

TEXAS HIGHER EDUCATION COORDINATING BOARD

**COMMITTEE ON AFFORDABILITY, ACCOUNTABILITY
AND PLANNING**

1200 EAST ANDERSON LANE, ROOM 1.170
AUSTIN, TEXAS
December 12, 2018
9:00 a.m.

CHAIR
S. Javaid Anwar

VICE CHAIR
Arcilia C. Acosta

Michael J. Plank
Donna N. Williams
Welcome W. Wilson
Michelle Q. Tran
Student Representative, Ex-Officio
Stuart W. Stedman,
Board Chair, 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.thecb.state.tx.us/public-testimony>.

- I. Welcome and Committee Chair's meeting overview
- II. Consideration of approval of the minutes from the September 27, 2018, 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. Presentation on Enrollment Forecast Process
 - B. Data Highlight: How Rising Graduation Rates Support the Completion Goal
 - C. Consideration of adopting the Commissioner's recommendation to the Committee relating to approval of the Facilities Audit Report
 - D. Report on facilities projects that were submitted to the Coordinating Board
 - E. Report on Financial Aid Advisory Committee activities
- 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

Mr. S. Javaid Anwar, 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 September 27, 2018, 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

September 27, 2018, 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 *June 20, 2018*, with the following members present: S. Javaid Anwar, Chair, presiding; Arcilia C. Acosta, Vice Chair; Michael J. Plank; Welcome W. Wilson; Stuart W. Stedman, Board Chair, Ex-Officio; and Michelle Q. Tran, Student Representative, Ex-Officio. Donna N. Williams was not in attendance.

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	Mr. S. Javaid Anwar called the meeting to order and advised the meeting was being broadcast over the internet.
II. Consideration of approval of the minutes from the June 20, 2018, Committee meeting	On motion by Ms. Arcilia C. Acosta, seconded by Mr. Michael J. Plank, the Committee approved this item.
III. Consideration of approval of the Consent Calendar	Mr. S. Javaid Anwar stated the following item was on the Consent Calendar for consideration: Agenda Item V-E. On motion by Mr. Michael J. Plank, seconded by Ms. Arcilia C. Acosta, the Committee approved the Consent Calendar.
IV. Public Testimony on Agenda Items Relating to the Committee on Affordability, Accountability and Planning	Mr. S. Javaid Anwar stated there was no public testimony.

<p>V. Matters relating to the Committee on Affordability, Accountability and Planning</p> <p>A. Consideration of adopting the staff’s recommendation to the Committee relating to the five-year review of the Higher Education Fund (HEF) allocation</p> <p>B. Data Highlight: The Changing Pipeline to Completion</p> <p>C. Report on facilities projects that were submitted to the Coordinating Board</p> <p>D. Consideration of adopting the staff recommendation to the Committee relating to the report of Student Financial Aid in Texas Higher Education, Fiscal Year 2017 (<i>General Appropriations Act, Senate Bill 1, Article III, page III-54, 85th Texas Legislature, Regular Session</i>)</p> <p>E. Consideration of adopting the staff recommendation to the Committee relating to the approval of the nominated members of the Financial Aid Advisory Committee</p> <p>F. Update on Emergency Aid Network (EA Net) Activities</p>	<p>Dr. Julie A. Eklund, Assistant Commissioner for Strategic Planning and Funding, provided a brief presentation. Dr. Eklund and Mr. Thomas Keaton, Director of Funding and Resource Planning, were available to answer questions.</p> <p>On motion by Ms. Arcilia C. Acosta, seconded by Mr. Welcome W. Wilson, the Committee approved this item.</p> <p>Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding, and Dr. Jenna Cullinane Hege, Deputy Assistant Commissioner for Strategic Planning, provided a brief presentation and were available to answer questions.</p> <p>No action required on this item.</p> <p>Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding, was available to answer questions.</p> <p>No action required on this item.</p> <p>Ms. Lesa Moller, Senior Director for Student Financial Aid Programs, provided a brief overview of the report and was available to answer questions.</p> <p>On motion by Ms. Arcilia C. Acosta, seconded by Mr. Michael J. Plank, the Committee approved this item.</p> <p>This item was on the Consent Calendar.</p> <p>Ms. Monique Lee Whitley, Project Coordinator for the EA Net, and Dr. Mary E. Smith, Assistant Deputy Commissioner for Academic Planning and Policy, provided a brief presentation and were available to answer questions.</p> <p>No action required on this item.</p>
<p>VII. Adjournment</p>	<p>On motion by Ms. Arcilia C. Acosta, seconded by Mr. Michael J. Plank, the Committee approved this item.</p> <p>The meeting adjourned at 10:24 a.m.</p>

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 has a Consent Calendar for items that are noncontroversial. Any item can be removed from the Consent Calendar by a Committee member.

