

Financial Aid Advisory Committee  
Meeting Notes  
June 7, 2018

Committee Members in Attendance	Committee Members Absent	THECB Staff
Zelma De Leon Delisa Falks Karla Flores Jeannie Gage Bridget Jans Sandi Jones Robert Merino Chris Murr Alan Pixley Cathy Sanchez (teleconf.) Terry Sheneman Samantha Stalnaker Christine Stuart-Carruthers Brent Williford Jonathan Cereceres Marilyn Abedrabbo – Guest Lois Hollis-Guest	Diane Todd Sprague Kara Tappendorf Mike Scott Peggy Watts	Linda Battles Renee Jones Ken Martin Lesa Moller Charles Puls DeCha Reid Lourdes Sanchez Leah Smalley Shebah Spears

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<b>B. Consideration of Approval of Minutes of the meeting held on March 8, 2018</b>  Zelma De Leon, Chair	Motion to approve meeting minutes from 3-8-2018	Minutes unanimously approved.
<b>C. Update: Prior FAAC Business</b>  Charles Puls, Deputy Assistant Commissioner	<b>Update:</b> <ul style="list-style-type: none"> <li>• The TEXAS Grant, TEOG, and TEG Negotiated Rule-Making (NRM) Committees all reached consensus on language that will provide institutions more flexibility in the use of their funding. Language posted in the Texas Register for a 30-day comment period ending June 17:               <ul style="list-style-type: none"> <li>○ Eliminates reallocations</li> <li>○ Allows institutions until August 1 to manage their allocation</li> <li>○ Provide allocation increases much earlier in the academic year (October vs. March) so that institutions can address student needs more effectively.</li> <li>○ Equitably distribute excess funding across all institutions early in the academic year, rather than focusing on those institutions making requests late in the year</li> <li>○ Provides a preliminary step toward institutions being able to provide summer grants</li> <li>○ TEG and TEOG also chose to move to receiving allocations for both years of the biennium at the start of the biennium</li> <li>○ The NRM rules will be presented to the Board’s Committee on Affordability, Accountability, and Planning at its June meeting.</li> </ul> </li> </ul>	None

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	<ul style="list-style-type: none"> <li>• Update on the Student Loan Letter: <ul style="list-style-type: none"> <li>○ Staff at Indiana University shared their experiences with a comparable student loan letter, which informed a THECB webinar conducted earlier this week.</li> <li>○ This first webinar focused on technical questions about the loan letter requirement.</li> <li>○ Ginger and her staff are planning a second webinar that is going to address how to reach students effectively (language in the letter, etc.).</li> </ul> </li> <li>• The THECB received a new member nomination from the two-year institution sector, Marilyn Abedrabbo, of Collin Community College, who will be recommended for approval by the Board at the July meeting.</li> </ul>	
<p><b>D. Presentation: Data Highlight on Student Debt</b></p> <p>Jenna Cullinane-Hege, Deputy Assistant Commissioner</p>	<p><b>Overview:</b> Ms. Cullinane-Hege discussed the student debt goal (fourth goal of <a href="#">60x30TX Higher Education Plan</a>), and provided the results of the analysis completed on student debt for institutions of higher education in Texas. Handouts were provided. Statewide goal is to limit student debt so that it does not exceed 60% by 2030. Current statewide median is 58.9%</p> <p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>• Measurements used to perform analysis over a 10-year span (2007-2017): <ul style="list-style-type: none"> <li>○ Percentage of completers vs. non-completers</li> <li>○ Amount of debt incurred</li> </ul> </li> <li>• Loans tracked during analysis <ul style="list-style-type: none"> <li>○ Federal</li> <li>○ State</li> <li>○ Private</li> </ul> </li> <li>• Measurements <b>not</b> used during analysis: <ul style="list-style-type: none"> <li>○ Completers seeking 2<sup>nd</sup> degree</li> <li>○ Hours earned beyond completion</li> <li>○ Developmental courses</li> </ul> </li> <li>• Debt as a percentage of wage varies by: <ul style="list-style-type: none"> <li>○ Age group <ul style="list-style-type: none"> <li>✓ Younger students tend to have lower percentages in the number of loans taken out and lower loan amounts at public universities and 2-year institutions</li> </ul> </li> <li>○ Ethnicity <ul style="list-style-type: none"> <li>✓ African Americans contain the highest proportion of students and hold a higher loan debt</li> </ul> </li> <li>○ Gender <ul style="list-style-type: none"> <li>✓ Higher number of females are taking out loans</li> <li>✓ Amount of loans are consistent with males and females</li> </ul> </li> <li>○ Completers vs. Non-completers <ul style="list-style-type: none"> <li>✓ Non-completers carry less debt and have a lower average loan amount</li> </ul> </li> <li>○ Degrees <ul style="list-style-type: none"> <li>✓ Professional and doctoral degrees have the highest level of debt</li> <li>✓ Bachelor's degree holders have twice as much debt incurred as Associate and Certificate degrees</li> </ul> </li> <li>○ Discipline</li> </ul> </li> </ul>	<p>None</p>

