVi is not a replacement for in-person advising.
- ADVi is a **triage tool** and an opportunity to catch students **at the moment** they are interested and connect them with resources and the next level of support.
- Virtual advising should be viewed as **one tool among many** to support students/prospective students.

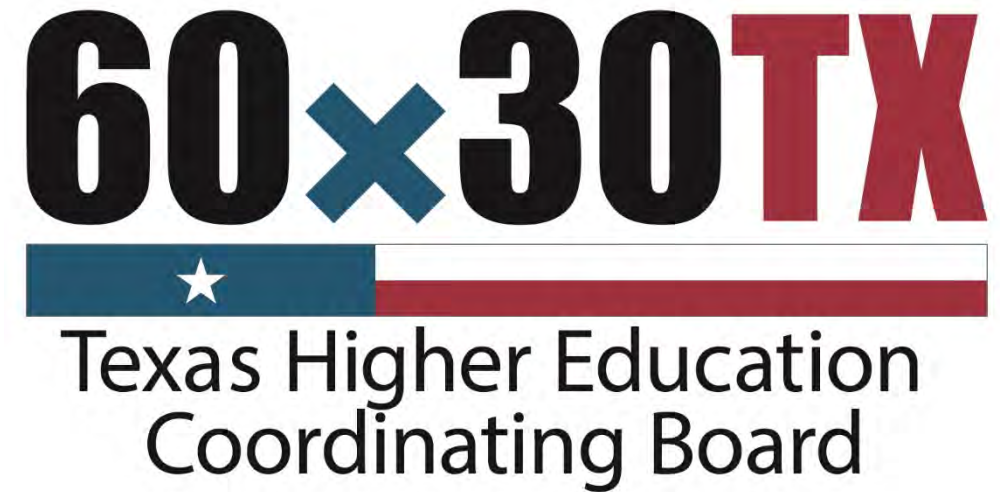
Questions?

THECB Staff Contact:
Erin Willig
512.427.6525
erin.willig@thecb.state.tx.us

Thank you!

College Access Loan Program Funding Review

Ken Martin
Assistant Commissioner/CFO
September 2019



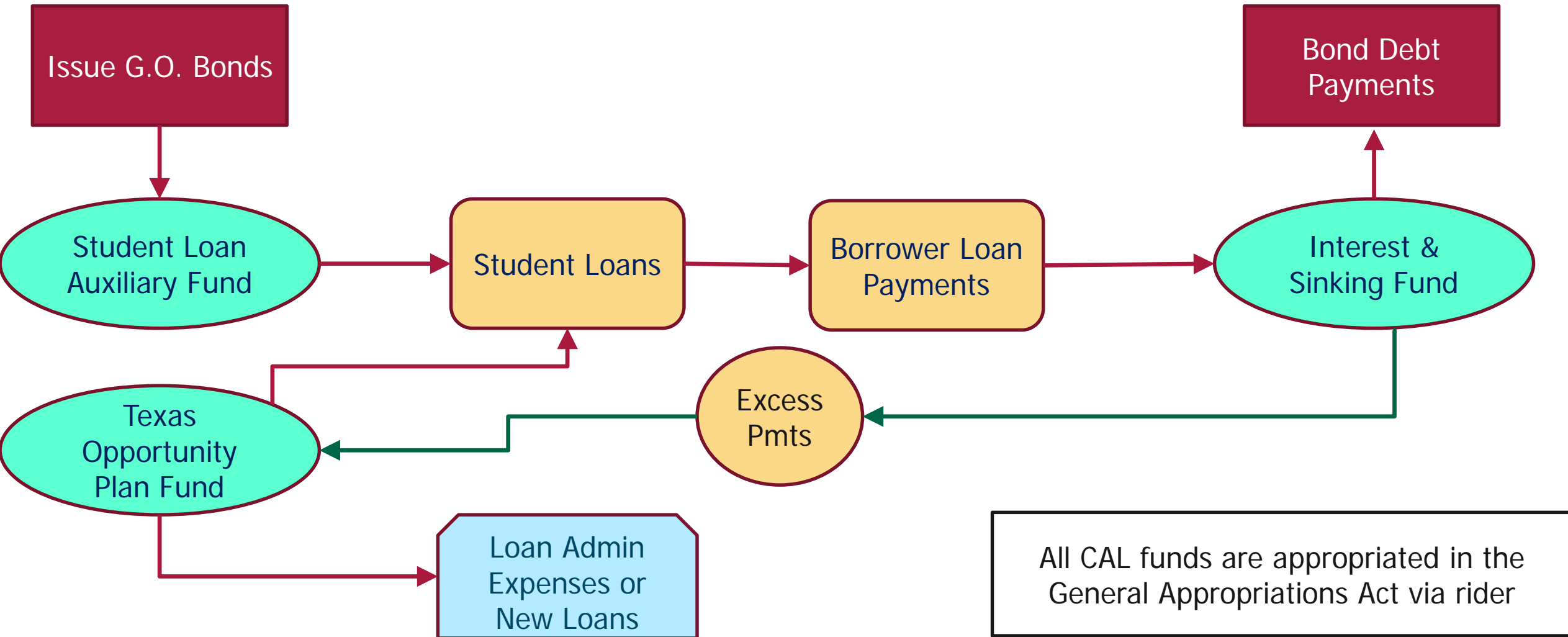
Active Loan Programs

- B-On-Time (BOT) (\$180 million of loans outstanding)
 - Funded by legislature with general revenue (dedicated)
 - Legislature initiated the phase out of the program in 2015
 - Last loans issued will be in 2020
 - Loan servicing will continue for approximately 15 years
- Texas Armed Services Scholarship Program (TASSP) (\$15 million)
 - Funded by legislature with general revenue
 - Forgivable loans to students serving in the Armed Services
- College Access Loan (CAL) (\$1.4 billion)
 - Largest and longest running loan program

