

Financial Aid Advisory Committee Meeting Agenda

Name of Committee: Financial Aid Advisory Committee
Date of Meeting: **September 7, 2017**
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 – Delisa Falks, Chair
- B. Consideration of Approval of Minutes – Delisa Falks, Chair
- C. Update: Prior FAAC Business – Charles Puls, Deputy Assistant Commissioner
- D. Presentation: THECB Borrower Notifications – Rinn Harper, Director, Borrower Services
- E. Presentation: SB 887 Implementation – Ginger Gossman, Sr. Director of Innovation and Policy Development
- F. Update: External Relations – John Wyatt, Director
- G. Presentation: Checks and Balances of Loan Reconciliation – DeChà Reid, Director, Financial Aid Services
- H. Update: Office of Student Financial Aid Programs – Charles Puls, Deputy Assistant Commissioner
- I. Presentation: Annual Reports (Financial Aid and TEXAS Grant) – Charles Puls, Deputy Assistant Commissioner
- J. Update: Data Collection Sub-Committee – Doris Constantine, Sub-Committee Chair
- K. Discussion: FAAC Meeting Attendance (actual vs. virtual) – Delisa Falks, Chair
- L. Discussion: Potential for aligning state and federal financial aid eligibility requirements (satisfactory academic progress and controlled substance convictions) – Delisa Falks, Chair
- M. Transition of Leadership – Delisa Falks, Chair
- N. Adjournment – Zelma De Leon, Vice Chair

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

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

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Committee Members in Attendance	Committee Members Absent	THECB Staff	Audience
Delisa Falks Zelma De Leon Christopher Murr Doris Constantine Melissa Elliott - Teleconference Carl Gordon Audree Hernandez Sandi Jones Rosario Juarez Carolyn Mallory - Teleconference Robert Merino Alan Pixley Cathy Sanchez – Teleconference Kara Tappendorf Diane Todd Sprague Harold Whitis – Teleconference	Alan Ahmad Jeannie Gage Matthew Vandermause Anne Walker	Connie Cooper Paul Maeyaert Ken Martin Lesa Moeller Wes Ogilvie Mark Poehl Charles Puls DeChà Reid Leah Smalley Shebah Spears John Wyatt	Zachary Taylor Bryan Ashton Rissa McGuire June Giddings

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
B. Consideration of Approval of Minutes of the meeting held on February 23, 2017. Delisa Falks, FAAC Chair	Changes: <ul style="list-style-type: none"> • Agenda Item C, page 2 (2nd line): Add a parenthetical after “transfer credit” to indicate all forms of transfer credit “whether through testing, AP, dual enrollment, etc.” • Agenda Item C, page 2 (HB653): Add the word “cut-off” after the word EFC in the second bullet of the HB653 TEOG section. • Agenda Item I <ul style="list-style-type: none"> ○ Terms Updated: Chris Murr: 12/01/2014 – 11/30/2017 Harold Whitis: 12/01/2014 – 11/30/2017 Discussion: <ul style="list-style-type: none"> • Motion to approve meeting minutes from February 23, 2017. 	Minutes approved Charles Puls to review all Members’ terms to ensure accuracy.

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C. Presentation: Project Success Bryan Ashton, TG	Overview: Project Success and its relationship with Federal Student Aid (FSA). Handouts were distributed. Presentation: <ul style="list-style-type: none"> • Project Success is a new initiative that TG has entered into with the Department of Education to promote financial literacy and responsible borrowing. • It is an expansion of the services offered through the SB680 pilot program. • SB 1799 modified the SB 680 pilot, allowing Project Success to take its place. Discussion: <ul style="list-style-type: none"> • Standards that TG has to meet with the Department of Education to make the 3-year pilot program permanent <ul style="list-style-type: none"> ○ Persistence Rates ○ Graduation Rates ○ Coaching Service ○ Customer Satisfaction ○ Service Utilization (on behalf of institution higher education campuses) 	None

