

Financial Aid Advisory Committee
Meeting Notes
December 6, 2018

| Committee Members in Attendance | Committee Members Absent | THECB Staff | Audience |
|---|----------------------------|---|-------------------------------|
| Diane Sprague - Chair Zelma De Leon Delisa Falks Karla Flores Paul Galyean Heidi Granger Ed Kerestly Robert Merino Minh-Tam Nguyen Alan Pixley Charles Puls Terry Sheneman Samantha Stalnaker Kelly Steelman Kara Tappendorf Arnaldo Trejo Denise Welch Brent Williford Marilyn Abedrabbo – Student Rep Johnathan Cereceres – Student Rep Karen LaQuey – Conference Call Christine Stuart Carruthers - Conference Call | Mike Scott Bridget Jans | Lesa Moller DeCha Reid Lourdes Sanchez Leah Smalley Amy Zandy | Rissa McGuire Angela Oubda |

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| Agenda Item B. Consideration of Approval of Minutes of the meeting held on September 6, 2018 and June 7, 2018 Diane Todd Sprague, Chair | Formal Decision/Action Required Minutes unanimously approved. |
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| Agenda Item C. Update: Prior FAAC Business Chad Puls, Deputy Assistant Commissioner | Formal Decision/Action Required None |
| Chad stated that after review of previous minutes, he found there wasn't any prior FAAC business to discuss. | |

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| Agenda Item D. Presentation: Communicating Cost: A Comparative Analysis of Award Letters from Across the Country Laura Kean, uAspire; Tom Biedscheid, Director, Office of Financial Aid, Colorado State University | Formal Decision/Action Required None |
| Purpose, Methodology & Data Set <ul style="list-style-type: none"> • Majority of students don't decide where to attend college based on acceptance letters, but rather based on financial aid packages and what they think they can afford. • No federal policy exists that requires standardization on every financial aid offer • Poor communication of financial aid options can threaten long-term financial health • Obscuring costs puts students at risk of dropping out – a major predictor of default Quantitative Findings <ul style="list-style-type: none"> • Confusing Jargon and Terminology (e.g. use of acronyms, failure to include the word "loan," etc.) • Omission of the Complete Costs • Failure to Differentiate Types of Aid | |

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- Misleading Packaging of Parent PLUS Loans
- Vague Definitions and Poor Placement of Work-Study
- Inconsistent Bottom Line Calculations
- No Clear Next Steps

uAspire Policy Recommendations to Institutions, States and the Federal Government

- Require a written financial aid offer to all qualified students
- Employ standardized terms and student-friendly definitions
- Include cost of attendance with breakdown of direct costs and indirect expenses
- List gift aid and loans separately
- Do not include Parent PLUS loans & work-study as line items in aid offers
- Calculate the student's net cost and estimated bill
- Identify critical next steps

A Case Study of Student-Centered Aid Offers – Colorado State University

- Students thought they couldn't afford CSU based on the award letters
- CSU met with students, then worked with uAspire to gather feedback through focus groups and campus/pre-collegiate partnerships
- Consistency in terminology across all communication platforms was identified as critical
- A quick redesign was completed the first year (just to the award letter, not to the on-line portal)
 - Clarity in costs
 - Delineation of awards
 - Helping to explain "the bill"
 - Explaining opportunities to fill the gap
- Larger re-imagining of the award letter is being completed (to both the award letter and the on-line portal)
 - Reformatting the visual presentation
 - Expanding the information provided (general benefits of higher education, glossary of terms, next steps, etc.)

Discussion:

- While uAspire noticed a larger gap in off-campus award letters, they do not have details on what is causing the gap.
- CSU utilizes the Banner software to extract the data elements, which it then merges into a pdf file to create the award letters. Hard copies are mailed to any student new to the financial aid process.
- CSU has seen a reduction in questions from families about the award letter itself.
- uAspire is working with major technology partners, such as Campus Logic and PowerFAIDS, to identify how they can assist institutions by providing pre-programmed options in their software, since it is clear that not all institutions can tackle the re-imagining of the award letter using in-house resources.
- uAspire also hopes to reach out to student account organizations, like NACUBO, to engage them in the discussions.
- A committee member raised concerns about providing full cost information for fear of students and families being scared away by sticker shock.

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| Agenda Item E. Discussion: 2019 FAAC Meeting Dates Diane Todd Sprague, Chair | Formal Decision/Action Required None – Meeting Dates Stand |
| Suggested 2019 FAAC Meeting Dates - | |
| March 6 June 6 September 5 November 21 | |

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| Agenda Item F. Update External Relations John Wyatt, Director | Formal Decision/Action Required None |
| 86th Legislative Session- | |
| In early January, the Chairs and Committee members will be determined. There are no guarantees that membership will be the same as the last legislative session. | |
| Last week the Senate Higher Education Committee released their Interim Report for the 86 th Legislature that contained a few recommendations relevant to this committee - | |
| <ul style="list-style-type: none"> • Public schools should encourage and help students complete a FAFSA | |

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- Expand opportunity for paid internships in the state that are relevant to degrees – this relates to the agency’s recommendation for the creation of the Texas WORKS Program, which would use the off-campus portion of the Texas College Work Study to fund paid internship opportunities across the State.
- SB877, student debt letter: recommended this legislation not require private loans be included in that letter (though the current statute already only requires information that is reasonably available to the institution)

Pre-filed legislation – There are several bills that have been filed already that are relevant to this committee.

