

## **TEXAS HIGHER EDUCATION COORDINATING BOARD**

### **COMMITTEE ON AFFORDABILITY, ACCOUNTABILITY AND PLANNING**

1200 EAST ANDERSON LANE, ROOM 1.170  
AUSTIN, TEXAS  
March 29, 2017  
9 a.m.

*CHAIR*  
David D. Teuscher, M.D.  
*VICE CHAIR*  
S. Javaid Anwar  
Arcilia C. Acosta  
Janelle Shepard  
Stuart W. Stedman  
Haley R. DeLaGarza  
Student Representative, Ex-Officio  
Robert "Bobby" Jenkins, Jr.,  
Ex-Officio

### **AGENDA**

*PUBLIC TESTIMONY: The presiding chair shall designate whether public testimony will be taken at the beginning of the meeting, at the time the related item is taken up by the Board after staff has presented the item, or any other time as determined by the presiding chair. For procedures on testifying, please go to <http://www.theccb.state.tx.us/public-testimony>.*

- I. Welcome and Committee Chair's meeting overview
- II. Consideration of approval of the minutes from the December 14, 2016, meeting of the Committee on Affordability, Accountability and Planning
- III. Consideration of approval of the Consent Calendar
- IV. Public Testimony on Agenda Items Relating to the Committee on Affordability, Accountability and Planning
- V. Matters relating to the Committee on Affordability, Accountability and Planning
  - A. Consideration of adopting the Commissioner's recommendation to the Committee relating to the annual report about the financial condition of the state's community college districts (*S.B. 1, 84th Texas Legislature, Regular Session, Rider 13, III-211*)
  - B. Report on facilities projects that were submitted to the Coordinating Board
  - C. Update on the Coordinating Board's legislative and budget priorities for the 85th Texas Legislature
  - D. Report on data highlight: Out-of-State Enrollment Patterns
  - E. Discussion of Transfer Data and Policy
  - F. Consideration of adopting the staff recommendation to the Committee for approval of the nominated member of the Financial Literacy Advisory Committee

G. Proposed Rules:

- (1) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 17, Subchapter B, Section 17.12 of the Board rules, concerning the Delegation of Approval Authority
- (2) Consideration of adopting the Commissioner's recommendation to the Committee relating to moving Chapter 21, Subchapters C, D, E, F, K, M, N, V, CC, JJ, and RR of the Board rules to Chapter 22, Grant and Scholarship Programs, new Subchapters C, E, F, G, I, Q, W, X, Y, Z, and AA
- (3) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 21, Subchapter C, Section 21.62 of the Board rules, concerning the Hinson-Hazlewood College Student Loan Program
- (4) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 21, Subchapter M, Section 21.403 of the Board rules, concerning the Texas College Work-Study Program
- (5) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, new Subchapter A, Section 22.1 and 22.2 of the Board rules, concerning the General Provisions
- (6) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter B, Section 22.23 of the Board rules, concerning the Provisions for the Tuition Equalization Grant Program
- (7) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter B, Sections 22.22 and 22.24 of the Board rules, concerning the Provisions for the Tuition Equalization Grant Program
- (8) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter L, Section 22.227 of the Board rules, concerning the Toward Excellence, Access, and Success (TEXAS) Grant Program
- (9) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter M, Section 22.255 of the Board rules, concerning the Texas Educational Opportunity Grant Program

VI. Adjournment

*NOTE: The Board will not consider or act upon any item before the Committee on Affordability, Accountability and Planning at this meeting. This meeting is not a regular meeting of the full Board. Because the Board members who attend the committee meeting may create a quorum of the full Board, the meeting of the Committee on Affordability, Accountability and Planning is also being posted as a meeting of the full Board.*

Note: Highlighted items in gray are on the Consent Calendar

*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.

Committee on Affordability, Accountability and Planning

AGENDA ITEM I

Welcome and Committee Chair's meeting overview

Dr. David Teuscher, Chair of the Committee on Affordability, Accountability and Planning, will provide the Committee an overview of the items on the agenda.

Committee on Affordability, Accountability and Planning

AGENDA ITEM II

Consideration of approval of the minutes from the December 14, 2016, meeting of the Committee on Affordability, Accountability and Planning

RECOMMENDATION:      Approval

**TEXAS HIGHER EDUCATION COORDINATING BOARD**

**MINUTES**

**Committee on Affordability, Accountability and Planning**

**1200 East Anderson Lane, Room 1.170**

**Austin, Texas**

**December 14, 2016, 9:00 a.m.**

**DRAFT Minutes**

The Texas Higher Education Coordinating Board **Committee on Affordability, Accountability and Planning** convened at 9:00 a.m. on *December 14, 2016*, with the following members present: David Teuscher, Chair, presiding; S. Javaid Anwar, Vice Chair; Arcilia C. Acosta; Janelle Shepard; Stuart Stedman; Haley R. DeLaGarza, Student Representative, Ex-Officio; and Robert "Bobby" Jenkins, Jr., Ex-Officio.

*The meeting is available at the following link: <http://www.thecb.state.tx.us/apps/Events/>*

AGENDA ITEM	ACTION
I. Welcome and Committee Chair's meeting overview	Dr. David Teuscher called the meeting to order and advised the meeting was being broadcast over the internet.
II. Consideration of approval of the minutes from the September 28, 2016, Committee meeting	On motion by Mr. S. Javaid Anwar, seconded by Mr. Stuart W. Stedman, the Committee approved this item.
III. Consideration of approval of the Consent Calendar	<p>Dr. David Teuscher stated supplemental information was provided to the Board prior to the meeting for Agenda Item V-H(1) which conveyed that there were no comments received during the rule comment period that ended on December 11, 2016.</p> <p>On motion by Ms. Janelle Shepard, seconded by Mr. S. Javaid Anwar, the Committee approved this item.</p>
IV. Public Testimony on Agenda Items Relating to the Committee on Affordability, Accountability and Planning	Dr. David Teuscher stated there was no public testimony.