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	<ul style="list-style-type: none"> <li>✓ Completers of associate degrees typically have a lower debt to first year wage</li> <li>• Debt to first year wage for the strategic plan includes borrowers with the following details:: <ul style="list-style-type: none"> <li>○ Completers</li> <li>○ Must have debt</li> <li>○ Must have wages</li> </ul> </li> </ul>	
<p><b>E. Update: External Relations</b></p> <p>Linda Battles, Deputy Commissioner, for John Wyatt</p>	<p><b>Update:</b> The Board adopted its priority recommendations for the 86<sup>th</sup> legislative session in April. Major legislative recommendations impacting financial aid include:</p> <ul style="list-style-type: none"> <li>• TX WORKS Program – modifies and centralizes the Texas Work Study program. <ul style="list-style-type: none"> <li>○ Mirrors recommendation from 85<sup>th</sup> Legislature; plans underway to “tweak” this recommendation during the interim to address concerns raised in last session</li> <li>○ Discussions underway to consider how to connect TX WORKS to the tri-agency’s (THECB, TWC, and TEA) challenge internship program, which encourages private employers to offer paid internships and provides centralized online location for students to view available jobs.</li> </ul> </li> <li>• TEXAS Grant – reduces the number of semester credit hours of eligibility from 150 to 130. <ul style="list-style-type: none"> <li>○ Aligns with 60X30TX strategy to encourage students to graduate more timely</li> <li>○ Will provide significant savings to serve more students.</li> </ul> </li> <li>• TEOG - expands TEOG number of hours of eligibility for students enrolled in community college baccalaureate degree programs.</li> <li>• Compliance monitoring – requires institutions to report the receipt of credible allegations of fraud, waste and abuse to the THECB (in addition to reporting to the State Auditor’s Office)</li> </ul> <p>The THECB is in the process of developing its FY 20-21 Legislative Appropriations Request, including the requested 10% budget reduction scenario and an Exceptional Items Request (funding for programs above level funding).</p>	<p>None</p>

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<p><b>F. Update: Data Collection Sub-Committee</b></p> <p>Samantha Stalnaker, Sub-committee Chair</p>	<p><b>Update:</b></p> <ul style="list-style-type: none"> <li>• The subcommittee reviewed FAD FY17-18 Cycle 2 and were able to produce an updated manual by April 18<sup>th</sup>. (Data collection began on May 1.)</li> <li>• As of 6/7/18, 81 out of 144 institutions submitted a file for Cycle 2. (Everything must be wrapped up by August 1.)</li> </ul> <p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>• DeCha Reid commented that Cycle 2 involves reconciliation for state programs. It is necessary for all schools to complete validation by August 1<sup>st</sup> for institutions to begin Cycle 3, which has a December 12, 2018 deadline.</li> <li>• Question: Due to the upcoming changes with allocations, will reconciliation be done in the 3<sup>rd</sup> cycle instead of the 2<sup>nd</sup> cycle in the future? <ul style="list-style-type: none"> <li>○ Several factors, such as the new allocation process, reconciling exemptions and waivers using IFRS data, and processing requests for funding, will be reviewed to determine the most effective timing needed for reconciliation in the future.</li> </ul> </li> </ul>	<p>None</p>
<p><b>G. Update: Administrative Code Revisions</b></p> <p>Charles Puls, Deputy Assistant Commissioner</p>	<p><b>Overview:</b></p> <p>In reviewing the proration rules (TX Grant, TEOG, TEG), the following questions were raised:</p> <ul style="list-style-type: none"> <li>• Are they effective or in need of simplification?</li> <li>• Is there a desire or an opportunity for consistency across the 3 programs?</li> <li>• Would having the same proration rates across programs provide greater flexibility for institutions?</li> <li>• Should there be a ¾ time proration rate for 2-year institutions?</li> <li>• Have we made the proration schedules too complicated for institutions?</li> </ul> <p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>• The members agreed that better alignment between programs makes sense overall, but no changes to the proration rates themselves are needed.</li> <li>• There was consensus that the existing language should be modified for greater clarity and understanding.</li> <li>• To the extent possible, the THECB should align state financial aid programs' rules with those of the federal programs.</li> <li>• The THECB will review its TEOG guidelines to ensure that they are consistent with program rules.</li> </ul>	<p>Proposed changes will be brought to a future meeting for discussion.</p>

