

Financial Aid Advisory Committee
Meeting Notes
November 21, 2019
(Approved at March 5, 2020, FAAC Meeting)

Committee Members in Attendance		Committee Members Absent
Robert Merino (Chair) Diane Todd Sprague (Past Chair) Tacey Anderson Dr. Ben Bholan Shannon Crossland Karla Flores Rachele Garrett Ed Kerestly Lyn Kinyon Tam Nguyen Charles Contero-Puls Thomas Ratliff Terry Sheneman	Joy Thomas Formon Thompson Denise Welch Brent Williford Johnathan Cereceres (Student Rep) <u>Via Teleconference:</u> Paul Galyean Heidi Granger Kelly Steelman Christine Stuart Carruthers	Samantha Stalnaker Marilyn Abedrabbo – (Student Rep)

Agenda Item A. Welcome, Introductions, and Overview of Meeting	Robert Merino, Chair
Handout Provided: No	Formal Decision/Action Required Creation of new permanent agenda item
Presentation Summary:	
<ul style="list-style-type: none"> • New implementations – lunch break for members to network and slow down the meeting for quality purposes. • New agenda item introduced – “Topics for Future Meetings” will provide opportunity to create topics for the next agenda 	

Agenda Item B. Consideration of Approval of Minutes from meetings held September 5, 2019	Robert Merino, Chair
Handout Provided: No	Formal Decision/Action Required Minutes approved
Critical Discussion Points:	
<ul style="list-style-type: none"> • No corrections were identified • Motion to approve minutes and motion was seconded with all in favor 	

Agenda Item C. Update: External Relations	John Wyatt, Sr. Director, External Relations
Handout Provided: Yes	Formal Decision/Action Required N/A
Presentation Summary:	
<ul style="list-style-type: none"> • In the interim period between sessions, committees will consider issues for next session, as well as monitor recent legislation • The Lt. Governor has released his interim charges – see handout • A lot of discussion going on about adult learners • No interim charges from the House yet • THECB will work with the committee members and institutions to provide data, analysis, and any relevant information to assist • Commissioner Keller has prioritized working collaboratively with stakeholders to understand perspectives and advance consensus-based solutions to the challenges we face in higher education; looking forward to engaging institutions 	

Agenda Item D. Presentation via Skype: Urban Institute Financial Aid Study	Sandy Baum and Kristen Blagg, Urban Institute
Handout Provided: Yes	Formal Decision/Action Required Will review after completion of study
Presentation Summary:	
<ul style="list-style-type: none"> • Project is funded by Arnold Ventures to study the Texas state grant programs and working to strengthen those programs • Goal of study is to talk with various constituents, stakeholders, students, and policy holders • Presenters identified various student aid issues in Texas – see handout • A particular interest of the researchers is the difference between Pell Grants, which are scaled based on an individual's EFC, and TEXAS Grants/TEOG, which effectively provide one grant level (e.g. tuition and fees) to any recipient • Researchers were surprised not to have heard more about (1) how students are covering living expenses and (2) older students being excluded. • The Institute is delving into these issues without preconceived ideas or conclusions but in order to tweak the system to effectively meet the state's goals 	

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Critical Discussion Points:

- FAAC members pointed out that the limited appropriation may be the cause of concerns regarding the equity of allocations, especially in light of the negotiated rule-making that occurs to help strengthen equitable distribution.
- In-district vs. out-of-district tuition presents different challenges for colleges with high out-of-district populations, given the fact that Pell cannot be used as a matching fund for the tuition and fee requirement. For some students the Pell being excluded from matching is helpful, and for others it is not.
- Examples were provided regarding trying to cover living expenses and how to help the working adults attending school who are not able to take a full-time load due to work schedule; one institution is working with non-profit organizations to connect students with additional resources.
- Texas has a unique combination of decentralized grants with a tuition and fee coverage requirement. Without the tuition and fee coverage requirement, there is the potential to offer smaller grants to more students, which could have an impact on loan levels.
- The diversity of Texas institutions and the diversity of students served make it challenging to develop a grant program that serves everyone effectively.
- TEXAS Grant is like a "golden ticket." If you get that ticket, your tuition and fees are covered for four years. If you don't get that ticket, it may be a huge cliff in the funding a student receives.
- The higher academic progress requirements for state grants expect the recipient to do better than what it takes to graduate, which is somewhat counterintuitive to the idea that we are trying to graduate students; seems to be an arbitrary barrier, since students may be eligible for federal and institutional aid, but not state. Affidavit students are particularly impacted, since they don't have federal aid to fall back on.
- Changes to the grant programs without increased appropriations will likely result in simply shifting the benefit from some students to other students.
- Committee members offered informal data from their institutions suggesting students who receive more aid stay in school