<p>V. Matters relating to the Committee on Affordability, Accountability and Planning</p> <p>A. Report on Accountability System Redesign and Measure Update</p> <p>B. Consideration of adopting the Commissioner's recommendation to the Committee relating to approval of the Enrollment Forecast</p> <p>C. Consideration of adopting the Commissioner's recommendations to the Committee relating to the Facilities Audit Report</p> <p>D. Consideration of (1) approval of Energy Savings Performance Contract (ESPC) for Texas A&amp;M University and (2) delegation of Energy Savings Performance Contract Review Process</p> <p>E. Report on facilities projects that were submitted to the Coordinating Board</p>	<p>Dr. Julie Eklund, Assistant Commissioner of Strategic Planning and Funding, and Dr. Jenna Cullinane Hege, Deputy Assistant Commissioner, Strategic Planning, provided an overview and were available for questions.</p> <p>No action required on this item.</p> <p>Dr. Julie Eklund, Assistant Commissioner of Strategic Planning and Funding, provided a presentation and was available for questions.</p> <p>Upon Dr. Teuscher's recommendation, because the report was just provided to the Board that day, it was decided to wait to vote on approval of the report and bring this item to the full Board meeting in January to allow time for review of the report.</p> <p>No action required as was decided by the Committee.</p> <p>Mr. Tom Keaton, Director of Finance Resource and Planning, provided a presentation and was available for questions.</p> <p>On motion by Mr. Stuart Stedman, seconded by Ms. S. Javaid Anwar, the Committee approved the Commissioner's recommendation.</p> <p>Mr. Tom Keaton, Director of Finance and Resource Planning, provided a presentation and was available for questions.</p> <p>Upon Dr. Teuscher's recommendation, Item D (1) was tabled until the January Board meeting, and staff will invite Texas A&amp;M University representatives to answer questions from the Board. Item D (2) was also tabled until the January Board meeting with a request for additional information and clarification.</p> <p>Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding, provided a presentation and was available for questions.</p> <p>No action required on this item.</p>
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Committee on Affordability, Accountability and Planning

AGENDA ITEM III

Consideration of approval of the Consent Calendar

RECOMMENDATION:      Approval

Background Information:

In order to save institutions time and travel costs to attend the Committee on Affordability, Accountability and Planning meetings in Austin, the Committee made the decision to establish a Consent Calendar for items that are noncontroversial. Any item can be removed from the Consent Calendar by a Committee member.

## AGENDA ITEM III

### Consent Calendar

#### V. Matters relating to the Committee on Affordability, Accountability and Planning

F. Consideration of adopting the staff recommendation to the Committee for approval of the nominated member of the Financial Literacy Advisory Committee

#### G. Proposed Rules:

- (2) Consideration of adopting the Commissioner's recommendation to the Committee relating to moving Chapter 21, Subchapters C, D, E, F, K, M, N, V, CC, JJ, and RR of Board rules to Chapter 22, Grant and Scholarship Programs, new Subchapters C, E, F, G, I, Q, W, X, Y, Z, and AA
- (3) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 21, Subchapter C, Section 21.62 of the Board rules, concerning the Hinson-Hazelwood College Student Loan Program
- (4) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 21, Subchapter M, Section 21.403 of the Board rules, concerning the Texas College Work-Study Program
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- (7) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter B, Sections 22.22 and 22.24 of the Board rules, concerning the Provisions for the Tuition Equalization Grant Program
- (8) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter L, Section 22.227 of the Board rules, concerning the Toward Excellence, Access, and Success (TEXAS) Grant Program
- (9) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter M, Section 22.255 of the Board rules, concerning the Texas Educational Opportunity Grant Program

Committee on Affordability, Accountability and Planning

AGENDA ITEM IV

Public Testimony on Agenda Items Relating to the Committee on Affordability, Accountability and Planning

RECOMMENDATION:           No action required

Background Information:

PUBLIC TESTIMONY: The presiding chair shall designate whether public testimony will be taken at the beginning of the meeting, at the time the related item is taken up by the Board after staff has presented the item, or at any other time as determined by the presiding chair.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-A

Consideration of adopting the Commissioner's recommendation to the Committee relating to the annual report about the financial condition of the state's community college districts (S.B. 1, 84th Texas Legislature, Regular Session, Rider 13, III-211)

RECOMMENDATION: Approval

Background Information:

An annual report about the financial condition of the state's community colleges is required as referenced in the General Appropriations Act, Senate Bill 1, 84th Texas Legislature, Rider 13 (page III-211). The rider states:

"Each community college shall provide to the Texas Higher Education Coordinating Board financial data related to the operation of each community college using the specific content and format prescribed by the Coordinating Board. Each community college shall provide the report no later than January 1st of each year. The Coordinating Board shall provide an annual report due on May 1 to the Legislative Budget Board and Governor's Office about the financial condition of the state's community college districts."

The objective of this report is to provide an assessment of the overall financial health of public community colleges and to identify institutions in which the potential for financial stress exists. The analysis included is intended to be a broad financial evaluation. Other key performance indicators must be taken into account to gain a more robust and complete understanding of institutional strength. This analysis is not intended for peer group comparisons or for benchmarking purposes.

A draft report was provided to the community colleges, with a response due by February 26, 2017. Comments were received from community colleges.

The draft report will be sent under separate cover.

Mr. Thomas Keaton, Director of Funding and Resource Planning, Strategic Planning and Funding, is available for questions.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-B

Report on facilities projects that were submitted to the Coordinating Board

RECOMMENDATION:           No action required

Background Information:

Senate Bill 215, 83rd Texas Legislature, Regular Session shifted the authority to approve capital projects from the Texas Higher Education Coordinating Board (THECB) to the Boards of Regents. However, it requires that institutions continue to report projects to the Board and that THECB staff continue to review facilities projects. Additional information is provided for projects that do not meet one or more standards. The Board must submit a report to the governor, lieutenant governor, speaker of the house, and Legislative Budget Board on all projects that do not meet standards.

Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding, is available to answer questions.

**Reviewed Projects**

<b>Institution Project Name</b>	<b>Project Cost</b>	<b>Space Usage</b>	<b>Space Need</b>	<b>Cost</b>	<b>Building Efficiency</b>
Texas A&M University <i>Renovate Engineering Education Complex</i>	\$225,669,000	Yes	Yes	No	Yes
The University of Texas Health Science Center Houston (TRB) <i>Renovation and Modernization of Educational and Research Facilities</i>	\$111,360,000	Yes	Yes	Yes	Yes
The University of Texas at San Antonio (TRB) <i>Construct Science and Engineering Building</i>	\$95,000,000	Yes	Yes	Yes	No <sup>1</sup>
The University of Texas Medical Branch at Galveston (TRB) <i>Construct Health Education Center</i>	\$90,400,000	NA <sup>2</sup>	No	Yes	Yes
Texas A&M University (TRB) <i>Construct Biocontainment Research Facility</i>	\$86,000,000	Yes	Yes	No	No
The University of Texas at El Paso (TRB) <i>Construct Interdisciplinary and Research Building</i>	\$85,000,000	Yes	Yes	Yes	No <sup>1</sup>
Texas Tech University (TRB) <i>Construct Research Building (ESB II)</i>	\$77,000,000	Yes	Yes	Yes	Yes
Angelo State University (TRB) <i>Construct Archer College of Health and Human Services</i>	\$26,360,000	No	Yes	Yes	Yes
Texas Tech University Health Sciences Center (TRB) <i>Construct Permian Basin Academic Center</i>	\$22,300,000	NA <sup>2</sup>	Yes	Yes	Yes
Texas State Technical College Fort Bend (TRB) <i>Construct Fort Bend Campus Brazos Center</i>	\$18,147,000	No	No	Yes	Yes
Lamar State College-Orange (TRB) <i>Construct Multipurpose Education Building</i>	\$12,329,902	No	No	Yes	Yes
Texas Tech University Health Sciences Center (TRB) <i>Construct Amarillo – Panhandle Clinical Simulation Center</i>	\$9,750,000	NA <sup>2</sup>	Yes	Yes	Yes

<sup>1</sup> This project contains Net Assignable Square Feet (NASF) of unfinished space to be completed as needed by the institution. Once the NASF is complete, these projects will meet the building efficiency standard.

