Financial Aid Advisory Committee
Meeting Notes -- March 8, 2018
(Minutes Approved at June 7, 2018 FAAC Meeting)

| Committee Members in Attendance | Committee Members Absent | THECB Staff |
|---|---|---|
| Zelma De Leon<br>Delisa Falks<br>Karla Flores<br>Jeannie Gage<br>Bridget Jans<br>Robert Merino<br>Dana Mingo<br>Christopher Murr<br>Alan Pixley<br>Cathy Sanchez<br>Billy Satterfield<br>Mike Scott<br>Terry Sheneman<br>Diane Todd Sprague<br>Samantha Stalnaker<br>Christine Stuart-Carruthers<br>Kara Tappendorf<br>Peggy Watts<br>Brent Williford<br>Matthew Vandermause | Sandi Jones | Connie Cooper<br>Ginger Gossman<br>Rinn Harper<br>Lesa Moeller<br>Charles Puls<br>DeChà Reid<br>Mary Smith<br>Monique Lee Whitley |

| Agenda Item | Critical Discussion Points | Formal Decision/ Action Required |
|---|---|---|
| **B. Consideration of Approval of Minutes of the meeting held on December 7, 2017.**<br><br>Zelma De Leon, FAAC Chair | Motion to approve meeting minutes from 12-7-2017. | Minutes unanimously approved. |
| **C. Update: Prior FAAC Business**<br><br>Charles Puls, Deputy Assistant Commissioner | **Update:** Negotiated Rule-Making Committees have been assembled for TEXAS Grant, TEOG, and TEG meetings in April which will focus on providing institutions with more flexibility in the use of their funding:<br>• Both annual allocations at the start of the biennium<br>• Providing institutions the full spring semester to manage their allocation<br>• Provide allocation increases earlier in the academic year (Oct vs. March)<br>• Equitably distribute excess funding across all institutions early in the academic year<br>• Move toward allowing summer grants<br><br>Four additional prior business items will be addressed later in the meeting:<br>• Student Loan Letter (SB 887) – Agenda Item E<br>• Potential Legislative Ideas – Agenda Items F and G<br>• Records Retention – Agenda Item H<br>• User access verification feedback – included in Agenda Item L | |
| **D. Presentation: Emergency Aid Network**<br><br>Monique Lee Whitley, Program Coordinator, Emergency Aid Network - THECB<br><br>Dr. Terisa Riley, Senior VP, Student Affairs & Univ. Admin. Texas A&M-Kingsville | **Overview:** Emergency Aid in Texas is a grant created by Bill and Melinda Gates to help study best practices and policies related to emergency student aid in Texas.<br><br>**Discussion:** The aim of the project is to understand the impact and benefits emergency aid programs have on persistence, completion and student debt, all of which fall within the scope of *60x30TX*.<br><br>The four phases of the project outlined in the presentation dealt with:<br>• **Landscape Analysis**. Survey sent to 178 institutions (Two-year and four-year, both public and private) regarding emergency aid practices and the use of data to identify those in need of emergency aid services.<br>• **Network Launch**. Ten institutions with significant underrepresented minority populations and with an existing emergency aid program were invited by THECB to develop best practices to help promote policies and processes for effective | Members were provided a handout to review and answer frequently asked questions regarding Committee requested information on the data source regarding the 3 million students exiting college due to emergency expenses. |

| Agenda Item | Critical Discussion Points | Formal Decision/ Action Required |
|---|---|---|
| | emergency aid programs in Texas, and to identify barriers that may exist from current policies on emergency aid.<br>• **Awareness and Dissemination.** EA Net presentations to advisory committees such as FLAC and FAAC, and **an** upcoming statewide convening in September 2018 inviting all HEIs, non-profit organizations, philanthropists<br>• **Advocacy.** The EA Net will ask THECB to incorporate policy recommendations for emergency aid into the THECB legislative and government related briefings.<br><br>Specific items the network has discussed include:<br>• Defining <u>emergency</u> – the universal definition still being considered by EA Net: "An unexpected or unforeseen expense, event, or circumstance that could cause a loss of momentum toward student success."<br>• Emergency Aid Programs already in place:<br>   o 61% of institutions already had named emergency aid programs<br>   o 40% had no established emergency aid program<br>   o Hurricane Harvey helped to identify that 1/3 of the institutions in the impacted areas did not have an emergency aid program in place.