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	<ul style="list-style-type: none"> • A summary of best practices and yearly reports of program outcomes will be made public, affording institutions that are not currently participating in the pilot program, the opportunity to examine these programs and a chance to mimic them if desired. • The first year's report and best practices are tentatively scheduled for public review is November 2017. The tentative date for each year after is November 1st (or no later than end of each calendar year). • In regards to Pre-College Work, Project Success outreach efforts are driven by the institutions. Types of student engagement/out-reach efforts include: <ul style="list-style-type: none"> ○ Triaged One-on-One Student Support ○ Community Engagement ○ Area Employers ○ Other entities • The three primary offices that Project Success work with are: <ul style="list-style-type: none"> ○ Financial Aid Office (especially in Texas) ○ Student Success Office ○ Student Retention Office • Department of Education assigns institutions for the SB680 Pilot Program <ul style="list-style-type: none"> ○ Participation is not mandatory, institutions have a right of refusal ○ FSA is a guiding force for TG as to where to go next (regarding institutions) 	
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<p>D. Presentation: Website Readability Studies</p> <p>Zachary Taylor, UT Austin, Doctoral Student in the Higher Education Leadership Program</p>	<p>Overview: Handouts were distributed.</p> <p>Presentation: The presentation provided the results of a pilot program and various studies done on the readability of pre-college material made available on university systems websites. Studies revealed that college-ready students know very little about college and college language.</p> <p>Later research found that perspective college students consult the internet before checking any other source, and that websites are the leading source of pre-college information for all types of postsecondary students. However, readability studies conducted have shown college websites on average require a 13 grade reading level and the average American reads at a 7th grade level.</p> <p>The daily effects of readability often goes unnoticed. Literature readability from Journalism, Healthcare fields, the insurance industry as well as postsecondary education textbooks are often written above the 7th grade average. Some common problems with the readability of college websites assume contextual knowledge as it relates to tuition, room/board, majors etc.</p> <p>Tips for improving website readability:</p> <ul style="list-style-type: none"> ○ Use bullet points whenever possible. ○ Avoid jargon and acronyms. ○ Compose short sentences. ○ Differentiate for diverse learning styles. ○ Embed video/images to explain difficult concepts. ○ Ask a current student to audit writing (UNT). ○ Coach students to use institutional search tools. ○ Use Google with caution. 	<p>None</p>

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<p>E. Presentation: Texas OnCourse</p> <p>June Giddings, Texas OnCourse</p>	<p>Overview: Handouts were distributed.</p> <p>Presentation: The presentation gave an overview of how the Texas OnCourse program provides online tools that make available modules which help build skill-sets for public school counselors and advisors to counsel students regarding postsecondary success and productive career planning, online instructional tools for middle school students, as well as, development of technological advising tools as directed by House Bill (HB18), 84th Texas Legislature.</p>	<p>None</p>

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<p>F. Records Retention Requirements</p> <p>Wes Ogilvie and Paul Maeyaert, THECB</p>	<p>Overview: New State Record Retention Schedule. Handouts were distributed.</p> <p>Presentation:</p> <ul style="list-style-type: none"> • State record retention schedule to change from 5 to 7 years, effective September 1, 2017. <ul style="list-style-type: none"> ○ Risk of errors warrants a longer retention period. ○ Additional time to maintain documents would ensure documentation availability during state program audits. ○ Typical review schedule for state programs takes place approximately every 7 years. <p>Discussion: Members discussed the following clarifications and concerns of the new 7-year record retention schedule:</p> <ul style="list-style-type: none"> • Effective date of September 1, 2018 (not retroactive) <ul style="list-style-type: none"> ○ The Memorandum of Understanding (MOU) in place at the time state aid is awarded dictates the length of time for records retention. • No analysis was done in regards to the SAO contract before the new retention schedule was decided upon. <ul style="list-style-type: none"> ○ A 7-year retention schedule for state aid programs could have a burdensome effect on institutions when given in addition to the Defacto 7-year retention period for federal aid and SAO contract with Department of Education. ○ Audit Team and SFAP Representatives will meet to discuss and determine if suitable changes have been or can be made that will provide the opportunity to amend the 7-year retention schedule. • New retention schedule relates to all state aid programs as well as eligibility documentation. • Change from 5 to 7-year retention schedule decision is based upon Government Code 441.1855 which relates specifically to contract documents. 	<p>Analyze and review schedules to determine a timeline as to when a discussion can take place between the Audit Team and SFAP Representatives. This meeting is to review and discuss the checks and balances that are in place for state program reconciliation and to determine if a 7-year retention schedule is needed for state program records.</p> <p>FAAC members will be notified when a timeline to meet is determined.</p>