College Access Loan Program

- The College Access Loan (CAL) program was created in 1965
- CAL is supported by tax exempt general obligation bonds
 - The first bonds were issued in 1966 for \$10 million
 - The THECB has issued over \$3.1 billion in bonds
 - Borrower loan payments are used to pay bond debt
 - Current interest rate is 5.2% (interest is not capitalized)
 - The CAL program is fully self sufficient
 - No general revenue has be utilized to support the CAL program

CAL Program Funding Flow



CAL Cash Flow

- Borrower Payments = \$145 million annually
- Debt service = \$110 million
- Administration costs = \$13 million
- \$1.2 billion of bonds outstanding
- Refunded 3 older bonds series (\$50 million savings)

New Legislation

- State receives tax exempt bonding allotment annually from the IRS
- SB 1474 (Tax Exempt Bond Bill)
 - Bipartisan bill that passed unanimously in both the Senate and House
 - Increases the amount of bonding authority available to all issuers
 - Indexes the project limits to the growth of the state allotment
 - Increases the time to close on bonds (more flexibility on timing of sale)
 - Saves the CAL program \$4 million annually

Relevant Statutes and Codes

- Texas Constitution, Art III, Sec. 50b thru 50b-7
- TX Gov. Code, Chapter. 1372 – Private Activity Bonds and Certain Other Bonds
- TX Gov. Code, Chapter. 2254 – Professional and Consulting Services
- TX Gov. Code, Chapter. 1201 – Public Security Procedures Act
- TX Gov. Code, Chapter. 1202 – Examination and Registration of Public Securities
- TX Gov. Code, Chapter. 1207 – Refunding Bonds
- TX Gov. Code, Chapter. 402 – Attorney General
- TX Ed. Code, Chapter. 52 – Student Loan Program
- TX Ed. Code, Section 56.121-56.135 – Revenue Bonds
- TX Admin Code (TAC) §57.4 Request for Qualification Process
- TAC §22 – Hinson Hazelwood College Student Loan Program
- SEC Rule 15c2-12 - (Disclosures)
- IRS IRC 57(a)(5) – Tax Exempt Interest
- IRS IRC 141 – Private Activity Bonds
- IRS IRC 144 – Qualified Student Loan Bond
- IRS IRC 148 – Arbitrage
- IRS IRC 147(f) – Public Approval Required for PABs
- Bond Resolution/Covenants

FAFSA and TASFA 86th Legislature Overview

Financial Aid Advisory
Committee

September 5, 2019



Texas Higher Education
Coordinating Board

FAFSA Completion Requirement

House Bill 3

- Requires completion and submission of a FAFSA or TASFA prior to high school graduation
- Begins with the 2021–2022 School Year
- Allows opt out options by a parent, counselor, or self (over 18)
- Establishes an advisory board to advise on policy and implementation

FAFSA Completion Requirement, cont.

House Bill 3

- Texas Education Agency webinar series
- FAFSA Requirement webinar- November 14, 2019
- For more information, see Texas Education Agency website- [House Bill 3](#)

App for State Financial Aid

House Bill 2140

- Establishes the Texas Application for State Financial Aid (TASFA) electronically through the ApplyTexas system
- Establishes an advisory committee of financial aid personnel and other stakeholders
- Board to adopt procedures for TASFA and develop recommendations

App for State Financial Aid, cont.

House Bill 2140

- By January 1, 2021, board will report the advisory committee's recommendations, expires January 1, 2023.
- Maintain online database of institutions that take TASFA
- Personal information is confidential and not submit to disclosure



Texas Higher Education Coordinating Board

Student Loan Repayment Programs



Texas Higher Education
Coordinating Board

Lesa Moller
Senior Director, Student Financial Aid Programs

Active Loan Repayment Programs

	Physician Education LRP	Teach for Texas LRAP	Math & Science Scholars LRP	Nursing Faculty LRAP	LRP for Mental Health Professionals	Peace Officer LRAP
Year Authorized	1985	2003	2013	2013	2015	2019
2020-2021 Appropriation	\$25,350,000	\$2,675,000	\$2,575,000	\$3,000,000	\$2,125,000	\$4,233,347
Maximum Annual Award	\$30,000-\$60,000	\$2,500	\$5,000	\$7,000	\$1,000-\$48,000	\$4,000
Maximum Aggregate	\$180,000	\$12,500	TBD	\$35,000	\$10,000-\$160,000	\$20,000
# Years Allowed	4	5	4+	5	5	5
# Current Participants	393	758	13	228	172	N/A

Advantages to LRP Model (Payment After Service)

There's no shortage of student loans to assist students.

- All taxpayer funds are spent for the intended purpose
- No costly loan servicing, collections, or litigation activities
- Recruitment more effective than loan contracts or loan repayment contracts having financial penalties for failure to provide service

Peace Officer Loan Repayment Assistance Program Eligibility

- Must be initially employed as a peace officer on or after September 1, 2019
- Must have earned at least 60 semester credit hours or the equivalent at a public or private institution of higher education before the person's initial employment as a peace officer
- Must be currently employed, and have completed at least one year of employment as a full-time peace officer in this state
- Loan(s) must be for attendance at a Texas institution for a semester or term that ended in the **five years** immediately preceding the person's initial employment as a peace officer

Loan Repayment Program Information

<http://www.hhloans.com/> (Select Loan
Repayment Programs tab)

Stacy Johnson, Program Manager, Loan
Repayment Programs (512) 427-6357

stacy.johnson@theccb.state.tx.us

Lesa Moller, Sr. Director, SFAP (512) 427-6366

lesamoller@theccb.state.tx.us

Recommended new Financial Aid Advisory Committee members:

Lyn Kinyon, President
Texas Association of Student Financial Aid Administrators (TASFAA)
(Nominated for a one-year term as the TASFAA representative.)