<br>• Whether institutions consider emergency aid as a resource and if a threshold amount is in place, as well as, the statutory difference between disaster aid and emergency aid.<br>• Considering the formation of an online bank of information providing institutions with help on establishing/improving an emergency aid program. Currently NASPA has developed a site called "Student ARC" in which administrators can add information to the site offering a "one-stop-shop."<br><br>September 10th and 11th EA Net will sponsor a statewide convening in Austin and institutions are encouraged to attend.<br><br>EA Net website: http://www.thecb.state.tx.us/60x30TX/TexasEANet | Committee requested that THECB EA Net provide the citation from the US Department of Education that helps guide institutions with coordinating emergency aid, and the distribution of the same to all institutions statewide, as soon as possible. |
| **E. Update: SB0887 Loan Letter**<br><br>Ginger Gossman, Sr. Director, Innovation and Policy Development | **Update:**<br>• Timeline for proposed rules:<br>   o Posted to the Texas Register February 16.<br>   o Comments due March 18.<br>   o Rule will be considered at March 21 CAAP Committee meeting<br>   o Full Board approval would be at the April board meeting<br>• An optional template modeled after the Indiana letter was shared with committee members, with a few questions for members noted.<br><br>**Discussion:**<br>• A concern was raised about private loans:<br>   o Not specifically required in the statute, yet are included in the proposed rule.<br>   o Some private loans that do not require institutional certification.<br>• The agency believes the spirit of the law is to provide the student the fullest picture of indebtedness that is "reasonably available" to institutions. Institutions should explain in the letter that they may not have all of the information on the student's debt.<br>• The committee chair asked members to share how they plan to pull data into the letter and how they will estimate the amount of interest owed on the loans, given different interest rates.<br><br>**Suggestions:**<br>• Consider outsourcing the integration of available data into the letter, as such services are available.<br>• THECB should create a web page where the rules, FAQs, letter template, and webinar can be posted for institutions.<br>• THECB should organize a webinar to provide guidance and for institutions to share their implementation plans.<br>• Items THECB should consider regarding the template:<br>   o include an explanation of the difference between Subsidized federal loans and unsubsidized loans, | |

| Agenda Item | Critical Discussion Points | Formal Decision/ Action Required |
|---|---|---|
| | o place data in a table format, which has proven to be preferable to students (based on focus group feedback) and is suggested for the loan and repayment data in this letter, and<br><br>o place an asterisk beside the repayment information, stating "other repayment options may be available". | |
| **F. Update: Legislative Recommendations Sub-Committee**<br><br>Delisa Falks, Sub-Committee Chair | **Update:** FAAC Sub-Committee Recommended Legislative Proposals Handout provided<br><br>Legislative Proposals<br>• Align state programs' SAP criteria w/federal requirements<br>• Align state programs' rules regarding conviction for controlled substances w/federal requirements<br>• Align TEOG matching requirements with TX Grant matching requirements<br>• Alter TEOG to cover cost of attendance, rather than tuition and fees, and align matching requirements accordingly<br>• Appropriate sufficient funds for new staff to administer the off-campus employment requirements of the Texas College Work-Study Program<br>• Authorize THECB to implement an electronic TASFA and data transmission process for institutions<br>• Secure appropriations and authorizations for THECB to centralize functions required under SB887<br>• Monitor changes to federal aid programs, higher ed. reauthorization, etc.<br><br>Appropriations Proposals<br>• Review timing of appropriations as the early FAFSA and awards timing necessitates knowing allocations sooner<br>• Increase funding for TX Grant to allow for an increase in target award amount<br><br>**Discussion:**<br>• While increased TEXAS Grant funding has not been a specific part of the Board discussion, THECB believes this is a good recommendation<br>• THECB does not believe anything will be happening regarding reauthorization this year due to the wide differences between the Senate and House proposals.<br>• THECB has not had any specific discussions the Dept of Ed regarding their proposed mobile app that will provide complete loan history, but we will look into it. The goal of SB887 is to provide transparency - not create extra work - for the students and to align state requirements with the federal requirements. Access, mobility, transparency, simplicity are big issues for institutions<br>• The sub-committee's recommendations are not in priority order<br>• The agency plans to propose Texas WORKS again in the 86th Legislative Session | The sub-committee will finalize the recommendations and submit them to THECB for consideration. |