<sup>2</sup> The standard for Space Usage Efficiency is not calculated for Health Related Institutions.

Project Type	Space Usage	Space Need	Cost	Building Efficiency
<b>New Construction and Addition</b>	Space Usage Efficiency (SUE) score of: <ul style="list-style-type: none"> <li>75 points in the classroom score for classroom type facilities</li> <li>75 points in the class laboratory score for lab type facilities</li> <li>150 points overall for all others</li> </ul>	Does not create nor add to a surplus as predicted in the space projection model	Does not exceed the annually published cost standard	The ratio of net assignable square feet (NASF) to gross square feet (GSF) shall not exceed: <ul style="list-style-type: none"> <li>Classroom and general – 0.60</li> <li>Office – 0.65</li> <li>Clinical, diagnostic support labs, and technical research – 0.50</li> </ul> For parking structures: <ul style="list-style-type: none"> <li>Automobile – 400 SF per space</li> <li>Boathouses – 500 SF per space</li> <li>Airplanes – 3,000 SF per space</li> </ul>
<b>Repair and Renovation (including repairs and renovations as part of a real property purchase)</b>	Not applicable	Does not create nor add to a surplus as predicted in the space projection model	Does not exceed the annually published cost standard	Does not reduce existing ratio of NASF to GSF more than ten percent
<b>Real Property Purchases</b>	Not applicable	Does not create nor add to a surplus as predicted in the space projection model	Should not exceed the higher of two appraisals. If the cost exceeds this amount, institution must demonstrate the need to purchase at the higher price	Not applicable

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-C

Update on the Coordinating Board's legislative and budget priorities for the 85th Texas Legislature

RECOMMENDATION: No action required

Background Information:

The 85th Texas Legislature is currently in session through May 29, 2017. As the first Texas legislative session held during the timeframe of *60x30TX*, the actions taken by this Legislature will be crucial for setting the groundwork for how the state will achieve its long-range goals.

Linda Battles, Deputy Commissioner for Agency Operations and Communications/COO will provide an update on the Board's budget priorities, and John Wyatt, Director for External Relations, will provide an update on the Board's legislative recommendations and other pertinent legislation.



Committee on Affordability, Accountability and Planning

AGENDA ITEM V-D

Report on data highlight: Out-of-State Enrollment Patterns

RECOMMENDATION: No action required

Background Information:

A target under the completion goal of the Texas higher education strategic plan, *60x30TX*, is increasing the percentage of Texas public high school graduates enrolling in an institution of higher education in Texas by the first fall after their high school graduation year. In 2014, the percentage of graduates who transitioned to Texas colleges directly out of high school was 54.2 percent; the 2020 target is 58 percent and the 2030 target is 65 percent.

The Texas Higher Education Coordinating Board (THECB) has not had consistent access to college enrollment data for graduates who leave the state. However, in October 2016, the THECB, in partnership with researchers doing work at the UT Austin Education Research Center, obtained National Student Clearinghouse® (NSC) college enrollment data on all Texas public high school graduates from 2011 through 2015. The THECB will receive data on 2010 and 2016 high school graduates in late spring 2017. THECB staff conducted initial analysis of the NSC data to:

- Determine the percentage of high school graduates who leave Texas for college,
- Compare their characteristics to those who enroll in state, and
- Identify the states and institutions in which they enroll.

Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding, will provide a presentation.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-E

Discussion of Transfer Data and Policy

RECOMMENDATION: No action required

Background Information:

The *60x30TX* state higher education plan includes a goal to substantially increase completions by 2030 and a goal to limit student debt to manageable amounts. A target under the student debt goal is to decrease the semester credit hours (SCH) that students attempt when completing a degree. One way to support completions and reduce the excess SCH that lead to increased student debt is to improve transfer pathways.

Baccalaureate degree seeking students who transfer from a public two-year institution and subsequently earn a bachelor's degree at a public four-year institution of higher education (IHE) are more likely to accrue excess SCH than native students who begin and complete their degree at the same IHE. Higher excess hour counts are also observed for students who transfer from one public university to another. Students who take dual credit courses also have challenges related to course transfer, including those who begin at a university directly after high school and remain at the same institution through graduation.

Legislative interest in the challenges transfer students face has led Coordinating Board staff to take a closer look at these and related data about student transfer and has also resulted in efforts to better understand policy and practice related to student transfer. This overview will provide information about some of the data and policy analysis done by staff to help inform those efforts and help the state reach its *60x30TX* goals.

Dr. Rex Peebles, Assistant Commissioner for Academic Quality and Workforce, Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding, and Mr. Jerel Booker, Assistant Commissioner for College Readiness and Success, will provide a brief presentation.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-F

Consideration of adopting the staff recommendation to the Committee for approval of the nominated members of the Financial Literacy Advisory Committee

RECOMMENDATION: Appoint Member

Background Information:

Coordinating Board staff are requesting a new member appointment for the Financial Literacy Advisory Committee. Board staff will seek confirmation of this appointment at the April 2017 Board meeting.

In accordance with Texas Education Code, Section 61.026 and Texas Government Code, Section 2110.0012, the Financial Literacy Advisory Committee was created to provide the Board advice and recommendations regarding better ways to advise students and parents on financial aid options and the impact of those options on students' finances before, during, and after their college careers.

The Financial Literacy Advisory Committee includes business leaders, representatives from community-based organizations, public education leaders, higher education administrators, and financial aid administrators at Texas institutions of higher education. A list of recommended candidates was approved at the July 2016 Board meeting. The institutional financial aid officer representative being replaced can no longer serve on the committee. Staff recommend that Kim Obsta, Financial Aid Director at Victoria College, be selected to replace that committee member.