Agenda Item E. Discussion: Proposed Update to Texas Administrative Code Related to Student Indebtedness	Dr. Ginger Gossman, Sr. Director, Innovation and Policy Development
Handout Provided: No	Formal Decision/Action Required N/A
Presentation Summary:	
<ul style="list-style-type: none"> • Updating based on SB 241 (86th Legislative Session) which updated and clarified SB 887 (85th Legislative Session) by stating higher education institutions are not required to disclose or report private loans on the annual debt letter • State student loans are not considered private loans for this statute and must be included in the letter • There were no suggested changes from the committee. 	

Agenda Item F. Election of Vice Chair	Robert Merino, Chair
Handout Provided: No	Formal Decision/Action Required Ed Kerestly elected as VC
<ul style="list-style-type: none"> • Chair asked for nominations for FAAC Vice-Chair • Only one nomination was received and that was for Ed Kerestly; Mr. Kerestly accepted • Motion was received, seconded, and voted in as vice-chair 	

Agenda Item G. Approval of 2020 Meeting Dates	Robert Merino, Chair
Handout Provided: No	Formal Decision/Action Required Meeting dates approved
<ul style="list-style-type: none"> • Proposed meeting dates <ul style="list-style-type: none"> ○ March 5, 2020 ○ June 4, 2020 ○ September 3, 2020 ○ December 10, 2020 • Motion was received to accept the dates, seconded, and voted in favor unanimously 	

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Agenda Item H. Discussion: Member Expectations	Robert Merino, Chair
Handout Provided: No	Formal Decision/Action Required N/A
Critical Discussion Points: <ul style="list-style-type: none"> • New members had an orientation prior to today's meeting • Chair is taking the opportunity to review the expectations/requirements with all members • Those requirements/expectations are: <ul style="list-style-type: none"> ○ Review materials prior to attending meeting, so we can all participate and have meaningful input and group discussion ○ Attendance – you are expected to attend all meetings; three missed meetings in a row or in a year will result automatically vacating your spot on the committee ○ If you cannot make it to the meeting, you can assign a non-voting substitute ○ If you cannot make it to the meeting, you may teleconference in, though in-person attendance is highly encouraged to allow for more robust conversations ○ Bookmark the FAAC website to access all the materials needed [http://www.thecb.state.tx.us/about-us/advisory-committees/financial-aid-advisory-committee/] ○ Information for lunch will be provided in advance; be prepared to bring cash for your lunch on the day of the meeting 	

Agenda Item I. Update: Prior FAAC Business	Charles Contéro-Puls, Deputy Assistant Commissioner
Handout Provided: No	Formal Decision/Action Required N/A
<ul style="list-style-type: none"> • All prior business will be addressed in individual agenda items. 	

Agenda Item J. Presentation: Financial Wellness Learning Collaborative program	Erin Willig, Program Specialist, College Readiness and Success
Handout Provided: Yes	Formal Decision/Action Required N/A
Presentation Summary: <ul style="list-style-type: none"> • Due to the illness of Ms. Willig, her co-collaborator from the Trellis Company, Bryan Ashton, made the presentation • The idea is to bring together higher education professionals in various roles from various parts of the state to have conversations about how we can implement some of the financial wellness recommendations from the Financial Literacy Advisory Committee. • Inputs, Activities, Outputs, and Outcomes, as well as workgroup structure are outlined in the handout. • Hope to develop a network of professionals and IHEs ready to prioritize student financial wellness • Developing a professional development module with Texas OnCourse to train higher education advisers on how to talk to students about financial wellness • Working to understand key points for policy and procedure changes and improvements • Developing a report on the survey of financial wellness programs and recommendations for minimum standards or promising practices • Intent is to take an approach that acknowledges the impact of financial wellness across the campus, as it relates to retention and a broad number of campus components. 	