| **G. Update: External Relations**<br><br>John Wyatt, Director External Relations THECB | **Update:**<br>Elements that may impact the 86th Legislative Session:<br>• The new makeup of the Legislature; who will be the Speaker of the House and who will the committee chairs be<br>• There are no guarantees that any returning member will be reappointed to the same committee position<br><br>Agency planning for the coming legislative session:<br>• Staff recommendations for legislation will be presented at the March 21 CAAP meeting and the April 21 Board meeting. Those recommendations can still be amended after Board approval.<br>  o Texas WORKS to create centralized off-campus state Work-Study program. Commissioner views this as a priority.<br>  o Decrease the lifetime limit for TEXAS Grant from 150 hours to 135 hours, or 15 hours beyond degree requirements.<br>  o TEOG awards for students enrolled in BA programs at community colleges<br>  o Increase in bonding authority (currently limited at $75 for projects) to $200 million per bond issuance, along with some statutory clean-up language.<br>• <u>Not</u> included is last session's recommendation to limit the amount of TEXAS Grant or TEOG award to tuition, fees, and books (less Pell). | |

| Agenda Item | Critical Discussion Points | Formal Decision/ Action Required |
|---|---|---|
| | **Discussion:**<br>• THECB estimates roughly $10 million could be redirected to incoming students by limiting TEXAS Grant to 135 hours. John surmised that some element of grandfathering would be provided for students already at 135 hours at the time such a change becomes effective. TEOG for BA's also proposes the 135 credit limit, mirroring TEXAS Grant<br>• The transfer issue needs continued review, as it has a large impact on both grant eligibility and completions. Both the agency and the state legislature are looking at these items. How can we make transfer more efficient for students, to ensure that they are not taking extraneous hours? What is the impact of dual credit that doesn't count toward a certain major?<br>• Members questioned the impact if Texas WORKS reduced the current Texas Work-Study allocations. It was noted that over a dozen institutions dropped out of Texas Work-Study in the first year because they didn't feel they could fulfill the off-campus expectation. | |
| **H. Records Retention**<br><br>Charles Puls, Deputy Assistant Commissioner | **Update:** Records Retention continues to be reviewed. Internal Audit and Compliance Monitoring suggested four items that, if improved, could influence the length of time that records need to be retained:<br>• More regular student by student reconciliation (monthly and mandatory)<br>   o This is less an issue of who is or isn't doing something, and more an issue of what tools are available to complete reconciliation. Currently, there aren't solid tools in place to support institutions in this effort.<br>• Automated process for making payments to institutions<br>   o THECB is looking to create a more automated grant processing project to achieve the following goals:<br>      ▪ Student-specific supporting documentation<br>      ▪ Free up resources for more proactive efforts with institutions<br>      ▪ More timely distribution of funds to institutions<br>      ▪ Greater efficiency in payment processing<br>      ▪ Greater accuracy of performance measures<br>      ▪ Alleviate resource constraints that may occur when we start processing summer grants<br>      ▪ Improved reconciliation<br>      ▪ Reduced institutional reporting requirements<br>      ▪ Platform support has redundancy within ISS.<br>• Reduction in large EOY refunds<br>• Reduction in audit findings that requires scope of audit to expand<br>   o The discovery of the large discrepancies in loan data is still recent enough that there simply hasn't been enough time to perform more reviews to demonstrate improvements. Internal Audit is working to build more targeted desk reviews into their compliance monitoring plan, thus speeding the process for gathering enough data to be used to discuss potential policy changes.