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, will be available to answer questions.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-G (1)

Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 17, Subchapter B, Section 17.12 of the Board rules, concerning the Delegation of Approval Authority

RECOMMENDATION:           Approval

Background Information:

The Texas Higher Education Coordinating Board (THECB) proposes amendments to Chapter 17, Subchapter B, by adding Section 17.12, concerning delegation of approval for Energy Savings Performance Contracts.

Prior to the passage of Senate Bill (SB) 215 (83rd Texas Legislature, Regular Session), the THECB was required to review and approve certain capital projects. SB 215 eliminated some of these requirements, but the requirement to review and approve Energy Savings Performance Contracts was unchanged. Texas Education Code (TEC) 51.927 still requires the THECB to approve these performance contracts.

In July 2014, the THECB convened the Negotiated Rulemaking Committee (NCR) on Capital Projects, and the committee recommended making sweeping changes to the Texas Administrative Code (TAC) for the establishment of statewide standards for newly purchased improved real property added to an institution's educational and general buildings and facilities inventory. The Board of the THECB adopted the recommended changes at the Board's July 24, 2014, Board meeting. However, one of the changes was removing TAC Title 19, Part 1, Chapter 17, Subchapter B, Rule 17.12 (regarding delegation of authority for approval). These changes inadvertently removed delegation of approval authority for the Energy Savings Performance Contracts. In order to increase efficiency and reduce administrative burden while satisfying the conditions of TEC 51.927, THECB staff is proposing a rule change that provides for a delegation of approval for Energy Savings Performance Contracts. THECB staff contacted the members of the disbanded NRC on Capital Projects for input on the proposed change; a majority responded, and all responding participants agreed with the proposed changes.

Specifically, this change will establish a methodology that stratifies projects based on two factors: project cost and term of the contract. Energy Savings Performance Contracts that are lower in cost and shorter in term may be approved by the Assistant Commissioner for Strategic Planning and Funding; medium-cost and medium-term projects shall be approved by the Board's Committee on Affordability, Accountability and Planning; and the full Board remains the final approval authority for high-cost and long-term contracts. Any project that is not approved by a delegated party is immediately referred to the next higher level approval authority.

Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding, will be available to answer questions.

Date approved by the Commissioner for publication in the *Texas Register*: January 30, 2017.

Date published in the *Texas Register*: February 10, 2017.

The 30-day comment period with the *Texas Register* will end March 10, 2017.

If comments are received, comments with staff responses will be presented as supplemental agenda material.

CHAPTER 17 RESOURCE PLANNING  
SUBCHAPTER B BOARD APPROVAL

Section

- 17.10 Board Review
- 17.11 Projects Exempt from Board Review
- 17.12 Delegation of Approval Authority
- 17.13 Review Considerations

17.10 – 17.11 No Change.

17.12 Delegation of Approval Authority

- (a) Assistant Commissioner. The Board authorizes the Assistant Commissioner for Strategic Planning and Funding to approve the following types of energy savings performance contracts, upon certification of authority by the proposing institution's governing board that the project meets all of the specified Board standards and statutory requirements:
  - (1) Less than \$20 million but more than \$10 million in cost and with a contract term of ten or fewer years; and
  - (2) \$10 million or less in cost with a contract term greater than 10 years but less than 15 years
- (b) Committee on Affordability, Accountability and Planning. The Board authorizes the Committee to approve the following types of energy savings performance contracts, upon certification of authority by the proposing institution's governing board that the project meets all of the specified Board standards and statutory requirements:
  - (1) Greater than \$20 million in cost with a contract term of 15 or fewer years; and
  - (2) Greater than \$10 million but less than or equal to \$20 million in cost with a contract term of greater than ten years but less than 20 years.
  - (3) \$10 million or less in cost with a contract term of greater than 15 years.
- (c) Board. The following types of energy savings performance contracts shall be considered for approval by the Board: Contracts with a project cost of greater than \$20 million and a contract term greater than 15 years.
- (d) Any project that is not approved by a delegated party is immediately referred to the next higher level approval authority
- (e) The Assistant Commissioner may refer projects to the Committee for review
- (f) Decisions of the Assistant Commissioner may be appealed to the Committee. Decisions of the Committee may be appealed to the Board.

17.13 No Change.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-G (2)

Consideration of adopting the Commissioner's recommendation to the Committee relating to moving Chapter 21, Subchapters C, D, E, F, K, M, N, V, CC, JJ, and RR of the Board rules to Chapter 22, Grant and Scholarship Programs, new Subchapters C, E, F, G, I, Q, W, X, Y, Z, and AA

RECOMMENDATION: Approval

Background Information:

This request is an administrative change to move existing rules, Subchapter C through F, K, M, N, V, CC, JJ, and RR of Chapter 21, Student Services of the Board rules to Chapter 22, Grant and Scholarship Programs, new Subchapters C, E, F, G, I, Q, W, X, Y, Z, and AA. Currently, Chapter 21 contains 23 separate subchapters and the rules relate to student services. The existing rules in Chapter 21 are numbered from 21.1 to 21.2276. Administratively moving the existing subchapters mentioned above to Chapter 22, Grant and Scholarship Programs represents better cataloging for these types of programs. Chapter 22 will subsequently be renamed Student Financial Aid Programs. The table below summarizes this administrative change.

<b>Chapter 21 Subchapter/ Section)</b>	<b>To Chapter 22 Grant and Scholarship Programs</b>	<b>New Subchapter/ Section</b>
Subchapter C §21.51-21.64	Hinson-Hazlewood College Student Loan Program	Subchapter C §22.42-22.55
Subchapter D §21.81-21.99	Hinson-Hazlewood College Student Loan Program: All Loans made before Fall Semester, 1971, not Subject to the Federally Insured Student Loan Program	Subchapter E §22.84-22.102
Subchapter F §21.151-21.156	Matching Scholarships to Retain Students in Texas	Subchapter F §22.112-22.117
Subchapter M §21.401-21.410	Texas College Work-Study Program	Subchapter G §22.127-22.136
Subchapter RR §21.2240-21.2250	Texas Armed Services Scholarship Program	Subchapter I §22.163-22.173

Subchapter E §21.121-21.136	Texas B-On-Time Loan Program	Subchapter Q §22.329-22.344
Subchapter K §21.281-21.289	The Good Neighbor Scholarship Program	Subchapter W §22.597-22.605
Subchapter N §21.430-21.448	Teach for Texas Conditional Grant Program	Subchapter X §22.625-22.643
Subchapter V §21.680-21.696	Teach for Texas Alternative Certification Conditional Grant Program	Subchapter Y §22.663-22.679
Subchapter CC §21.950-21.960	Early High School Graduation Scholarship Program for Students Graduating High School on or before June 20, 2011	Subchapter Z §22.699-22.709
Subchapter JJ §21.2001-21.2008	The Kenneth H. Ashworth Fellowship Program	Subchapter AA §22.729-22.736

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, will be available to answer questions.