Consent Calendar

No items on Consent.

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

Presentation on Enrollment Forecast Process

RECOMMENDATION: No action required

Background Information:

This presentation will provide an overview of the Enrollment Forecast process. The Enrollment Forecast report will be presented for Board consideration on January 24, 2019.

Since 1978, the Coordinating Board has updated its Enrollment Forecast for Texas public colleges and universities every two years. The forecast applies past enrollments by geographic location (county), age, and ethnicity to population projections from the Texas Demographic Center. The results show the enrollments that institutions would attract if their attendance patterns remain the same.

The Coordinating Board's Enrollment Forecast process uses multiple enrollment projection calculations. For each institution, the calculation that produces the projection closest to the 2018 actual/preliminary enrollment is selected. For some institutions, the Coordinating Board makes adjustments to the forecast. For example, if the chosen model produces excess enrollments for institutions which have imposed enrollment caps, the excess is redistributed to other institutions.

The institutions are sent preliminary forecasts in early November with comments due approximately four weeks later. Institutional comments are evaluated, and adjustments made before the forecast is recommended for consideration.

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

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-B

Data Highlight: How Rising Graduation Rates Support the Completion Goal

RECOMMENDATION: No action required

Background Information:

The *60x30TX* Completion Goal tracks the number of master's, bachelor's, and associate degrees and certificates awarded each year in Texas. Capturing all of these degrees and certificates is an important progress measure for the state.

Increasing completions to 550,000 in 2030 will likely be driven by a combination of increasing enrollment and improving throughput—that is, in supporting a larger percentage of students to graduation. Graduation rates of first-time-in-college students who enroll full-time are one method the state uses for measuring the progress of students through the system. While graduation rates do not capture the progress of all students and are not included explicitly under the completion goal, tracking rates can be a useful tool for understanding student progress toward state goals. For example, increased four-year graduation rates may result in reduced excess credit hours and reduced student debt. Shorter completion times also allow students to enter the workforce sooner.

Average graduation rates have risen considerably in Texas over the last several years, with many institutions showing marked improvements. This presentation will focus on several graduation rate measures including 4-, 5-, and 6-year rates at universities and 3-, 4-, and 6-year rates at two-year colleges. Differences in rates across student populations will also be addressed.

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

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-C

Consideration of adopting the Commissioner's recommendation to the Committee relating to approval of the Facilities Audit Report

RECOMMENDATION: Approval

Background Information:

The Texas Education Code (TEC) requires the Texas Higher Education Coordinating Board (THECB) to periodically conduct a comprehensive audit of all educational and general (E&G) facilities on the campuses of public sector senior colleges and universities. Per TEC 61.0583 (d), the results of the facilities audits are reported to the audited institutions and the Legislative Budget Board.

Objectives of the audit are to verify the accuracy of facilities data reported to the Board, and to determine if the institution has followed Board rules and received approvals as required.

The following institutions were audited between June 2016 and June 2018 using the approved protocol:

Tarleton State University
Texas A&M University-Corpus Christi
Texas State Technical College-Harlingen
University of Houston-Downtown
Texas Southern University
The University of Texas Rio Grande Valley
West Texas A&M University
Prairie View A&M University
University of Houston-Clear Lake
Texas A&M University-Kingsville

The University of Texas at Tyler
Texas A&M International University
Angelo State University
Midwestern State University
Texas State Technical College-Waco
The University of Texas of the Permian Basin
Lamar State College-Port Arthur
Texas A&M University-San Antonio
University of Houston-Victoria
Lamar State College-Orange

Mr. Tom Keaton, Director of Finance Resource and Planning, will be available for any questions.

Facilities Audit Report

The audits are conducted with two groups participating. The institution's Internal Auditor conducts the review of the facility project development and issues a report to the institution's chief executive officer and the staff of the Texas Higher Education Coordinating Board (THECB). The peer review team (PRT) conducts an onsite audit of the facility inventory and internal control procedures. The peer review team is accompanied by one THECB staff person. The peer review team report is sent to the management of the institution at the conclusion of the field work. Institutional management is given the opportunity to respond to the report, including an action plan to address any recommendations of the peer review team and the findings of the Internal Auditor.

The results listed below are the result of audits conducted between June 2016 to June 2018. Four of the institutions audited are recommended for re-audit.