<br><br>**Discussion:**<br>• Concerns were acknowledged regarding the conflict between the state and federal records retention expectations. The agency is pursuing the automated grant processing to help support the potential for a reduced state retention requirement.<br>• Clarification was provided that the audit concerns were related to all aid programs covered by the financial aid MOU, not just loans.<br>• A description of the general concept behind the automated grant processing was provided (e.g., a year-to-date report with minimal student-by-student data would be submitted by the institution each time it requested a disbursement).<br>• A request was made for the agency to provide better guidance as to when transfers between allocations can occur.<br>• Clarification was provided that the reconsideration of the length of record retention would be based on improvements being made in a number of areas, not just based on one metric. | |

| Agenda Item | Critical Discussion Points | Formal Decision/ Action Required |
|---|---|---|
| **I. Update: Data Collection Sub-Committee**<br><br>Zelma De Leon, Chair<br><br>DeChà Reid, Director, Financial Aid Services | **Update:**<br>• Doris Constantine, Sub-Committee Chair has retired. The sub-committee needs a new chair.<br>• Dana Mingo volunteered to be chair of sub-committee. FAAC Committee agrees.<br>• As of March 7, 2018, 40% of all institutions had validated their FADS. 85 institutions were still working out some errors and one institution was still trying to get FADS programmed and submitted.<br><br>**Discussion:**<br>• DeCha elaborated that she, the chair and sub-committee worked together to enhance the FAD FY17-18 report. The group gives guidance and recommendations on data elements and descriptions.<br>• DeCha would like to improve the instruction manual for the next reporting cycle which opens May 1. It is helpful to have the institutions' perspective. | |
| **J. Update: FAAC Student Representative Transition**<br><br>Zelma De Leon, Chair | **Update:**<br>• Transitioning out - Matthew Vandermause recognized for two years of service as student representative for FAAC.<br>• Transitioning in – Jonathan Cereceres as the new student representative from the University of Texas at El Paso.<br>• Note: No nominations were received to represent two-year institutions. | |
| **K. Update: FAAC Nomination Process**<br><br>Charles Puls, Deputy Assistant Commissioner | **Update:** The following items were reviewed in preparation for the upcoming nomination cycle<br>• A revised nomination letter was reviewed to help clarify expectations for future members (e.g., attending meetings ideally in person, reviewing materials in advance, attendance expectations, etc.)<br>• The efforts to collect nominations were reviewed with committee members (e.g., notifications to Presidents and Chancellors, copying financial aid directors, and notices sent to TASFAA listserv, the agency financial aid mailing list, and to association staff at TASSP and TASA to share with their members).<br>• Terms ending this year:<br>  o Doris Constantine<br>  o Delisa Falks<br>  o Jeannie Gage<br>  o Sandi Jones<br>  o Chris Murr<br>  o Cathy Sanchez<br>  o Brent Williford | |
| **L. Update: Office of Student Financial Aid Programs**<br><br>Charles Puls, Deputy Assistant Commissioner | **Update:**<br>Financial Aid Services<br>• Financial Aid Database restructuring has been the primary effort, as mentioned earlier.<br><br>Borrower Services<br>• A new Integrated Voice Response system was implemented Feb 26, which provides an underlying structure for significantly more control of the IVR system.<br>• A top priority is hiring 14 new staff members by July 1 to close the gap created during the hiring freeze and address challenges in our service levels.<br><br>Project Oversight<br>• While the 2016/2017 SFAP strategic plan focused on identifying opportunities for improvement, the 2018/2019 SFAP strategic plan focuses on developing customer response metrics and implementing improvements. Project oversight has been implemented to prioritize efforts, and these priorities are being shared with FAAC to hear input on our priority rankings. | |
| **M. Adjournment**<br><br>Zelma De Leon, Chair | • Next FAAC Meeting set for June 7, 2018.<br>• Adjournment at 12:32 pm. | |