Committee on Affordability, Accountability and Planning

AGENDA ITEM V-G (3)

Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 21, Subchapter C, Section 21.62 of the Board rules, concerning the Hinson-Hazlewood College Student Loan Program

RECOMMENDATION: Approval

Background Information:

The amendment to Section 21.62(e), removes the term "presents" and replaces it with the term "provides." Section 21.62(e) is also modified by removing language that requires forbearance requests to be provided in writing. The amendment to Section 21.62(e) aligns the Board rules with federal guidelines for the administration of the Federal Family Education Loan Program.

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, will be available to answer questions.

Date approved by the Commissioner for publication in the *Texas Register*: January 9, 2017.

Date published in the *Texas Register*: January 20, 2017.

The 30-day comment period with the *Texas Register* ended on February 20, 2017.

No comments were received regarding the amendments.

## CHAPTER 21 STUDENT SERVICES

## SUBCHAPTER C HINSON-HAZLEWOOD COLLEGE STUDENT LOAN PROGRAM

- 21.51. Purpose
- 21.52. Authority
- 21.53. Definitions
- 21.54. Eligibility of Institutions
- 21.55. Eligibility of Students
- 21.56. Requirements of Cosigner/Accommodation Party
- 21.57. Notice to Borrowers
- 21.58. Amount of Loan
- 21.59. Loan Origination Fees
- 21.60. Loan Interest
- 21.61. Disbursements to Students
- 21.62. Repayment of Loans
- 21.63. Deceased or Disabled Borrowers and Cosigners
- 21.64. Enforcement of Collection

21.51. - 21.61. No Changes.

21.62. Repayment of Loans.

(a) – (d) No Changes.

(e) Forbearance. The Commissioner may grant periods of forbearance for unusual financial hardship on any account that is held by the Board if the borrower provides ~~[presents]~~ the Commissioner or his designee with ~~[a writing setting forth]~~ the reasons therefore, and the Commissioner or his designee determines that the borrower's account history justifies such action. Borrowers of federally insured loans may have rights to certain additional types of forbearances under the applicable program's statutes and rules.

(f) – (h) No Changes.

21.63. - 21.64. No Changes.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-G (4)

Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 21, Subchapter M, Section 21.403 of the Board rules, concerning the Texas College Work-Study Program

RECOMMENDATION: Approval

Background Information:

Amendments to Section 21.403(c)(3)(B) and (C) remove language pertaining to penalties for late reports and refunds because this provision does not benefit students if such penalties are imposed. The section has been renumbered accordingly.

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, will be available to answer questions.

Date approved by the Commissioner for publication in the *Texas Register*: February 9, 2017.

Date published in the *Texas Register*: February 24, 2017.

The 30-day comment period with the *Texas Register* will end on March 26, 2017.

If comments are received, comments with staff responses will be presented as supplemental agenda material.

## CHAPTER 21 STUDENT SERVICES

## SUBCHAPTER M TEXAS COLLEGE WORK-STUDY PROGRAM

## Section

- 21.401. Authority and Purpose
- 21.402. Definitions
- 21.403. Institutions
- 21.404. Eligible Student Employees
- 21.405. Eligible Employers
- 21.406. Award Amounts and Uses
- 21.407. Allocation and Disbursement of Funds
- 21.408. Dissemination of Information and Rules
- 21.409. Authority to Transfer Funds
- 21.410. Biennial Report and Data Collection

21.401. – 21.402. No Changes.

21.403. Institutions.

(a) - (b) No Changes.

(c) Responsibilities.

(1) – (2) No Changes.

(3) Reporting[.]

~~[(A)]~~ Requirements/Deadlines. All institutions must meet Board reporting requirements in a timely fashion. Such reporting requirements shall include reports specific to allocation and reallocation of grant funds (including the Financial Aid Database Report) as well as progress and year-end reports of program activities.

~~[(B)] Penalties for Late Reports and/or Refunds.~~

~~(i) An institution that postmarks or electronically submits a report a week or more after its due date will be ineligible to receive additional funding through the reallocation occurring at that time.~~

~~(ii) The Commissioner may penalize an institution by reducing its allocation of funds in the following year by up to 10 percent for each report that is postmarked or submitted electronically more than a week late. The penalty may also be invoked if the report is timely, but refunds owed to the Program by the institution are not made to the Board or the State Comptroller's Office within one week after due.~~

~~(iii) The Commissioner may assess more severe~~

~~penalties against an institution if any report or refund is received by the Board more than one month after its due date.~~

~~(iv) — The maximum penalty for a single year is 30 percent of the school's allocation. If penalties are invoked in two consecutive years, the institution may be penalized an additional 20 percent.~~

~~(C) — Appeal of Penalty. If the Commissioner determines that a penalty is appropriate, the institution will be notified by certified mail, addressed to the Program Officer and copied to the financial aid director. Within 21 days from the time that the Program Officer receives the written notice, the institution must submit a written response appealing the Board's decision, or the penalty shall become final and no longer subject to an appeal. An appeal under this section will be conducted in accordance with the rules provided in Chapter 1 of this title (relating to Agency Administration).]~~

(4) – (5) No Changes.

21.404. – 21.410. No Changes.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-G (5)

Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, adding new Subchapter A, Section 22.1 and 22.2 of the Board rules, concerning the General Provisions

RECOMMENDATION: Approval

Background Information:

Proposed amendments to Chapter 22, add new Subchapter A to the Board rules. Specifically, new Section 22.1 provides definitions for terms commonly found throughout the Texas Administrative Code, Chapter 22. New Section 22.2 provides guidelines to be used by institutions of higher education concerning the timely distribution of funds for all of the financial aid programs within the Chapter.

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, will be available to answer questions.

Date approved by the Commissioner for publication in the *Texas Register*: January 9, 2017.

Date published in the *Texas Register*: January 20, 2017.

The 30-day comment period with the *Texas Register* ended on February 20, 2017.

**Summary of comments received:**

**Comment:** The University of Texas at Austin suggested language for Section 22.1(5), regarding the general definition of cost of attendance/total cost of attendance, to more clearly describe allowable educational costs, through the addition of the phrase "and other allowable costs for financial aid purposes."

**Staff response:** Staff agrees with the institution's comment regarding allowable educational costs and has amended the definition of "Cost of Attendance/Total Cost of Attendance" to include the suggested language acknowledging the other allowable costs for financial aid purposes.

**Comment:** The University of Texas at Austin suggested the alteration of language in Section 22.2(2), regarding the timely determination of ineligibility, to reduce confusion and add clarity.