Ben Bholan, Principal
Arlington Independent School District
(Term ending 2022)

Joy Thomas, Associate Director of Financial Aid
Prairie View University
(Term ending 2022)

Rachelle Garrett, Director of Financial Aid
Stephen F. Austin State University
(Term ending 2022)

Thomas Ratliff, Director of Student Financial Services
Abilene Christian University
(Term ending 2022)

Tacey Anderson, Assistant Director of Financial Aid
Rice University
(Term ending 2020, to serve the remainder of unexpired term due to Karen LaQuey vacating her position on the committee.)

Formon Thompson, Dean of Enrollment Management
Midland College
(Term ending 2022)

The following proposed rules were published to the Texas Register Friday, July 26, 2019.

Chapter 1. Agency Administration

Subchapter CC. Financial Literacy Advisory Committee

Section: 1.9521 – 1.9527 (Repeal)

Date Posted to the Texas Register:	July 12, 2019
Texas Register Publication Date:	July 26, 2019
30 Day Comment Period Begins:	July 26, 2019
30 Day Comment Period Ends:	August 26, 2019

Chapter 22. Student Financial Aid Programs

Subchapter A. General Provisions

Section: 22.1 (amendments)

Date Posted to the Texas Register:	July 12, 2019
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30 Day Comment Period Begins:	July 26, 2019
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Chapter 22. Student Financial Aid Programs

Subchapter A. Provisions for the Tuition Equalization Grant Program

Section: 22.9 – 22.11 (New)

Date Posted to the Texas Register:	July 12, 2019
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Chapter 22. Student Financial Aid Programs

Subchapter B. Provisions for the Tuition Equalization Grant Program

Section: 22.21 – 22.28 (amendments)

Date Posted to the Texas Register:	July 12, 2019
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Chapter 22. Student Financial Aid Programs

Subchapter B. Provisions for the Tuition Equalization Grant Program

Section: 22.30 – 22.32 (Repeal)

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Chapter 22. Student Financial Aid Programs

Subchapter C. Hinson-Hazlewood College Student Loan Program

Section: 22.42 – 22.46; 22.51 – 22.53; 22.55 (amendments)

Date Posted to the Texas Register:	July 12, 2019
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Chapter 22. Student Financial Aid Programs

Subchapter C. Hinson-Hazlewood College Student Loan Program

Section: 22.43 (repeal)

Date Posted to the Texas Register:	July 12, 2019
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Chapter 22. Student Financial Aid Programs

Subchapter E. Hinson-Hazlewood College Student Loan Program: All Loans Made Before Fall Semester, 1971,

Not Subject to the Federally Insured Student Loan Program

Section: 22.84 (amendments)

Date Posted to the Texas Register:	July 12, 2019
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Chapter 22. Student Financial Aid Programs

Subchapter E. Hinson-Hazlewood College Student Loan Program: All Loans Made Before Fall Semester, 1971,

Not Subject to the Federally Insured Student Loan Program

Section: 22.86 – 22.91; 22.94; 22.97 – 22.102

Date Posted to the Texas Register:	July 12, 2019
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Chapter 22. Student Financial Aid Programs

Subchapter K. Provisions for Scholarships for Students Graduating in the Top 10 Percent of their High School Class

Section: 22.196 – 22.203 (repeal)

Date Posted to the Texas Register:	July 12, 2019
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Chapter 23. Education Loan Repayment Programs

Subchapter C. The Physician Education Loan Repayment Program

Section: 23.65; 23.70 – 23.71

Date Posted to the Texas Register:	July 12, 2019
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Chapter 23. Education Loan Repayment Programs

Subchapter C. The Dental Education Loan Repayment Program

Section: 23.124 – 23.130 (Repeal)

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Chapter 23. Education Loan Repayment Programs

Subchapter F. Border County Doctoral Faculty Education Loan Repayment Program

Section: 23.155 – 23.161 (repeal)

Date Posted to the Texas Register:	July 12, 2019
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Chapter 23. Education Loan Repayment Programs

Subchapter H. Peace Officer Education Loan Repayment Programs

Section: 23.209 – 23.216 (new)

Date Posted to the Texas Register:	July 12, 2019
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Chapter 23. Education Loan Repayment Programs

Subchapter J. Math and Science Scholars Loan Repayment Program

Section: 23.288; 23.290; 23.294 (amendments)

Date Posted to the Texas Register:	July 12, 2019
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CHAPTER 22 STUDENT FINANCIAL AID PROGRAMS
SUBCHAPTER M TEXAS EDUCATIONAL OPPORTUNITY GRANT PROGRAM

Rules

- 22.253 Authority and Purpose
- 22.254 Definitions
- 22.255 Eligible Institutions
- 22.256 Eligible Students
- 22.257 Satisfactory Academic Progress [~~Hardship Provisions~~]
- 22.258 Discontinuation of Eligibility and Non-Eligibility [~~Priorities in Funding~~]
- 22.259 Hardship Provisions [~~Priority in Awards to Students~~]
- 22.260 Priorities in Awards to Students [~~Award Amounts and Adjustments~~]
- 22.261 Award Amounts and Adjustments [~~Late Disbursements~~]
- 22.262 Allocation and Disbursement of Funds – Public Junior Colleges
- 22.263 Authority to Transfer Funds [~~Dissemination of Information and Rules~~]
- 22.264 Allocation and Disbursement of Funds – Public Technical and State Colleges
- 22.265 Authority to Transfer Funds

22.253 Authority and Purpose

(a) Authority. Authority for this subchapter is provided in the Texas Education Code, Chapter 56, Subchapter P [~~§§56.401 – 56.4075~~], Texas Educational Opportunity Grant Program. This subchapter establishes [~~These rules establish~~] procedures to administer Texas Education Code §56.401 – §56.4075 [~~this grant program~~].