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<p>G. External Relations Update</p> <p>John Wyatt, Director External Relations</p>	<p>Presentation:</p> <ul style="list-style-type: none"> • 85th Texas Legislature ended on Monday, May 29, 2017. • Bills not passed are now dead. • Governor can call a Special Session, if needed. <p>State Aid Budget Outcomes:</p> <ul style="list-style-type: none"> • TEXAS Grant funding increased by approximately 10% (\$71.5M) • TEOG funding slightly increased (\$2.0M) • TEG funding cut by approximately 10% (-\$20.5M) • TASSP funding cut in half (-\$2.7M) <ul style="list-style-type: none"> ○ Serving initial and renewal students for FY 2018 • BOT (Public) funding significantly decreased (\$-45.4M) <ul style="list-style-type: none"> ○ Serving renewal students only for FY 2018 • BOT (Private) funding significantly decreased (-\$11.9M) <ul style="list-style-type: none"> ○ Serving renewal students only for FY 2018 • Top 10% Scholarship funding significantly decreased (-\$15.0M) <ul style="list-style-type: none"> ○ Serving renewal students only for FY 2018 <p>Legislation Adopted by the 85th Legislature:</p> <ul style="list-style-type: none"> • SB 887 requires institutions to provide students certain estimates regarding the student's education loan obligations in an electronic format on an annual basis. • HB 66 allows Legislators to appoint a replacement should their TASSP recipient lose eligibility • SB 49 allows Legislators to appoint an alternate should their nominee fail to meet initial eligibility • HB 1117 broadens ROTC requirements to include other undergraduate commissioning programs. • HB 846 states a public or private institution may not impose additional fees or burdens on a student eligible for military-related student financial assistance programs. (Institutions must allow students to delay payment if their military-related assistance is delayed less than 60 days.) • HB 928 charges DFPS and school districts to assist children in foster care with transitioning to higher education, to include applying for financial aid. • HB 2537 requires high school counselors to advise students regarding the availability of vouchers and tuition and fee waivers for current and former foster care students. <p>Legislation Not Adopted by the 85th Legislature:</p> <ul style="list-style-type: none"> • SB 18 Tuition Set-Aside Repeal would have repealed the designated tuition set-a-side requirement and created a new grant program for institutions that lowered their tuition. • SB 885 TEXAS Grant would have enacted THECB recommendations regarding lifetime SCH eligibility. • SB 886 TEOG would have enacted THECB recommendation on TEOG for community college baccalaureate students. • HB 653 would have enacted all THECB recommendations. 	<p>Next FAAC Meeting:</p> <p>Preliminary conversation with THECB External Relations department on desired goals and outcomes for the next legislative session.</p>