- Senator Zaffarini – filed SB32 (all institutions) and SB33 (two-year institutions) – create a Texas Promise Grant Program – designed for students to meet the difference between tuition and mandatory fees and any other aid they receive (e.g. a last dollar scholarship).
- Senator Zaffarini – filed SB34 – Limits TEXAS Grant lifetime eligibility to 135 hours or 15 hours beyond degree requirements. This is a Coordinating Board recommendation.
- Senator Zaffarini – filed SB35 – reestablish the Texas B-On-Time Student Loan Program. SB35 would not bring back the Tuition Set Aside that funded it. It would rely on gifts, grants, appropriations, and bonds in order to fund the program.
- Representative Biedermann – filed HB413 – Eliminates the 36-month pathway to be considered a resident for higher education purposes used by many undocumented students to qualify for in state tuition and state financial aid programs.

January 15th is the deadline for filing both the Senate and House versions of the General Appropriations Act. That will determine the starting point of our Financial Aid Programs. The Coordinating Board has submitted an exceptional item request for the TEXAS Grant. A request for an additional \$107,000,000 for the TEXAS Grant, just to keep up with the percentage of initial year students served in the current biennium, based on our estimates (currently about 70% of student eligible for initial-year awards are funded).

Discussion:

- It is assumed that the Promise Grant proposals would be funded through state appropriations.
- Eliminating tuition set-asides and how to replace that funding, was a big conversation. There is no indication yet as to what action may occur regarding tuition set-asides, but we know from last session that elected officials are aware that set-asides are important in terms of financial aid packaging.
- A member recommended analyzing the 135 credit limit as to the impact it would have on specific populations of students (e.g. under-represented students, first-generation students, etc.). The agency is working to identify how to incent timely completion without creating undue burden.
- The basic premise of re-establishing BOT is the same as existed previously. The funding piece would be fundamentally different. The stature re-establishes the Board’s authority to issue bonds for the program, but does not direct a specific amount of bonds to be issued. The fiscal feasibility of issuing bonds for a forgivable, no-interest loan program needs to be analyzed. How would the bonds be repaid?
- With the changes in elected officials (Democrats vs. Republicans, new Speaker in the House, who ends up as Higher Ed Committee chairs, who ends up on the Higher Ed committees, etc.) it is difficult to predict the likelihood of specific legislation moving forward.
- The agency does not maintain documentation of the amount of state funding received by undocumented students. Affidavit students are not all undocumented students.
- A little over 1% of students qualify for residency via the affidavit process. During the last legislative session, analysis identified about \$12 million in appropriated funds used to award state financial aid to affidavit students.

Agenda Item G: Update: Data Collection Sub Committee
DeChà Reid

Formal Decision/Action Required
None

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Update:

- The sub-committee met November 7, 2018 – reviewed the Auto-Grant Payment Project and its scope.
- Overview of the Auto-grant Payment Program for all three grant programs.
- Automate the process for receiving funds from the agency by providing a limited amount of student data to support future reconciliation.
- Asked FAAC for discussion regarding the benefits of re-scoping the program, particularly in relation to populating the Award History files.

Discussion:

The use of Award History files are used primarily in relation to transfer students, primarily by 4-year public institutions. When this data was not available during the FAD transition, a lot of manual calculation needed to occur at 4-year public institutions. Dr. Puls asked members to determine exactly how they were using this data, and exactly which data they were using, in order to ensure the agency is not collecting unnecessary information.

- The current source of data for the Award History file is FADS as well as the historical information provided by institutions. The scope of the Auto Grant Payment project will have to change if the source of data for the Award History file is being reconsidered.
- The Go Live date for the project of June 1, 2019 given the current scope.
- The FAD revisions were first envisioned several years ago. Since then, reallocations have been eliminated for the grant programs, efforts to introduce summer grant flexibility have begun, and this auto grant process has begun to be investigated. The landscape has changed significantly since work initially began on FADS. If the landscape hadn't changed so significantly, we wouldn't be proposing this type of change so quickly.
- It was pointed out that the FAD requires a significant amount of manual "massaging" to complete, and thus any changes that could reduce the manual effort would be helpful.
- The impact of the new FAD process on reducing errant information (both student and dollar counts) is still being analyzed while the third cycle of FAD processing is being completed.
- Concerns were raised as to the level of complication and the timing of the proposed automation of the grant payment processing.
- How do we make sure that all institutions are aware of these changes, implement the changes, and are ready for the Go-Live Date? Not just the institutions represented on the FAAC.
- Currently, no FAAC member schools uses summer as a header, so we need to make sure those schools are represented in the discussion.
- The Chair asked for all members to discuss the current scope of this project with the institutions within their communities, especially schools that treat summer as a header, and report back to Samantha or DeChà.