Commented [PC1]: CONSISTENCY: Amended to align with wording in other subchapters

(b) Purpose. The purpose of this program is to provide need-based grants [~~of money~~] to enable eligible students to attend public two-year institutions of higher education in this state. [~~§56.402(b)~~]

Commented [PC2]: CLARITY: Amended to clarify need-based nature of the program

Commented [PC3]: For review purposes, the statutory references supporting individual rules have been listed throughout this document. These references would not be included in the posted rule.

22.254 Definitions

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

Commented [PC4]: CLARITY: Inserting reference to General Provisions

~~[(1) Attempted Hours. Every course in every semester for which a student has been registered as of the official Census Date, including but not limited to, repeated courses and courses the student drops and from which the student withdraws. Transfer hours and hours for optional internship and cooperative education courses are also included if they are accepted by the receiving institution towards the student's current program of study.~~

Commented [PC5]: REDUNDANCY: Unless otherwise noted, all of the definitions marked for deletion also appear in the General Provisions definitions.

~~[(2) Average statewide amount of tuition and required fees. In determining the maximum award amount, the average amount of tuition and required fees by institution type (public junior colleges, public state colleges, and public technical institutes) for a resident~~

Commented [PC6]: MOVE: This term was only used once in the entire subchapter, so defining in the rule rather than in the definitions.

student enrolled full time in an associate degree or certificate program, as reported in the most recent Integrated Federal Reporting System report.]

(3) Continuation award--A TEOG awarded to a person who has previously received an initial year award.

Commented [PC7]: CLARITY: This term is not currently defined.

~~[(3) Awarded--Offered to a student.~~

~~(4) Board--The Texas Higher Education Coordinating Board.~~

~~(5) Commissioner--The Commissioner of Higher Education, the Chief Executive Officer of the Board.~~

~~(6) Cost of attendance--An estimate of the expenses incurred by a typical financial aid student in attending a particular college. It includes direct educational costs (tuition, fees, books, and supplies) as well as indirect costs (room and board, transportation, and personal expenses).~~

~~(7) Encumbered funds--Program funds that have been offered to a specific student, which offer the student has accepted, and which may or may not have been disbursed to the student.~~

~~(8) Enrolled on at least a half-time basis--Enrolled for the equivalent of six semester credit hours in a regular semester.~~

~~(9) Entering student--A student enrolled in the first 30 semester credit hours or their equivalent, excluding hours taken during dual enrollment in high school and courses for which the student received credit through examination.~~

Commented [PC8]: MOVE: This term was only used once in the entire subchapter, so defining in the rule rather than in the definitions.

~~(10) Expected family contribution--The amount of discretionary income that should be available to a student from his or her resources and that of his or her family, as determined following the federal methodology.~~

~~(11) Financial need--The cost of attendance at a particular public or private institution of higher education less the expected family contribution. The cost of attendance and family contribution are to be determined in accordance with Board guidelines. Federal and state veterans' educational and special combat pay benefits are not to be considered in determining a student's financial need.]~~

~~(12) Forecast--The FORECAST function in Microsoft Excel.~~

~~(13) Initial year award--The grant award made in the student's first year in the Texas Educational Opportunity Grant Program [typically made up of a fall and spring disbursement].~~

Commented [PC9]: SUMMER: Amended to allow for summer awarding.

~~[(14) Institution--A public junior college as defined in Texas Education Code, §61.003(2); a public technical institute as defined in Texas Education Code, §61.003(7); and a public state college as defined in Texas Education Code, §61.003(16).~~

Commented [PC10]: REDUNDANCY: Definition is provided in Institutions section.

~~(15) Period of enrollment--The term or terms within the current state fiscal year (September 1-August 31) for which the student was enrolled in an approved institution and met all the eligibility requirements for an award through this program.]~~

(16) Program or TEOG --The Texas Educational Opportunity Grant Program.

Commented [PC11]: CONSISTENCY: Amended to align with other subchapters, which all provide an abbreviated name for the program.

~~[(17) Program Officer—The individual named by each participating institution's chief executive officer to serve as agent for the Board. The Program Officer has primary responsibility for all ministerial acts required by the program, including maintenance of all records and preparation and submission of reports reflecting program transactions. Unless otherwise indicated by the administration, the director of student financial aid shall serve as Program Officer.]~~

~~[(18) Resident of Texas—A resident of the State of Texas as determined in accordance with Chapter 21, Subchapter B of this title (relating to Determination of Resident Status). Nonresident students who are eligible to pay resident tuition rates are not residents of Texas.]~~

~~[(19) State-wide total cost of attendance—For allocation purposes, the aggregate sum of costs of attendance reported by participating eligible institutions in the most recent Financial Aid Database Report for each first-time-in-college student who meets the eligibility requirements listed in §22.262(b)(1) of this title.]~~

Commented [PC12]: OUTDATED: This term is not used anywhere in the subchapter.

22.255 Eligible Institutions

(a) Eligibility.

~~[(1) Any public junior college as defined in Texas Education Code, §61.003(2); public technical institute as defined in Texas Education Code, §61.003(7); and public state college as defined in Texas Education Code, §61.003(16) is [Each institution as defined in §22.254 of this title (relating to Definitions) are] eligible to participate in the program. {§6.301(2)}]~~

Commented [PC13]: CLARITY: Defining eligibility in one place, rather than in both the definitions and this subsection.

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

Commented [PC14]: CLARITY and CONSISTENCY: Amended to clarify affected institutions and to align with other subchapters

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

Commented [PC15]: CLARITY and CONSISTENCY: Amended to clarify affected institutions and to align with other subchapters

(b) Approval.

~~[(1) Agreement. Each eligible institution must enter into an agreement with the Board, the terms of which shall be prescribed by the Commissioner or his/her designee, prior to being approved to participate in the program.]~~

Commented [PC16]: CLARITY: Clarifying the need for the agreement.