**Staff response:** Staff agrees with the institution's comment regarding improving the readability of the rule and has amended the Timely Determination of Ineligibility language to reflect the suggested wording.

**Comment:** The University of Texas at Austin suggested the alteration of language to Section 22.2(3), regarding the timely cancellation of awards, to provide further clarification through the replacement of "change in student eligibility" with "student's decision to cancel grant aid."

**Staff response:** Staff agrees with the institution's comment regarding improving the clarity of the rule and has amended the Timely Cancellation language to reflect the suggested wording, with one exception. The suggested term "grant aid" is replaced with the phrase "financial aid," since Section 22.2(3) applies to other financial aid programs as well.

## Chapter 22 Grant and Scholarship Programs

Subchapter A General Provisions

## Section

22.1. Definitions22.2. Timely Distribution of Funds22.1. Definitions.

The following words and terms, when used in Chapter 22, shall have the following meanings, unless otherwise defined in a particular subchapter:

- (1) Board or Coordinating Board--The Texas Higher Education Coordinating Board.
- (2) Board Staff--The staff of the Texas Higher Education Coordinating Board.
- (3) Categorical Aid--Gift aid that the institution does not award to the student, but that the student brings to the school from a non-governmental third party.
- (4) Commissioner--The Commissioner of Higher Education, the Chief Executive Officer of the Board.
- (5) Cost of Attendance/Total Cost of Attendance--An institution's estimate of the expenses incurred by a typical financial aid recipient in attending a particular institution of higher education. It includes direct educational costs (tuition and fees) as well as indirect costs (room and board, books and supplies, transportation, and personal expenses, and other allowable costs for financial aid purposes).
- (6) Expected Family Contribution (EFC)--A measure of how much the student and his or her family can be expected to contribute to the cost of the student's education for the year as determined following the federal methodology.
- (7) Financial Need--The Cost of Attendance at a particular public or private institution of higher education less the Expected Family Contribution. The Cost of Attendance and Expected Family Contribution are to be determined in accordance with Board guidelines.
- (8) Full-Time--For undergraduate students, enrollment or expected enrollment for the equivalent of twelve or more semester credit hours per regular semester or term. For graduate students, enrollment or expected enrollment for the normal full-time course load of the student's program of study as defined by the institution.
- (9) Gift Aid--Grants, scholarships, exemptions, waivers, and other



financial aid provided to a student without a requirement to repay the funding or earn the funding through work.

(10) Half-Time--For undergraduates, enrollment or expected enrollment for the equivalent of six or more semester credit hours per regular semester. For graduate students, enrollment or expected enrollment for the equivalent of 50 percent of the normal full-time course load of the student's program of study as defined by the institution.

(11) Program Officer--The individual named by each participating institution's chief executive officer to serve as agent for the Board. The Program Officer has primary responsibility for all ministerial acts required by the program, including the determination of student eligibility, selection of recipients, maintenance of all records, and preparation and submission of reports reflecting program transactions. Unless otherwise indicated by the institution's chief executive officer, the director of student financial aid shall serve as Program Officer.

(12) Resident of Texas--A resident of the State of Texas as determined in accordance with Chapter 21, Subchapter B of this title (relating to Determination of Resident Status). Nonresident students who are eligible to pay resident tuition rates are not residents of Texas.

(13) Three-Quarter-Time--For undergraduate students, enrollment or expected enrollment for the equivalent of nine or more semester credit hours per regular semester. For graduate students, enrollment or expected enrollment for the equivalent of 75 percent of the normal full-time course load of the student's program of study as defined by the institution.

(14) Timely Distribution of Funds--Activities completed by institutions of higher education related to the receipt and distribution of state financial aid funding from the Board and subsequent distribution to recipients or return to the Board

## 22.2. Timely Distribution of Funds.

All institutions participating in the financial aid programs outlined in Chapter 22 shall follow the guidelines for the timely distribution of funds, as outlined within this subsection below:

(1) Timely Disbursement. Institutions shall disburse state student financial aid funding, excepting work-study, to a student recipient's account no later than three business days after receiving the funds. Undisbursed funds must be returned to the Board no later than six business days after the receipt of funds. Gift aid funds for which a student is no longer eligible may be disbursed to a different eligible student for whom funds have not yet been requested in order to meet the timely disbursement requirement.

(2) Timely Determination of Ineligibility. For state student financial aid funding[~~excepting work-study~~], already disbursed to a student, ~~except work study~~, institutions

shall return funds to the Board within 45 calendar days of a student becoming ineligible for the funding. Gift aid funds for which a student has been determined ineligible may be disbursed to a different eligible student for whom funds have not yet been requested in order to meet the timely determination of ineligibility requirement. In all cases, an institution must provide notification to the Board regarding the change in student eligibility, as appropriate for the particular student financial aid program.

(3) Timely Cancellation. For state student financial aid funds already disbursed to a student, institutions may return funds to the Board within 120 calendar days of disbursement in situations where a student has notified the institution of his or her decision to cancel the financial aid. Gift aid funds for which a student has made the decision to cancel may be disbursed to a different eligible student for whom funds have not yet been requested in order to meet the timely cancellation requirement. In all cases, an institution must provide notification to the Board regarding the student's decision to cancel financial aid [change in student eligibility], as appropriate for the particular student financial aid program.

(4) Texas College Work-Study. Funds for the Texas College Work-Study program are provided to institutions as a lump sum at the start of each fiscal year and are subject to the reallocation guidelines outlined in Section 21.407 of the Texas Administrative Code.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-G (6)

Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter B, Section 22.23 of the Board rules, concerning the Provisions for the Tuition Equalization Grant Program

RECOMMENDATION: Approval

Background Information:

Amendments to Section 22.23(c)(3)(B) and (C) remove language pertaining to penalties for late reports and refunds because this provision does not benefit students if such penalties are imposed. The section has been renumbered accordingly.

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, will be available to answer questions.

Date approved by the Commissioner for publication in the *Texas Register*: January 9, 2017.

Date published in the *Texas Register*: January 20, 2017.

The 30-day comment period with the *Texas Register* ended on February 20, 2017.

No comments were received regarding the amendments.

## CHAPTER 22 GRANT AND SCHOLARSHIP PROGRAMS

## SUBCHAPTER B PROVISIONS FOR THE TUITION EQUALIZATION GRANT PROGRAM

## Section

22.21. Authority and Purpose

22.22. Definitions

22.23. Institutions

22.24. Provisions that Apply Only to 2006 Revised TEG Program Students

22.25. Provisions that Apply Only to Original TEG Program Students

22.26. Award Amounts and Uses

22.27. Adjustments to Awards

22.28. Late Disbursements

22.29. Allocation and Reallocation of Funds

22.30. Authority to Transfer Funds

22.31. Dissemination of Information and Rules

22.32. Reporting

22.21. - 22.22. No Change.