Agenda Item K. Presentation: FAAC Annual Report	Diane Todd Sprague Past Chair
Handout Provided: Yes	Formal Decision/Action Required N/A
Presentation Summary: <ul style="list-style-type: none"> • One of the duties of the past chair is preparation of the annual report for presentation to the Board. Provides the Board with an indication of the interaction that occurs between the financial aid community and the Coordinating Board. Report will focus on the committee's work on strengthening the state's program in relation to access and retention: • The ability for the FAAC to interact with the Coordinating Board to provide feedback on initiatives that would have an impact on state financial aid programs is critical • Working with the Coordinating Board on how state programs can align with federal programs to eliminate any artificial barriers to students • Subcommittees have been invaluable to the work of the FAAC • Continuing to work on the electronic TASFA and the benefits that it can provide • Implemented a new member orientation for individuals joining the FAAC 	

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Agenda Item L. Update: TASFA Sub-Committee	Robert Merino sub-committee Chair
Handout Provided: No	Formal Decision/Action Required N/A
Presentation Summary: <ul style="list-style-type: none"> • There was no subcommittee meeting since the last FAAC meeting • College Readiness and Success has submitted proposed rules on the TASFA advisory committee, with a 30 day comment period ending November 25 • They are hoping to begin nominations beginning February 20, 2020. 	

Agenda Item M. Update: Data Collection Sub-Committee	Samantha Stalnaker sub-committee Chair
Handout Provided: No	Formal Decision/Action Required N/A
Presentation Summary: <ul style="list-style-type: none"> • De Chà Reid presented in Samantha's absence – sub-committee met October 30, 2019, and went over the following items: <ul style="list-style-type: none"> ○ Discussed proposal to redesign the net price calculator tool –it can be cumbersome for students when pulling information and information is not as consistent as it needs to be. Looking for a re-design that is user-friendly for students, institutions, and public and in full compliance. Committee's primary feedback was to ensure that the design provided consistency across the board on how institutions are to provide data and to provide additional training to institutions for using the tool. ○ Reviewed the Move It account users – looking at security; uses an institution login not individual account login; looking at how it would work with individual accounts. Primary feedback from committee was to make sure the transition to individual accounts doesn't impact data reporting. ○ Grant payment system – improving the system that rolled out August 1. Feedback – email notification after request, at the approval, and at disbursement because other areas at the institutions are affected but don't have access to the system. A recent change allows institutions to extract data from the request screen and to see the document number for the transaction detail to track disbursements. ○ Looking into the FAD cycles and reconciliation –Looking at making cycle two an informational cycle instead of reconciliation cycle to ease the process to acknowledge the increased opportunities for summer financial aid activity. The mentorship program has made some significant improvements in their reporting to help align with FAD. Continuing to look at duplicated data elements to see what opportunities may exist for efficiency. <ul style="list-style-type: none"> ▪ FADS cycle dates upcoming 19-20 ▪ Cycle one – opens Feb 10, 2020, with a deadline of April 17, 2020 ▪ Cycle two – opens June 22, 2020, with a deadline August 28, 2020 ▪ Cycle three - opens September 28, 2020 with a deadline December 11, 2020 	

Agenda Item N. Update: Legislative Recommendations Subcommittee	Shannon Crossland, Chair
Handout Provided: Yes	Formal Decision/Action Required N/A
Presentation Summary: <ul style="list-style-type: none"> • Started committee in October. • Want to explore Legislative recommendations for 87th legislature • Will have proposal for recommendations prior to March 2020 meeting for FAAC review. Potential items for review include: <ul style="list-style-type: none"> ○ Federal and state financial aid alignment opportunities such as selective service, satisfactory academic progress, and controlled substance requirements ○ Populations not being served ○ Work as a resource ○ Priority financial aid deadline ○ Promise programs ○ Course program of study ○ Net Price Calculator 	