Agenda Item H: Update: TASFA sub-committee

Robert Merino

Formal Decision/Action Required

Send nominations to Robert

Update:

- There are five new volunteers – Fred Pena from TSTC, Joseph Sanchez from UNTHS, Vanessa Negrete from Texas Tech, Lacey Thompson from UNT, and Chandra Gonzalez from the University of Houston. The goal is to have a meeting after spring registration, but no later than January. There is room for additional members, particularly from private institutions, since there is no representation from that sector yet..

Agenda Item I: School District Recommendations

Diane Todd Sprague, Chair

Formal Decision/Action Required

None

Update:

Committee Chair stated that this is a new, and standing, item to the Agenda. It was extremely important to give the ISD representatives a chance to bring topics of conversation that they would like to share with the Coordinating Board. The following items were presented:

- Importance of shifting the language in grant and loan information available to students at the high school level. The Parent Plus loan was given as an example – students don't understand that their parents may not qualify.
- The priority deadline. The shift has been relatively easy for counselors to absorb. There hasn't been any issue in meeting those deadlines.

Agenda Item J: TASFAA Recommendations

Diane Todd Sprague, Chair

Formal Decision/Action Required

None

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Update:

Committee Chair stated that Delis Falks is the FAAC connection on TASFAA. And that this is also a new, and standing, item to the agenda. The chair stated there is nothing to report.

Agenda Item K: Priority Deadline's Impact on Financial Aid

Chad Puls, Deputy Assistant Commissioner

Formal Decision/Action Required

None

Experience with the new Jan 15th deadline, including benefits and drawbacks:

- Shifting from the term "priority deadline" to "priority date" is something that institutions have done to soften the wording and reduce anxiety.
- There do not seem to have been significant questions, concerns, or comments from parents and students. FAA's have had to help their institution's executive officers understand that this change was not a significant concern.
- Admissions staff have done a great job making sure school counselors about the ne priority.
- Guidance is to file no matter what, even if the priority has passed.
- With the earlier FAFSA availability, and the earlier priority deadline, the order of application appears to be switching – students are filing the FAFSA first and the admissions application second, rather than the historical approach of filing the admissions application first.
- One of the student representatives noted that new students appear to be more familiar with the new date than upperclass students.

What are the positive impacts and unintended consequences of having a deadline? The following are some questions from recent meetings about a priority deadline:

- 1- Does the priority deadline have a negative impact on two-year institutions due to the very different admissions financial aid cycle used in that sector? Even though it is not a requirement for two-year institutions, is it being perceived as a requirement in that area?
 - 2- Does the priority deadline have a negative impact on TASFA completion? Given all the challenges institutions have trying to get students to initially fill out the TASFA.
 - 3- Does the priority deadline have a negative impact on transfer students due to the very different admissions and financial aid cycle?
- Community colleges admit students throughout the summer, so the priority is less applicable.
 - Community colleges also expend their funds so quickly that they may not even cover all those who apply by the priority.
 - From a processing standpoint, it does help get students packaged earlier.

Agenda Item L: Proposed Updates to Texas Administrative Code for the Texas College Work-Study Program

Chad Puls, Deputy Assistant Commissioner

Formal Decision/Action Required

None

Update:

We will be utilizing the FAAC to receive feedback prior to the Rules being posted to the Texas Register, which is our official method for posting Rules. The proposed changes that are included today are primarily for consistency to the Rules for Texas College Work-Study. Dr. Puls went over the proposed Rule changes. There was no feedback.

Agenda Item M: Update: Office of Student Financial Aid Programs

Chad Puls, Deputy Assistant Commissioner

Formal Decision/Action Required

None

Update:

Updated Resources:

- November 1: new on-line FAQs were released.
- November 29: the update to the award history tool was announced.
- December 3: the application process for Kevin Ashworth scholarship program was announced.

Upcoming events:

- Beginning February 2019: the agency will be participating in the TASFA Regional Training.
- December 14: FAD reporting deadline.
- December 21: User Access Review is due.
- January 2: deadline for materials from anybody participating in the bi-lingual education program.
- The updated list for FY19 Grant Allocations will be sent out soon.

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Upcoming Projects:

- The paper-based system for students requesting ACH will be replaced with an online system. There will be a quarter point discount offered to borrowers who participate in recurring ACH payments.
- Working on improvement to display and communication on HH Loans payment information to make it easier to read.
- Sometime during the spring semester, we will be instituting a processing fee in relation to credit card payments. If students choose to pay through a credit card, there will be a processing fee involved. We want students to be aware of other options that don't involve a fee. The processing fee is the largest expense next to salaries when it comes to running our program. We felt this needed to be handled by the borrowers who were utilizing the process instead of spreading the cost out across all borrowers. The College of All Texans website is currently undergoing a review, led by the agency's College Readiness and Success Division, to identify improvements on how information is communicated to students. We are looking at how Financial Aid information is being presented, and if we might be able to merge the information with HH Loans into the College for All Texans website so that students have one place to go for information, instead of having to go to multiple places of information.

Agenda Item N. Adjournment

Diane Todd Sprague, Chair

Next FAAC Meeting set for March 6, 2019

Formal Decision/Action Required

Adjourned

DRAFT