22.23. Institutions.

(a) – (b) No Change.

(c) Responsibilities.

(1) – (2) No Change.

(3) Reporting[-]

~~[(A)]~~ Requirements/Deadlines. All institutions must meet Board reporting requirements in a timely fashion.

(A) ~~[(i)]~~ Such reporting requirements shall include but are not limited to reports specific to allocation and reallocation of grant funds (including the TEG Need Survey, the TEG year-end student-by-student report, the Coordinating Board's Education Data Center CBM001 and CBM009 reports, and the Financial Aid Database Report) as well as progress reports of program activities.

(B) ~~[(ii)]~~ Each participating institution shall have its TEG Program operations audited on an annual basis by an independent auditor or by an internal audit office that is independent of the financial aid and disbursing offices. Reports on findings and corrective action plans (if necessary) are due to the Board by April 15 each year.

~~[(B) — Penalties for Late Reports and/or Late Refunds:~~

~~(i) — An institution that postmarks or electronically submits a progress report a week or more after its due date will be ineligible to receive additional funding through the reallocation occurring at that time.~~

~~(ii) — The Commissioner may penalize an institution by reducing its allocation of funds in the following year by up to 10 percent for each report that is postmarked or submitted electronically more than a week late. The penalty may also be invoked if the report is timely, but refunds owed to the Program by the institution are not made to the Board or the Comptroller of Public Accounts' Office within one week after due.~~

~~(iii) — The Commissioner may assess more severe penalties against an institution if any report or refund is received by the Board more than one month after its due date. The Commissioner may penalize an institution by reducing its allocation of funds in the following year by up to 10 percent for each late refund of grant funds. If grant funds are returned more than a week after the announced return date, they will be considered late.~~

~~(iv) — The maximum penalty for a single year is 30 percent of the school's allocation. If penalties are invoked in two consecutive years, the institution may be penalized an additional 20 percent.~~

~~(C) — Appeal of Penalty. If the Commissioner determines that a penalty is appropriate, the institution will be notified by certified mail, addressed to the Chief Executive Officer and copied to the Program Officer and/or Financial Aid Director. Within 21 days from the time that the Program Officer receives the written notice, the institution must submit a written response appealing the Commissioner's decision, or the penalty shall become final and no longer subject to an appeal. An appeal under this section will be conducted in accordance with the rules provided in Chapter 1 of this title.]~~

(4) No Change.

22.24. - 22.32. No Change.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-G (7)

Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter B, Sections 22.22 and 22.24 of the Board rules, concerning the Provisions for the Tuition Equalization Grant Program

RECOMMENDATION: Approval

Background Information:

Specifically, changes to Section 22.22 add the definition for "Religious ministry" to the rule. The amendment is made to clarify that the term "Religious ministry" applies to organized and structured roles and does not apply to informal roles performed by lay persons. The section has been renumbered accordingly.

The amendment to Section 22.24(a)(5) adds language to clarify that degree plans specifically intended to lead a student to religious ministry, as defined in Section 22.22, are excluded from Tuition Equalization Grant (TEG) eligibility. This is in recognition of the sectarian purpose clause of the Texas Constitution (Article I, Section 7), mentioned in Section 61.229(b) of the Texas Education Code.

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, will be available to answer questions.

Date approved by the Commissioner for publication in the *Texas Register*: January 30, 2017.

Date published in the *Texas Register*: February 10, 2017.

The 30-day comment period with the *Texas Register* will end on March 12, 2017.

If comments are received, comments with staff responses will be presented as supplemental agenda material.

## CHAPTER 22 GRANT AND SCHOLARSHIP PROGRAMS

## SUBCHAPTER B PROVISIONS FOR THE TUITION EQUALIZATION GRANT PROGRAM

## Section

- 22.21. Authority and Purpose
- 22.22. Definitions
- 22.23. Institutions
- 22.24. Provisions that Apply Only to 2006 Revised TEG Program Students
- 22.25. Provisions that Apply Only to Original TEG Program Students
- 22.26. Award Amounts and Uses
- 22.27. Adjustments to Awards
- 22.28. Late Disbursements
- 22.29. Allocation and Reallocation of Funds
- 22.30. Authority to Transfer Funds
- 22.31. Dissemination of Information and Rules
- 22.32. Reporting

22.21. No Changes.

22.22. Definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

(1) – (27) No Changes.

(28) Religious ministry – Roles serving as clergy, religious leaders or similar positions within any sect or religious society, as demonstrated through ordination, licensure to preach, or other mechanisms particular to a given sect or society that are used to identify clergy, religious leaders or such similar positions.

(29)~~(28)~~ Residency Core Questions--A set of questions developed by the Coordinating Board to be used to determine a student's eligibility for classification as a resident of Texas, available for downloading through the Coordinating Board's website and incorporated into the ApplyTexas application for admission.

(30)~~(29)~~ Resident of Texas--A resident of the State of Texas as determined in accordance with Chapter 21, Subchapter B of this title (relating to Determination of Resident Status). Nonresident students who are eligible to pay resident tuition rates are not residents of Texas.

(31)~~(30)~~ Subsequent award--A TEG grant received in any academic year other than the year in which an individual received his or her first TEG award.

(32)~~(31)~~ TEG need--The basic amount of TEG funds that an eligible student could receive, subject to the limit in Texas Education Code §61.227(c).

~~(33)~~[(32)] Total TEG need--The total amount of TEG funds that eligible students at an approved institution could receive if the program were fully funded.

~~(34)~~[(33)] Tuition differential--The difference between the tuition paid at the private or independent institution attended and the tuition the student would have paid to attend a comparable public institution.

~~(35)~~[(34)] Undergraduate student--An individual who has not yet received a baccalaureate degree.

22.23. No Changes.

22.24. Provisions that Apply Only to 2006 Revised TEG Program Students

(a) Eligible Students. To receive an award through the TEG Program, a 2006 Revised TEG Program student must:

(1) – (4) No Changes.

(5) be enrolled in an approved institution in an individual degree plan leading to a first associate's degree, first baccalaureate degree, first master's degree, first professional degree, or first doctoral degree, but not in a degree plan that is intended to lead to religious ministry ~~[leads to ordination, licensure to preach or a career in church work];~~

(6) – (9) No Changes.

(b) – (e) No Changes.

22.25 – 22.32. No Changes.