Tarleton State University – June 2016

The University has strong inventory systems with the only significant errors in Classification of Instructional Program (CIP) codes. These codes designate what academic field or activity is using the space. There were no findings by the institution's internal auditor.

Texas A&M University-Corpus Christi – October 2016

Although minor errors were found, the institution received perfect scores in all categories. There were no findings by the institution's internal auditor.

Texas State Technical College-Harlingen – October 2016

Two errors were detected in classroom and class laboratory capacities. The institution determined that these errors occurred in the file upload process and has taken steps to correct the problem. There were no findings by the institution's internal auditor.

University of Houston-Downtown – November 2016

Ten CIP code errors were found, and the institution has submitted a response. Planned remedial actions will be sufficient. There were no findings by the institution's internal auditor.

Texas Southern University – February 2017

Multiple errors were detected in the facilities inventory. Space use codes, which identify the type of room, had seven errors that appear to be a result of ineffective intra-institutional communication. Classroom and laboratory capacities were also found in error, and processes are in need of remediation. The institutional internal audit staff reported four findings regarding project submissions, and it determined that controls needed to be enhanced. PRT recommends re-audit with an extended timeline for remediation, which is scheduled for June 2019.

Facilities Audit Report

The University of Texas Rio Grande Valley – February 2017

Although minor errors were found, the institution received perfect scores in all categories. The internal auditor found three projects that were not submitted to the Coordinating Board per rule; remedial action has been taken.

West Texas A&M University – March 2017

Minor errors were found in room identification, space use codes, and classroom/laboratory capacities. The institution submitted a response, and it corrected the errors. PRT does not recommend re-audit. There were no findings by the institution's internal auditor.

Prairie View A&M University – March 2017

Errors were found in room identification, space usage codes, functional category codes, CIP codes, and proration of space. Due to these errors, PRT recommends re-audit in two years, which is scheduled for July 2019. There were no findings by the institution's internal auditor.

University of Houston-Clear Lake – April 2017

Numerous errors in space use classification were detected. The PRT determined that most of these errors were due to the same procedural flaw, and that immediate remediation of this error would preclude the need for a re-audit. Institutional leadership responded immediately with a plan of action that corrects these errors, and no re-audit is recommended. Internal audit had no findings but did offer recommendations to institutional leadership for process enhancement.

Texas A&M University-Kingsville – May 2017

Minor errors were found, but the institution has strong control and reporting systems in place. There were no findings by the institution's internal auditor.

The University of Texas at Tyler – June 2017

Although minor errors were found, the institution received perfect scores in all categories. There were no findings by the institution's internal auditor.

Texas A&M International University – June 2017

One error was detected, however the institution received perfect scores in all categories. There were no findings by the institution's internal auditor.

Angelo State University – July 2017

A single error was found in classroom/laboratory capacity, which was due to upgrades in the type of seating. The institution has made corrections, and no further action is required. There were no findings by the institution's internal auditor.

Facilities Audit Report

Midwestern State University – January 2018

Although minor errors were found, the institution received high scores in all categories. There were no findings by the institution's internal auditor.

Texas State Technical College-Waco – February 2018

Errors in room identification and space use classification were detected. The PRT determined that, while these errors were notable, the institutional plan of action was sufficient; therefore, it did not recommend a re-audit. There were no findings by the institution's internal auditor.

The University of Texas of the Permian Basin – March 2018

Although minor errors were found, the institution received perfect scores in all categories. There were no findings by the institution's internal auditor.

Lamar State College-Port Arthur – April 2018

PRT found errors in room identification, space use, functional category, room area, and CIP coding. Errors were sufficient to warrant a re-audit, which is scheduled for August 2019.

Texas A&M University–San Antonio – April 2018

Notable faults were found in room identification, space usage codes, functional category codes, CIP codes, and E&G room area. PRT recommends re-audit, which is scheduled for August 2019.

University of Houston-Victoria – May 2018

Several errors were detected in room identification, however the institution received perfect scores in all other areas. A re-audit is not recommended. There were no findings by the institution's internal auditor.

Lamar State College-Orange – June 2018

Errors in space usage codes, functional category, and CIP were identified, however the PRT does not recommend a re-audit. There were no findings by the institution's internal auditor.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-D

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, will be available to answer questions.