~~[(2) Approval Deadline. An institution must indicate an intent to participate in the program [be approved] by June [April] 1 and enter into an agreement with the Board by August 31 in order for qualified students enrolled in that institution to be eligible to receive grants in the following biennium [fiscal year].]~~

Commented [PC17]: CLARITY: Clarifying the steps for approval and participation.

Commented [PC18]: SUMMER: With the switch to providing both allocations at the start of the biennium, extending the time period for qualifying to participate in the program for the next biennium.

(c) Responsibilities.

~~Participating institutions are required to abide by the General Provisions outlined in subchapter A of this Chapter.~~

Commented [PC19]: MOVE: Moved details to General Provisions.

Commented [PC20]: CLARITY: Inserting reference to General Provisions.

~~[(1) Probation Notice. If the institution is placed on probation by its accrediting~~

agency, it must immediately advise the Board and grant recipients of this condition and maintain evidence in each student's file to demonstrate that the student was so informed.

~~(2) Disbursements to Students.~~

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

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

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

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

22.256 Eligible Students

~~(a) To receive an initial award through TEOG [the Texas Educational Opportunity Grant Program], a student must:~~

~~(1) be a resident of Texas as determined based on data collected using the Residency Core Questions and in keeping with Chapter 21, Subchapter B of this title (relating to Determination of Resident Status); {56.404(a)(1)}~~

~~(2) show financial need; {56.404(a)(2)}~~

~~(3) have applied for any available financial aid assistance; {56.404(a)(5)}~~

~~(4) be enrolled [as an entering student] on at least a half-time basis as an entering student, which is a student enrolled in the first 30 semester credit hours or their equivalent, excluding hours taken during dual enrollment in high school and courses for which the student received credit through examination; and {56.404(a)(4)}~~

~~(5) be enrolled in an associate's degree or certificate program at an eligible institution[-]. {56.404(a)(3)}~~

~~[(5) not be concurrently receiving a TEXAS Grant;~~

Commented [PC21]: CONSISTENCY: References to the program throughout the rule are amended to use the defined term, rather than the full name.

Commented [PC22]: CONSISTENCY: Amended to align with wording in other subchapters.

Commented [PC23]: CLARITY: Amended to divide enrollment level and program level into separate requirements.

Commented [PC24]: MOVE: Moved to subsection on Non-Eligibility

~~(6) not have been granted an associate's or baccalaureate degree; and~~

Commented [PC25]: MOVE: Moved to subsection on Non-Eligibility

~~(7) have a statement on file with the institution of higher education indicating the student is registered with the Selective Service System as required by federal law or is exempt from Selective Service registration under federal law.~~

Commented [PC26]: REDUNDANT: Defined in General Provisions.

~~(8) In determining initial student eligibility for Texas Educational Opportunity grant awards pursuant to subsections (a), (b) and (c) of this section, priority shall be given to those students who have an expected family contribution that does not exceed the lesser of the limit set by the Board for the relevant fiscal year or 60 percent of the average statewide amount of tuition and fees for general academic teaching institutions for the relevant academic year.]~~

Commented [PC27]: MOVE: Moved to subsection on Priorities

(b) To receive a continuation award through TEOG [the Texas Educational Opportunity Grant Program], a student must:

~~(1) have previously received an initial year award through this program;~~
{56.405(a)}

Commented [PC28]: CONSISTENCY: Amended to align with defined term.

(2) show financial need; {56.405(a)(1)}

(3) be enrolled on at least a half-time basis; {56.405(a)(3)}

(4) be enrolled in an associate's degree or certificate program at an eligible institution[~~—~~{56.405(a)(2)}

~~(5) not have been granted an associate or baccalaureate degree;~~

Commented [PC29]: MOVE: Moved to subsection on Non-Eligibility

~~(6) not be concurrently receiving a TEXAS Grant;~~

Commented [PC30]: MOVE: Moved to subsection on Non-Eligibility

~~(7) have a statement on file with the institution of higher education indicating the student is registered with the Selective Service System as required by federal law or is exempt from Selective Service registration under federal law]; and~~

Commented [PC31]: REDUNDANT: Defined in General Provisions.

(8) make satisfactory academic progress towards an associate degree or certificate. [~~which requires: {56.405(a)(4)}~~

~~(A) for persons receiving their first awards prior to fall semester, 2005, completion of at least 75% of the hours attempted in the student's most recent academic year, and maintenance of an overall grade point average of at least 2.5 on a four point scale or its equivalent.~~

Commented [PC32]: OUTDATED: Removing outdated language.

~~(B) for persons receiving their first awards for fall 2005 or later:~~

Commented [PC33]: CLARITY: Amended based on creation of new rule for Satisfactory Academic Progress

~~(i) compliance with the academic progress requirements of the institution as of the end of the first academic year; and]~~

22.257. Satisfactory Academic Progress

Commented [PC34]: CONSISTENCY: Amended to align with structure of other subchapters

(a) Eligibility at End of Initial Year Award. Students who complete their first year receiving a TEOG in compliance with their institutions' financial aid academic progress requirements are eligible to receive continuation awards in the following year if they meet the

Commented [PC35]: CONSISTENCY: Amended to align with structure of other subchapters

other requirements listed in §22.256 of this title. {56.405(d)(1)}

(b) Eligibility at End of a Continuation Award. Students shall, unless granted a hardship provision in accordance with §22.259 of this title, as of the end of an academic year in which the student receives a continuation award: {56.405(d)(2)}

Commented [PC36]: CONSISTENCY: Amended to align with structure of other subchapters

(1) [(ii) in subsequent academic years,] completion of at least 75% of the hours attempted in the student's most recent academic year, and {56.405(d)(2)(A)}

(2) maintenance of an overall cumulative grade point average of at least 2.5 on a four point scale or its equivalent. {56.405(d)(2)(B)}

Commented [PC37]: CONSISTENCY: Amended to align with wording in other subchapters

(c) The calculation of a student's GPA is to be completed in accordance with Subchapter A of this Chapter.