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<p><b>H. Discussion: State deadline language on FAFSA</b></p> <p>Charles Puls, Deputy Assistant Commissioner</p>	<p><b>Update:</b></p> <ul style="list-style-type: none"> <li>• Each year the Department of Education requests updates from each state as to what the language should be on the FAFSA regarding the deadline.</li> <li>• The language must be submitted by March.</li> </ul> <p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>• Currently Texas has one of the lengthier descriptions.</li> <li>• The Department provides standard lines of language that can be used.</li> <li>• Texas' description begins with "As soon as possible after October 1, 2018". After discussion within the committee it was determined that this line is not necessary anymore since it has been a couple of years removed from the change in dates for applying for financial aid.</li> <li>• Many students interpret January 15 as a deadline date to apply for financial aid and not as a priority consideration date.</li> <li>• It was suggested that the priority consideration idea is getting lost in the wording and the narrative should be shortened as much as possible.</li> <li>• Suggested wording: January 15, 2019. For priority consideration submit application by date specified. Texas private colleges – Check with your financial aid administrator.</li> <li>• Should we add "Awards are made until funds are depleted?"</li> </ul>	<p>Suggested wording will be brought to September FAAC meeting for final decision.</p>
<p><b>I. Discussion: Annual Financial Aid Report Appendix E</b></p> <p>Charles Puls, Deputy Assistant Commissioner</p>	<p><b>Overview:</b></p> <p>Chad brought to the Committee's attention the part of Appendix E (students who demonstrated need and received aid) that shows the distribution of students by income ranges. He noted that the THECB has been using the same income ranges for many years and wanted the committee's feedback on whether these ranges should be updated to reflect current needs.</p> <p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>• Should the income ranges be changed from \$5,000 increments to \$10,000 increments? Should the upper range be changed from \$100,000 and above to \$150,000 and above? <ul style="list-style-type: none"> <li>○ One member suggested keeping the \$5,000 increments but increasing the upper range to \$150,000 or \$200,000 and above.</li> <li>○ Another member believed that Apply Texas uses \$10,000 increments in its ranges, up to \$200,000 and above.</li> </ul> </li> </ul>	<p>Chad will check other reports (IPEDS, FISAP, Apply Texas) to determine if there is consistency there, which the annual report could match.</p>
<p><b>J. Update: FAAC Nomination Process</b></p> <p>Charles Puls, Deputy Assistant Commissioner</p>	<p><b>Update:</b></p> <p>Nomination process closed on May 25, 2018. Current nominations are under review. The following representations are being analyzed:</p> <ul style="list-style-type: none"> <li>○ Geographic</li> <li>○ Sector</li> <li>○ System</li> </ul> <p>Presentation of nominees for approval will take place at the September 2018 Board Committee Meeting on Accountability, Affordability, and Planning.</p>	<p>Slate of nominees will be presented at September FAAC</p>

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<p><b>K. Update: Office of Student Financial Aid Programs</b></p> <p>Charles Puls, Deputy Assistant Commissioner</p>	<p><b>Overview:</b></p> <ul style="list-style-type: none"> <li>• At the January meeting Chad stated that a top priority was to hire 14 new staff members by July. <ul style="list-style-type: none"> <li>○ 13 of those positions have been filled and staff and are in the process of reviewing applications to fill four more vacancies that have occurred since January.</li> </ul> </li> <li>• Borrower Services: <ul style="list-style-type: none"> <li>○ The TASSP nomination process opened on April 15<sup>th</sup> for legislators to submit their nominations through July 31<sup>st</sup>.</li> <li>○ The CAL interest rate was reduced from 6.6 percent to 5.3 percent on May 14. Chad acknowledged that we didn't communicate this to institutions as effectively as we could have. In the effort to help borrowers take advantage of the new rate, the communication was too confusing for institutions. We will improve on this in the future.</li> <li>○ New features in the new Integrated Voice Response System are being implemented, such as automated dialing for due diligence activities, which makes more staff available to take incoming calls.</li> <li>○ Later this month a new PIN option will be available to borrowers to verify their identity, which will be helpful if they are calling from a phone number that the system doesn't recognize.</li> </ul> </li> <li>• Financial Aid Services: <ul style="list-style-type: none"> <li>○ There have been several recent communications about program allocations.</li> <li>○ Institutions can now access the SFAP web pages by going to the "Agency Resources" heading on the home page of the THECB web site.</li> </ul> </li> <li>• Legislative Reporting: <ul style="list-style-type: none"> <li>○ The TEXAS Grant Report will be presented to the CAPPs Committee in June for approval at the Board meeting in July.</li> <li>○ The annual financial aid report will go to the CAPPs meeting in September and the Board meeting in October.</li> <li>○ Chad will present information from both reports at the September FAAC meeting.</li> </ul> </li> </ul>	<p>None</p>
<p><b>L. Adjournment</b></p> <p>Zelma De Leon, Chair</p>	<ul style="list-style-type: none"> <li>• Next FAAC Meeting set for September 6, 2018</li> <li>• Meeting adjourned at 11:47 a.m.</li> </ul>	