Committee on Affordability, Accountability and Planning

AGENDA ITEM V-G (8)

Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter L, Section 22.227 of the Board rules, concerning the Toward EXcellence, Access, and Success (TEXAS) Grant Program

RECOMMENDATION: Approval

Background Information:

Amendments to Section 22.227(c)(3)(B) and (C) remove language pertaining to penalties for late reports and refunds because this provision does not benefit students if such penalties are imposed. The section has been renumbered accordingly.

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, will be available to answer questions.

Date approved by the Commissioner for publication in the *Texas Register*: January 9, 2017.

Date published in the *Texas Register*: January 20, 2017.

The 30-day comment period with the *Texas Register* ended on February 20, 2017.

No comments were received regarding the amendments.

## CHAPTER 22 GRANT AND SCHOLARSHIP PROGRAMS

SUBCHAPTER L TOWARD EXCELLENCE, ACCESS, AND SUCCESS (TEXAS)  
GRANT PROGRAM

## Section

- 22.225. Authority and Purpose
- 22.226. Definitions
- 22.227. Institutions
- 22.228. Eligible Students
- 22.229. Satisfactory Academic Progress
- 22.230. Discontinuation of Eligibility or Non-Eligibility
- 22.231. Hardship Provisions
- 22.232. Priorities in Funding
- 22.233. Priority in Awards to Students
- 22.234. Award Amounts and Adjustments
- 22.235. Late Disbursements
- 22.236. Allocation and Reallocation of Funds
- 22.237. Funds Provided from Student Deposit Fees
- 22.238. Funds Provided through Gifts and Donations
- 22.239. Authority to Transfer Funds
- 22.240. Dissemination of Information and Rules
- 22.241. Tolling of Eligibility for Initial Award
- 22.242. Reports to the TEXAS Grant Oversight Committee

22.225. – 22.226. No Change.

22.227. Institutions.

(a) – (b) No Change.

(c) Responsibilities.

(1) – (2) No Change.

(3) Reporting [~~and Refunds.~~]

~~[(A)]~~ Requirements/Deadlines. All institutions must meet Board reporting requirements in a timely fashion. Such reporting requirements shall include reports specific to allocation and reallocation of grant funds (including the Financial Aid Database Report) as well as progress and year-end reports of program activities.

~~[(B)] Penalties for Late Reports or Refunds.~~

~~(i) An institution that postmarks or electronically submits a report a week or more after its due date will be ineligible to receive additional funding through the reallocation occurring at that time.~~

~~(ii) — The Commissioner may penalize an institution by reducing its allocation of funds in the following year by up to 10% for each report that is postmarked or submitted electronically more than a week late. The penalty may also be invoked if the report is timely, but refunds owed to the Program by the institution are not made to the Board or the State Comptroller's Office within one week after due.~~

~~(iii) — The Commissioner may assess more severe penalties against an institution if any report or refund is received by the Board more than one month after its due date.~~

~~(iv) — The maximum penalty for a single year is 30 percent of the school's allocation. If penalties are invoked in two consecutive years the institution may be penalized an additional 20 percent.~~

~~(C) — Appeal of Penalty. If the Commissioner determines that a penalty is appropriate, the institution will be notified by certified mail, addressed to the Program Officer with a copy sent to the financial aid officer. Within 21 days from the time that the Program Officer receives the written notice, the institution must submit a written response appealing the Board's decision, or the penalty shall become final and no longer subject to an appeal. An appeal under this section will be conducted in accordance with the rules provided in Chapter 1 of this title (relating to Agency Administration).]~~

(4) No Change.

22.228. – 22.242. No Change.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-G (9)

Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter M, Section 22.255 of the Board rules, concerning the Texas Educational Opportunity Grant Program

RECOMMENDATION: Approval

Background Information:

Amendments to Section 22.255(c)(3)(B) and (C) remove language pertaining to penalties for late reports and refunds because this provision does not benefit students if such penalties are imposed. The section has been renumbered accordingly.

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, will be available to answer questions.

Date approved by the Commissioner for publication in the *Texas Register*: January 9, 2017.

Date published in the *Texas Register*: January 20, 2017.

The 30-day comment period with the *Texas Register* ended on February 20, 2017.

No comments were received regarding the amendments.

## CHAPTER 22 GRANT AND SCHOLARSHIP PROGRAMS

## SUBCHAPTER M TEXAS EDUCATIONAL OPPORTUNITY GRANT PROGRAM

## Section

- 22.253. Authority and Purpose
- 22.254. Definitions
- 22.255. Institutions
- 22.256. Eligible Students
- 22.257. Hardship Provisions for Students Awarded Grants on or After September 1, 2005
- 22.258. Priorities in Funding
- 22.259. Priority in Awards to Students
- 22.260. Award Amounts and Adjustments
- 22.261. Late Disbursements
- 22.262. Allocation and Reallocation of Funds
- 22.263. Dissemination of Information and Rules

22.253. – 22.254. No Change.

22.255. Institutions.

(a) – (b) No Change.

(c) Responsibilities.

(1) – (2) No Change.

(3) Reporting [~~and Refunds.~~]

~~[(A)]~~ Requirements/Deadlines. All institutions must meet Board reporting requirements in a timely fashion. Such reporting requirements shall include reports specific to allocation and reallocation of grant funds (including the Financial Aid Database Report) as well as progress and year-end reports of program activities.

~~[(B)]—Penalties for Late Reports or Refunds.~~

~~(i)—An institution that postmarks or electronically submits a report a week or more after its due date will be ineligible to receive additional funding through the reallocation occurring at that time.~~

~~(ii)—The Commissioner may penalize an institution by reducing its allocation of funds in the following year by up to 10% for each report that is postmarked or submitted electronically more than a week late. The penalty may also be invoked if the report is on time, but any refund owed to the program by the~~

~~institution arrives at the board or the State Comptroller's Office more than a week after its due date.~~

~~(iii) — The Commissioner may assess more severe penalties against an institution if any report is received by the Board more than one month after its due date. The Commissioner may penalize an institution by reducing its allocation of funds in the following year by up to 10% for each late refund of grant funds. If grant funds are returned more than a week after the announced return date, they will be considered late.~~

~~(iv) — The maximum penalty for a single year is 30% of the school's allocation. If penalties are invoked in two consecutive years the institution may be penalized an additional 20%.~~

~~(C) — Appeal of Penalty. If the Commissioner determines that a penalty is appropriate, the institution will be notified by certified mail, addressed to the Program Officer with a copy sent to the financial aid officer. Within 21 days from the time that the Program Officer receives the written notice, the institution must submit a written response appealing the Board's decision, or the penalty shall become final and no longer subject to an appeal. An appeal under this section will be conducted in accordance with the rules provided in Chapter 1 of this title (relating to Agency Administration).]~~

(4) No Change.

22.256. – 22.263. No Change.