(d) [(c)] The completion rate calculations may be made in keeping with institutional policies.

(e) [(d)] Grade Point Average Calculations. Grade point average calculations shall [may] be made in accordance [keeping with] institutional policies except that if a grant recipient's grade point average falls below program requirements and the student transfers to another institution, or has transferred from another institution, the receiving institution cannot make a continuation award to the transfer student until the student [he/she] provides official transcripts of previous coursework to the new institution's financial aid office and the institution [that office] re-calculates an overall grade point average, including hours and grade points for courses taken at the old and new institutions, that proves the student's overall grade point average now meets or exceeds program requirements.

Commented [PC38]: CONSISTENCY: Amended to align wording in other subchapters.

22.258. [(e)] Discontinuation of Eligibility or Non-Eligibility.

Commented [PC39]: CONSISTENCY: Amended to align with structure of other subchapters

(a) A student may not receive a TEOG while concurrently receiving a TEXAS Grant. {56.404(e)}

Commented [PC40]: MOVE: Amended to move from eligibility to non-eligibility subsection

(b) A student may not receive a TEOG after having already being granted an associate's or baccalaureate degree. {56.404(c)}

Commented [PC41]: MOVE: Amended to move from eligibility to non-eligibility subsection

(c) [(1)] A student may not receive a Texas Educational Opportunity Grant for more than 75 semester credit hours or its equivalent. Beginning with awards for the 2015-2016 academic year, a student's eligibility for TEOG [a Texas Educational Opportunity Grant] ends once he or she has attempted 75 semester credit hours or the equivalent unless the student is granted a hardship extension in accordance with §22.257(c) [§22.257(b)] of this chapter. {56.404(d)}

Commented [PC42]: OUTDATED: Amended to remove outdated reference.

(d) [(2)] A student's eligibility for TEOG [a Texas Educational Opportunity Grant award] ends four years from the start of the semester or term in which the student received his or her initial year award unless the student is granted a hardship extension in accordance with §22.257(d) of this chapter. {56.404(f)}

Commented [PC43]: CONSISTENCY: Aligning hardship provision availability with those available in TEXAS grant.

(e) [(3)] A person is not eligible to receive an initial or continuation TEOG [Texas Educational Opportunity Grant award] if the person has been convicted of a felony or an offense under Chapter 481, Health and Safety Code (Texas Controlled Substances Act), or

under the law of any other jurisdiction involving a controlled substance as defined by Chapter 481, Health and Safety Code, unless the person has met the other applicable eligibility requirements under this subchapter and has: {56.404(b) & 56.405(b)}

(1) [(A)] received a certificate of discharge by the Texas Department of Criminal Justice or a correctional facility or completed a period of probation ordered by a court, and at least two years have elapsed from the date of the receipt or completion; or {56.404(b)(1) & 56.405(b)(1)}

(2) [(B)] been pardoned, had the record of the offense expunged from the person's record, or otherwise been released from the resulting ineligibility to receive a grant. {56.404(b)(2) & 56.405(b)(2)}

(f) [(4)] Other than as described in §22.258 [Unless granted a hardship extension in accordance with §22.257] of this title (relating to Hardship Provisions), if a person fails to meet any of the requirements for receiving a continuation award as outlined in §22.256 [subsection (b)] of this title [section] after completion of any year, the person may not receive a TEOG [Texas Educational Opportunity Grant award] until he or she completes a semester or term of at least half-time coursework [courses] while not receiving a TEOG [Texas Educational Opportunity Grant] and meets all the requirements of §22.256 [subsection (b)] of this title [section] [subsection (b)] of this title [section] as of the end of that period of enrollment. {56.405(c)}

Commented [PC44]: CORRECTION and CLARITY: Amending to correct rule references and to clarify expectation to regain eligibility.

22.259. [22.257] Hardship Provisions

(a) In the event of a hardship or for other good cause, the Program Officer at a participating [an eligible] institution may allow an otherwise eligible student [person who is awarded a grant] to receive a TEOG [Texas Educational Opportunity Grant] while:

Commented [PC45]: CONSISTENCY: Amended to align with structure of other subchapters

Commented [PC46]: CLARITY and CONSISTENCY: Amended to clarify affected institutions and to align with other subchapters

(1) enrolled for an equivalent of less than one-half time; or

(2) if the student's grade point average or completion rate falls below the satisfactory academic progress requirements of §22.256 §22.256(b)(8) of this title (relating to Eligible Students). [Such conditions are not limited to, but include:]

(b) Hardship conditions may include, but are not limited to:

Commented [PC47]: CLARITY: Amended for ease of understanding.

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

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

(3) the requirement of fewer than six hours to complete one's degree plan.

(c) [(b)] The Program Officer may grant an extension of the attempted hour limit found in §22.256(c)(1) of this title (relating to Eligible Students) in the event of hardship. Documentation justifying the extension must be kept in the student's files, and the institution must identify students granted extensions and the length of their extensions to the Coordinating

Board, so that it may appropriately monitor each student's period of eligibility. The total number of hours paid for, at least in part, with Texas Educational Opportunity Grants may not exceed 75 or its equivalent.

(d) The Program Officer may grant an extension of the year limits found in §22.258 of this title (relating to Discontinuation of Eligibility or Non-Eligibility) in the event of hardship. Documentation justifying the extension must be kept in the student's files, and the institution must identify students granted extensions and the length of their extensions to the Coordinating Board, so that it may appropriately monitor each student's period of eligibility.

Commented [PC48]: CONSISTENCY: Aligning hardship provision availability with those available in TEXAS grant.

(e) ~~(e)~~ Each institution shall adopt a hardship policy under this section and have the policy available in writing in the financial aid office for public review upon request.