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Agenda Item O. Update: TASFAA Recommendations and Feedback	Lyn Kinyon, TASFAA President
Handout Provided: Yes	Formal Decision/Action Required N/A
<ul style="list-style-type: none"> No information at this point 	

Agenda Item P. Update: School District Recommendations and Feedback	Terry Sheneman, Fort Bend ISD
Handout Provided: No	Formal Decision/Action Required N/A
<ul style="list-style-type: none"> This is his last meeting one the FAAC. No information to report. Shonna Norton has accepted a nomination; her nomination goes to CAAP in December and Board in January for approval. Her first official FAAC meeting is March 2020. 	

Agenda Item Q. Discussion: FAFSA State Deadline Language	Charles Contéro-Puls Deputy Assistant Commissioner
Handout Provided: Yes	Formal Decision/Action Required No requests for changes were received
Critical Discussion Points: <ul style="list-style-type: none"> The language being used for Texas is now more in line with other states 	

Agenda Item R. Discussion: Proposed Updates to Texas Administrative Code	Charles Contéro-Puls Deputy Assistant Commissioner
Handout Provided: Yes	Formal Decision/Action Required <ul style="list-style-type: none"> SFAP will investigate whether FAD data can provide insight into impact of priority deadline. Members will connect with colleagues/staffs to gather input on priority deadline concepts

Presentation Summary: <ul style="list-style-type: none"> Proposed updates discussed at the September meeting are being handled as follows: <ul style="list-style-type: none"> Changes to TEOG program and old conditional grant programs for teachers will be posted in the Texas Register late January/early February Proposed updates are being reviewed to strengthen participation in TASSP and the opportunities for service after graduation. Looking to try to reduce artificial barriers and improve participation and nominations from Legislators. Updating B-on-Time but delaying posting until late April or early May so we can delete rules that relate to making new awards since program is phasing out; no new awards will be allowed after this year. Seeking feedback on potential approaches to addressing the challenges that have been identified related to the priority deadline. Since administrative code can be changed more easily than statute, seeking input on whether there is any opportunity to address the identified challenges through rule changes. <ul style="list-style-type: none"> Challenges identified include: deadline doesn't align with the transfer process; deadline impacts an institution's flexibility to award to different populations; deadline causes confusion for students transferring between the different sectors of higher education Feedback received has been: while there is a state required priority deadline, the true deadline varies across institutions, since some schools will use an earlier date; for some schools it's a priority, while for others it's really a cut-off due to limited funding, and still others have to spend a lot of time explaining that it is not a cut-off; the diversity of the types of students make it difficult to have a common priority; the common date doesn't benefit each institution in the same way due to the diversity of institutions; priority is not a guarantee of funding, and may have become more of a rationing tool; was introduced as a means of encouraging students to complete the FAFSA but may have become a deterrent to students who miss the deadline HB3 introduces additional challenges: FAFSA is now required for high school graduation, so is the priority deadline now redundant; and what happens if the high school has a different FAFSA deadline for high school graduation than the priority deadline Looking at whether there is an opportunity to move the priority deadline later to align with high school graduation requirements, and less of an attempt to articulate what every institution must use. Seeking feedback on whether this is an idea the agency should continue to explore, and whether the appropriate way to address it is via rule or statute. 	
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Critical Discussion Points:

- Clarified that the TEXAS Grant Priority Model is not directly linked to the Priority Deadline; a question being considered is which priorities are most critical (e.g. is the academic-based priority of the Priority Model more or less critical than the time-based priority of the Priority Deadline)
- HB3 may eliminate any deterrent, since high school students will now be required to graduate, though the deterrent may still exist for "non-traditional" populations
- Any discussion should consider how the priority deadline will impact allocations, as well as how any flexibility that has been introduced into their use of funding
- Not having a deadline may result in the loss of any incentive for a student/parent to get the FAFSA done.
- There's a lack of clarity on what the state is trying to achieve with the priority deadline.
- Limited funds result in aid being awarded on a first-come first served basis, though those who apply late may often be the ones who need the most help and may be the ones who help the state achieve its completion goals.
- Intent of the statute was to create consistency, though only in a small population of institutions; though the creation of the priority deadline occurred prior to the HB3 implementation of a FAFSA deadline, so need to assess how those statutes interact.