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	<ul style="list-style-type: none"> • SB 1467 would have implemented Texas WORKS which would have created a centralized, off-campus internship program through work-study. • SB 1103 and HB 2290 would have created a grant program at public and private universities for students over 25 with previous credit and not receiving any other state-funded financial aid. • No changes were enacted to the Hazlewood Exemption. • No changes were enacted to financial aid eligibility for Affidavit Students. <p>Discussion:</p> <ul style="list-style-type: none"> • The five different bills affecting different tuition rates are all dead (none passed). • Members are interested in THECB sharing principles used in guiding and crafting proposals for the next legislative session so that FAAC can be proactive in providing feedback. 	
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<p>H. SFAP Department Update</p> <p>Charles Puls, Deputy Assistant Commissioner</p>	<p>Presentation:</p> <p>Recent Activities:</p> <p>Borrower Services</p> <ul style="list-style-type: none"> • Migration to HELMS • CAL Program Changes: <ul style="list-style-type: none"> ○ New interest rate (6.6%) ○ New VantageScore (650) ○ No more loan origination fees <p>Financial Aid Services</p> <ul style="list-style-type: none"> • Reallocations and 10-Day Review Process • FY 2018 Financial Aid Database (FADS) Overhaul <p>General Office Group</p> <ul style="list-style-type: none"> • Legislative Analysis • Creation of Annual TEXAS Grant Report <p>Upcoming Primary Activities</p> <ul style="list-style-type: none"> • Loan Processing • Nearing final selection of a new IVR and ACD system • FY 2018 Program Guidelines <ul style="list-style-type: none"> ○ Will be issued in chapters/volumes this year. ○ Comprehensive version expected by the end of July 2017. • FY 2018 Program Allocations <ul style="list-style-type: none"> ○ Announcement goal of July 1, 2017. • Administrative Code Updates • Annual Financial Aid Report Creation <ul style="list-style-type: none"> ○ Assessing the impact that removing duplicate elements (such as demographics) from FADS and retrieving those elements from other THECB reports (such as CBM) will have on the reporting process. • FY 2018 MOUs <ul style="list-style-type: none"> ○ To be distributed in the coming weeks • Add VISA as a pay option for THECB borrowers by September 2017. <p>Discussion:</p> <ul style="list-style-type: none"> • Memos regarding 10-Day Allocation Review, commonly called the Tentative Allocation Process, is intended to provide institutions with a 	<p>Charles Puls will:</p> <ul style="list-style-type: none"> • Present on the annual TEXAS Grant Report at the next FAAC meeting. • Speak with Ginger Gossman regarding SB 887 <ul style="list-style-type: none"> ○ Request for more stakeholder input ○ Charles Puls will communicate information to FAAC members as tools are developed to launch the requirements of SB 887.

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	<p>“snapshot” of allocation data to review for accuracy. The data provided in this review process is not to be used as a source for awarding purposes.</p> <ul style="list-style-type: none"> • In regards to SB 887, meetings have been scheduled and discussions are taking place within THECB to determine the best method to use in meeting this requirement. This requirement becomes effective for the FY 2019 academic year. <ul style="list-style-type: none"> ○ Requirement is not related to the financial aid award letters sent by institutions. ○ Requirement is relative to cumulative borrowing. ○ Members interested in guiding principles from THECB to assist institutions in meeting the SB 887 requirement. ○ Goal is to provide students with annual loan information that is most helpful to the student (that is accessible by institutions). • All program allocations will be updated to reflect the actual General Appropriations act that is signed. 	
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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<p>I. Prior FAAC Business Update</p> <p>Charles Puls, Deputy Assistant Commissioner</p>	<p>Update: February 23, 2017 Agenda Items</p> <ul style="list-style-type: none"> • Item E. Presentation: New Loan Software System <ul style="list-style-type: none"> ○ Launched system upgrades to loan software with some difficulties with payment processing. ○ System issues and difficulties were addressed and appear to be running smoothly. ○ Continued system assessment to determine features and enhancements available for future use (one item currently identified for future system enhancements). • Item F. MOU Sub-Committee <ul style="list-style-type: none"> ○ Scheduled session for this meeting as a result of the past discussion. • Item G. Priority Deadline Sub-Committee <ul style="list-style-type: none"> ○ In the process of posting the proposed priority deadline change (January 15th) in the Texas Register, in preparation for Board review at the September CAPPs meeting. • Item H. Data Collection Sub-Committee and Presentation of FY18 FADs Proposal <ul style="list-style-type: none"> ○ Scheduled session for this meeting as a result of past discussion. • Item I. Nomination Timeline <ul style="list-style-type: none"> ○ Nomination period closed on May 26, 2017. ○ Nominations received from all required sectors except ISDs. Will try to find additional nominations for ISDs so that we can meet the required number of representatives (2 total). ○ New members for FAAC will be finalized in June 2017 in preparation for the September CAPPs meeting. • Item J. Allocation Timeline <ul style="list-style-type: none"> ○ Ten-day Data Review materials have been sent out for all state aid programs that require it. The majority of the 10-day review periods have been completed and 	<p>None</p>