22.260. [22.258] Priorities in Awards to Students [Funding]

Commented [PC49]: CLARITY: Amended to put all priorities in one rule for ease of understanding.

(a) If appropriations for TEOG ~~[the Texas Educational Opportunity Grant Program]~~ are insufficient to allow awards to all eligible students, continuation awards will be given priority.

[22.259 Priority in Awards to Students]

(b) ~~In~~ determining who should receive an initial year TEOG ~~[Texas Educational Opportunity Grant]~~ award, an institution shall give highest priority to students who demonstrate the greatest financial need at the time the award is made. {56.403(d)}

Commented [PC50]: CONSISTENCY: Amended to align with defined term.

(c) ~~In~~ determining who should receive an initial year TEOG award, an institution shall give priority to those students who have an expected family contribution that does not exceed 60 percent of the average statewide amount of tuition and fees for general academic teaching institutions for the relevant academic year.

Commented [PC51]: MOVE: Amended to move this priority from the Eligibility rule to the Priorities rule

22.261 [22.260] Award Amounts and Adjustments

(a) Funding. Funds awarded through this program may not exceed the amount of appropriations, grants and other funds that are available for this use.

(b) Award Amounts.

(1) The amount of a Texas Educational Opportunity Grant award may not be reduced by any gift aid for which the person receiving the grant is eligible, unless the total amount of a person's grant plus any gift aid received exceeds the student's cost of attendance. However, no student's award shall be greater than the amount of the student's financial need.

(2) The Board shall determine and announce the maximum amount of a Texas Educational Opportunity Grant award in a given state fiscal year by January 31 of the prior fiscal year. The calculation of the maximum amount will be based on the average statewide amount of tuition and required fees at eligible institutions that a resident student enrolled full-time in an associate degree or certificate program would be charged for that semester or term (Texas Education Code, §56.407). ~~In determining the maximum award amount, the average amount of tuition and required fees is determined~~

Commented [PC52]: CLARITY: This term was only used once in the entire subchapter, so defining in the rule rather than in the definitions.

by institution type (public junior colleges, public state colleges, and public technical institutes) for a resident student enrolled full-time in an associate degree or certificate program, as reported in the most recent Integrated Federal Reporting System report. If an otherwise eligible student, due to hardship, enrolls for less than a half-time course load, his or her award is to be prorated. The amount he or she can be awarded is equal to the semester's maximum award for the relevant type of institution, divided by 12 hours and multiplied by the actual number of hours for which the student is enrolled.

(3) Beginning with awards for fall 2014, the value of an individual's award in a given term is to be based on the share of a full-time course load in which the student is enrolled as of the census date of the term, in accordance with the following table:

(A) 12 or more semester credit hours = 100% of the semester's maximum award for a full-time student;

(B) 9 to <12 semester credit hours = 75 percent of the semester's maximum award for a full-time student;

(C) 6 to <9 semester credit hours = 50 percent of the semester's maximum award for a full-time student; and

(D) <6 semester credit hours = 25 percent of the semester's maximum award for a full-time student if [\$0, unless granted an award under hardship conditions in accordance with paragraph (2) of this subsection.

(4) An approved institution may not charge a person receiving a Texas Educational Opportunity Grant through that institution, an amount of tuition and required fees in excess of the amount of the Texas Educational Opportunity Grant award received by the person. Nor may it deny admission to or enrollment in the institution based on a person's eligibility to receive or actual receipt of a Texas Educational Opportunity Grant award. If an institution's tuition and fee charges exceed the Texas Educational Opportunity Grant award amount, it may address the shortfall in one of two ways:

(A) It may use other available sources of financial aid, other than a loan or Pell grant to cover any difference in the amount of a Texas Educational Opportunity Grant award and the student's actual amount of tuition and required fees at the institution; or

(B) it may waive the excess charges for the student. However, if a waiver is used, the institution may not report the recipient's tuition and fees in a way that would increase the general revenue appropriations to the institution.

~~[(c) Uses. A person receiving a Texas Educational Opportunity Grant award may only use the money to pay any usual and customary cost of attendance at an institution of higher education incurred by the student.~~

Commented [PC53]: REDUNDANCY: Integrated into General Provisions.

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

Commented [PC54]: REDUNDANCY: Integrated into General Provisions.

unless the sum of the excess resources is greater than \$300.]

(e) Adjustments to awards and late disbursements are to be completed in accordance with Subchapter A of this Chapter.

(f) [(e)] Prorated Awards in Case of Low Balance of Eligible Hours or Attempted Hours. If the student's balance of eligible hours or attempted hours is less than the number of hours he or she is taking in a given term or semester, the student's award amount for that term or semester should be prorated using the following schedule:

- (1) If balance of hours equals 12 or more hours--100% of the maximum award;
- (2) If balance of hours equals 9-11 hours--75% of the maximum award;
- (3) If balance of hours equals 6-8 hours--50% of the maximum award; and
- (4) If balance of hours equals fewer than 6 hours--25% of the maximum award.

22.261 Late 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.--]

22.262 Allocation and Reallocation of Funds – Public Junior Colleges

No changes, since changes go through negotiated rule-making.

22.263. Authority to Transfer Funds.

Institutions participating in the Texas Educational Opportunity Grant and Texas College Work-Study Programs, in accordance with instructions from [the] Board staff, may transfer in a given fiscal year up to the lesser of 10 percent or \$20,000 between these programs. This threshold is applied to the program from which the funds are being transferred.

22.263 Dissemination of Information and Rules

The Board and its advisory committee is responsible for publishing and disseminating general information and program rules for the program described in this subchapter. The Board shall distribute to each eligible institution and to each school district a copy of the rules adopted

Commented [PC55]: REDUNDANCY: Integrated into General Provisions.

Commented [PC56]: MOVE: Amended to move this section out of the Allocation rule, since it is not related to allocations.