Agenda Item S. Update: Preliminary Considerations for 87th Legislative Session	Charles Contéro-Puls Deputy Assistant Commissioner
Handout Provided: Yes	Formal Decision/Action Required N/A
Presentation Summary:	
<ul style="list-style-type: none"> • This agenda item does NOT reflect any decision by the agency to pursue certain changes. Instead, it is an opportunity for the FAAC to help the agency better understand the various ideas and suggestions that have arisen regarding the state's financial aid programs. • At the recent TASFAA conference, some ideas were presented for feedback, including: <ul style="list-style-type: none"> ○ federal and state financial aid alignment (conference members suggested some additional opportunities for alignment, including record retention requirements, and repeated coursework and eligible coursework limits); ○ priority deadline (conference member feedback was to let institutions determine what is the best deadline for their organization and student body); ○ work as a resource and considering work from a much broader perspective, such as the new Texas WORKS program, and potentially revising the allocation rule to create more flexibility (conference members acknowledged that work-study reallocations don't result in the creation of new work opportunities but rather allow institutions to recategorize institutional work-study as state work-study); ○ student populations who aren't served or are underserved by our programs (conference feedback provided additional populations, such as for-profit colleges and upper-middle income families); ○ decentralized nature of the state's programs results in lack of portability of grants; • Conference feedback provided some "nitty-gritty" details of unintended consequences of program requirements (such as the challenge in TEOG when Pell can't be used as a matching grant but there's not enough need to award other funds); this detailed feedback helps the agency understand what is occurring in the field. • Conference feedback was very similar to prior FAAC feedback, which helps increase the agency's confidence level that FAAC feedback provides a good, broad-based picture of the financial aid community. 	

Agenda Item T. Update: Office of Student Financial Aid Programs	Charles Contéro-Puls Deputy Assistant Commissioner
Handout Provided: No	Formal Decision/Action Required N/A
Presentation Summary:	
<ul style="list-style-type: none"> • Monthly webcasts will resume in the new year – notifications will go out • Pay attention to upcoming deadlines <ul style="list-style-type: none"> ○ User access portal review was due Nov 15 – if you haven't met this deadline, do so immediately to keep access ○ State campus-based programs report due December 13. Form was simplified, removing unnecessary information ○ Financial aid database certification due December 16. VERY CRITICAL to meet this deadline. Financial Aid services team will help you and work with you to solve any issues • Eliminated the academic hold requirement. Academic holds did not help achieve completion and the goals of 60x30TX. The November report should be used to remove those holds. • SFAP will be implementing expanded due diligence to a group of at-risk borrowers. • In December, the loan origination process will be streamlined so that loans for the majority of students will be available to an institution for certification within minutes of the borrower completing the application. 	

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Agenda Item U. Discussion: Topics for Future Meetings	Robert Merino, Chair
Handout Provided: No	Formal Decision/Action Required N/A
Suggested Topics: <ul style="list-style-type: none"> • Proposals by presidential candidates to offer free higher education, loan forgiveness, etc. If something like that were to move forward, what would it mean for state financial aid? • FAFSA high school completion – how will it relate to ApplyTexas so we can start thinking about it <ul style="list-style-type: none"> ○ Review TEA website video as it relates to FAFSA ○ Will add a standing agenda item for future meetings on this topic • Presentation on pilot project for Pell Grants dual credit students and incarcerated students • Presentation on recognizing hidden bias and professional judgment • Be on the lookout for future topics from conferences you attend; email Dr. Contéro-Puls with your ideas 	

Agenda Item V. Adjournment	Robert Merino, Chair
Handout Provided: No	Formal Decision/Action Required N/A
<ul style="list-style-type: none"> • Next meeting March 5, 2020 • Meeting adjourned 	