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	<p>the remainder should be finished within the next week or so.</p> <ul style="list-style-type: none"> ○ Final allocations to be sent out by July 1st if not sooner. <ul style="list-style-type: none"> • Item K. FERPA's Impact on Disclosing Loan Information <ul style="list-style-type: none"> ○ Member's ideas and suggestions were summarized and provided to Board members making the request for this information. • Item L. 4-Year Extension of FAAC <ul style="list-style-type: none"> ○ Board materials to be presented later this month at the June CAPPs meeting. <ul style="list-style-type: none"> ▪ Proposal to extend FAAC based on concepts in the last meeting and the specific tasks outlined in the annual report. <p>Discussion:</p> <ul style="list-style-type: none"> • All FAAC member's terms will be reviewed for accuracy. 	
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<p>J. Data Collection Sub-Committee Update and Presentation of FY18 FADs Proposal</p> <p>Doris Constantine, Sub-Committee Chair</p> <p>DeCha Reid, Director Financial Aid Services</p>	<p>Presentation:</p> <ul style="list-style-type: none"> • FY 2018 FADs Manual feedback from external and internal groups received. <ul style="list-style-type: none"> ○ Edits are currently in process. ○ Goal is to complete by next week. • FY 2018 FADs Manual Training <ul style="list-style-type: none"> ○ Training on FY 2018 FADs to be determined. ○ DeCha Reid will be presenting at the TASFA Conference on reporting in October 2017. <p>Discussion:</p> <ul style="list-style-type: none"> • Members recommend holding trainings here at THECB regarding reporting in hopes to reach more institutions. • Member suggested that FAS hold trainings individually by institution type. 	<p>FAS:</p> <ul style="list-style-type: none"> • Goal is to complete FY 2018 FADs by next week. • Prepare trainings for institutions to include: <ul style="list-style-type: none"> ○ DeCha Reid will be presenting at the TASFA Conference ○ Webinars, on-site trainings, etc. <p>Institutions:</p> <ul style="list-style-type: none"> • Change is larger than normal and institutions would benefit from becoming actively involved in this process. • Provide Vendor names to DeCha Reid. • Carolyn Mallory will send Leah Smalley an email regarding specific updates needed for CFAT.

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<p>K. Adjournment</p> <p>Delisa Falks, FAAC Chair</p>	<ul style="list-style-type: none"> • Next FAAC meeting set for September 7, 2017. • Adjournment at 1:35pm. 	<ul style="list-style-type: none"> • Recommendation for next meeting: <ul style="list-style-type: none"> ○ Discuss the quarterly notifications provided to students regarding state loans and the type of education provided by THECB to a loan borrower. ○ Update the committee on internal checks and balances made at THECB regarding changes to the loan reconciliation process.



Texas Higher Education
Coordinating Board

THECB Borrower Notifications

Rinn Harper, Director – Borrower Services



THECB Borrower Notifications

- Private Loan Solicitation Disclosure
- Loan Approval Disclosure (LAD)
- Loan Consummation Disclosure (LCD)
- Loan Disclosure Statement
- Repayment Schedule & Disclosure Statement
- Monthly Billing Statement
- Due Diligence Notices & Collection Calls





Texas Higher Education
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SB 0887 Compared to Other State Legislation

Comparison of Student Debt Letter Statute Across States	Indiana HB 1042	Nebraska LB 0726	Texas SB 0887	Florida SB 0396
Letter Parameters				
Applies to students who receive state financial aid	✓		✓	✓
An eligible institution shall provide the information required annually.	✓		✓	✓
An eligible institution does not incur liability for any representations made under this section.	✓	✓	✓	✓
Letter must be sent electronically			✓	
Letter to include all available state and federal loan information	✓	Federal	✓	Federal
The information provided may include a statement that the estimates and ranges provided are general in nature and not meant as a guarantee or promise of the actual projected amount.	✓		✓	
Letter Content				
An estimate of the total amount of education loans taken out by the student.	✓	✓	✓	✓
An estimate of the potential total payoff amount of the education loans incurred or a range of the total payoff amount; and	✓	✓	✓	✓
An estimate of monthly repayment amounts that a similarly situated borrower may incur, including principal and interest, for the amount of loans the student has taken out at the time the information is provide.	✓	✓	✓	✓
The percentage of the borrowing limit the student has reached at the time the information is provided.	✓	✓		✓