Commented [PC57]: REDUNDANCY: A rule outlining the statutory report requirement is unnecessary. We can disseminate the information without having a rule that indicates we will be disseminating the information.

~~under this subchapter.]~~

22.264 Allocation and Reallocation of Funds – Public Technical and State Colleges

No changes, since changes go through negotiated rule-making.

22.265 Authority to Transfer Funds

Institutions participating in the Texas Educational Opportunity Grant and Texas College Work-Study Programs, in accordance with instructions from Board staff, may transfer in a given fiscal year up to the lesser of 10 percent or \$20,000 between these programs. This threshold is applied to the program from which the funds are being transferred.

DRAFT

Potential Discussion Topics for the 87th Legislative Session

The following ideas have been assembled based on prior Financial Aid Advisory Committee discussions, financial aid studies, recommendations from higher education organizations, and a general review of state financial aid statute. They do not reflect specific recommendations of the Texas Higher Education Coordinating Board and are provided simply as a tool to encourage discussion and idea generation.

Priority Financial Aid Deadline

Thoughts for Consideration

- Time-based approaches may have unintended negative consequences for students, such as punishing students who have less access to information about financial aid.
- Time-based approaches may dilute strategic funding priorities, compromising the ability to target state dollars. For example, the Priority Model may be impacted if the Priority Deadline takes precedence.
- Time-based approaches often align with traditional enrollment patterns (e.g. fall senior year applications for enrollment in the fall after high school graduation). Thus, time-based approaches may restrict flexibility in allowing for non-traditional application and enrollment patterns, such as:
 - alternate enrollment cycles (e.g. starting in spring or summer)
 - alternate application cycles (e.g. enrollment decisions often made in the two to three months leading up to the semester of enrollment for transfer students and for non-selective institutions)
- The state's completion goal relies on direct-from-high-school enrollment, transfer students, and returning students. Does the state priority deadline:
 - Impact a school's flexibility to target funds toward all these populations?
 - Impact non-time-based eligibility criteria?
 - Contribute to the confusion that exists when students are involved in the application cycles of more than one educational sector (e.g. private vs. public; two-year vs. four-year).
- Note: *Redesigning State Financial Aid* (August 2018) by the Education Commission of the States goes into greater detail on many of these ideas.

Texas Education Code Sec. 56.008. PRIORITY DEADLINE FOR STUDENT FINANCIAL ASSISTANCE.

- (a) The Texas Higher Education Coordinating Board by rule shall provide for a uniform priority application deadline for applications for financial assistance for an academic year.
- (b) The priority deadline may not serve as a determination of eligibility for state financial assistance, but otherwise eligible applicants who apply on or before the deadline shall be given priority consideration for available state financial assistance before other applicants.
- (c) The coordinating board shall consult with financial aid personnel at institutions of higher education in adopting rules providing for the deadline required under this section.
- (d) This section only applies to a general academic teaching institution as defined by Section [61.003](#).

Texas Administrative Code RULE §22.6. Priority Deadline for Applying for State Aid

- (a) For academic year 2018-2019 and prior academic years, general academic teaching institutions shall use March 15 as their priority application deadline for application for state financial assistance.
- (b) Beginning with academic year 2019-2020 and hereafter, all general academic teaching institutions shall use January 15 as the priority application deadline to receive state financial assistance.

(c) The priority deadline is not to serve as a determination of eligibility for state financial assistance, but otherwise eligible students who apply on or before the deadline shall be given priority consideration for available state financial assistance before other applicants.

Federal Alignment

Aligning state aid requirements with federal aid requirements may remove roadblocks and reduce confusion faced by student applicants, while improving the efficiency with which institutions may process aid. Opportunities for alignment include:

- Aligning Selective Service requirements with federal aid requirements
- Aligning Controlled Substance requirements with federal aid requirements
- Aligning Satisfactory Academic Progress requirements with federal aid requirements

Populations Not Served

The state's completion goal relies on direct-from-high-school enrollment, transfer students, and returning students. Some of these students are not eligible for any of the grant programs funded through state appropriations, such as:

- Students pursuing baccalaureate degrees at two-year institutions
- Students who don't receive a state grant in their first year of eligibility
- Students returning to public institutions after time away
- Students at private nonprofit institutions with regional accreditation other than SACS

Students attending 2-year institutions and transfer students are eligible for grant programs but are minimally funded. Do opportunities exist to strengthen the programs for which they are eligible to, in turn, strengthen the request for additional funding.

The lack of portability of the state's grants may also impact populations not served.

Work as a Resource

The role of work as a resource for financing higher education has changed. Through the early 80's, a student could earn enough to pay for a public university undergraduate degree by working about 20 hours per week at a minimum wage job. Today, a student would need to work about 60 hours a week at a minimum wage job to accomplish the same task (State of Student Aid data provided by Trellis Company). Families from the lowest income levels are often reliant on the earnings of the children to help cover family expenses, further complicating the role of work as a resource. Items to be considered in analyzing the role of work as a resource:

- Benefits and drawbacks of the current work-study structure. For example, on-campus jobs have been shown to strengthen a student's connection with the institution and support academic performance. Concerns have also been raised about the social stigmas of working on campus, as well as the limited earning potential of work-study positions.
- Greater connection between the state funded programs and the goals of 60x30TX, particularly marketable skills, completion, and debt
- Supporting a student's effort to earn the maximum amount allowed without impacting the financial aid calculation (e.g. \$7,000 for a dependent student; \$10,000 for a dependent student without dependents)
- Capitalizing on current programs through:
 - expanding funding for Texas WORKS to allow more low-income students to pursue internships
 - expanding funding and scope of Texas Work-Study Mentorship, potentially removing the need-based component, to engage more students in tutoring and mentorship of other students receiving state grants
 - Re-envisioning the Endowment Internship program, possibly as a matching fund for institutions to support unpaid internships for low- to middle-income students