Reviewed Projects

Institution Project Name	Project Cost	Standard Met Yes/No			
		Space Usage	Space Need	Cost	Building Efficiency
University of North Texas Health Science Center (TRB) <i>Construct Interdisciplinary Research Building</i>	\$118,500,000	NA ¹	Yes	Yes	Yes
The University of Texas Southwestern Medical Center (TRB) <i>Construct Vivarium Building and Renovate Research Facilities</i>	\$147,500,000	NA ¹	Yes	Yes	Yes
University of North Texas (TRB) <i>Construct College of Visual Arts and Design</i>	\$70,000,000	Yes	Yes	Yes	Yes
University of North Texas-Dallas (TRB) <i>Construct Student Learning and Success Center</i>	\$63,000,000	No	Yes	Yes	Yes
University of North Texas-Dallas (TRB) <i>Renovate Dallas Municipal Building</i>	\$56,000,000	No	Yes	Yes	Yes
Texas Woman's University (TRB) <i>Construct Science and Technology Learning Center</i>	\$51,347,000	Yes	Yes	Yes	Yes
Texas A&M University <i>Construct Agriculture Building #5</i>	\$49,000,000	Yes	Yes	Yes	Yes
University of Houston-Victoria (TRB) <i>Construct Student Center and Learning Commons</i>	\$32,000,000	No	Yes	Yes	Yes
University of Houston-Victoria (TRB) <i>Construct STEM Building</i>	\$30,393,000	Yes	Yes	Yes	Yes
The University of Texas at Austin <i>Renovate Marine Science Institute</i>	\$30,000,000	Yes	Yes	Yes	Yes
University of North Texas <i>Construct Discovery Park Bio-Medical Engineering Addition</i>	\$17,400,000	Yes	Yes	Yes	Yes
University of Houston-Victoria (TRB) <i>Rereview Construct Academic and Regional Economic Development Building</i>	\$12,416,715	No	Yes	Yes	No ²
University of Houston-Victoria <i>University of Houston Energy Savings Performance Contract</i>	\$2,761,144	NA	Yes	Yes	NA
University of Houston-Victoria (TRB) <i>Rereview Purchase Casa Del Rio Apartments</i>	\$2,719,210	NA ³	NA ³	Yes	NA ³

1 Space Usage Efficiency (SUE) is not calculated for health-related institutions.

2 This project contains 24,559 square feet of shelled space to be completed by the institution at a later date, once completed the building will meet standard with a 64 percent building efficiency.

Institution Project Name	Project Cost	Standard Met Yes/No			
		Space Usage	Space Need	Cost	Building Efficiency
University of Houston-Victoria (TRB) <i>Rereview Purchase Arlington Apartments</i>	\$2,089,790	NA ³	NA ³	Yes	NA ³

³ The standards for space usage efficiency, cost per square foot and building efficiency, are not applicable to real property purchases.

Project Type	Space Usage	Space Need	Cost	Building Efficiency
New Construction and Addition	Space Usage Efficiency (SUE) score of: <ul style="list-style-type: none"> • 75 points in the classroom score for classroom type facilities • 75 points in the class laboratory score for lab type facilities • 150 points overall for all others 	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"> • Classroom and general – 0.60 • Office – 0.65 • Clinical, diagnostic support labs, and technical research – 0.50 For parking structures: <ul style="list-style-type: none"> • Automobile – 400 SF per space • Boathouses – 500 SF per space • Airplanes – 3,000 SF per space
Repair and Renovation (including repairs and renovations as part of a real property purchase)	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
Real Property Purchases	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-E

Report on Financial Aid Advisory Committee activities

RECOMMENDATION: No action required

Background Information:

Coordinating Board rules require advisory committees to report on committee activities on an annual basis. This allows the Coordinating Board to properly evaluate the committee's work, usefulness, and the costs related to the committee's existence. The current report covers the period from November 2017 through November 2018.

The Financial Aid Advisory Committee (FAAC) is authorized under Texas Education Code, Section 61.0776 and Texas Government Code, Section 2110.0012. The Financial Aid Advisory Committee provides the Coordinating Board with advice and recommendations regarding the development, implementation, and evaluation of state financial aid programs for college students. The FAAC also assists staff in the development of training materials for use by the Center for Financial Aid Information and others in informing students, parents, secondary education counselors, college personnel, members of appropriate community-based organizations, and others about financial aid opportunities for Texas students, including eligibility requirements and procedures for applying for financial aid.

Zelma DeLeon, Executive Director, Financial Aid and Scholarships at the University of North Texas, and Chair of the FAAC, will present a summary of the FAAC's recent activities and will be available to answer questions.

FINANCIAL AID ADVISORY COMMITTEE ANNUAL REPORT

COMMITTEE ABOLISHMENT DATE: 10/31/2021

Committee Purpose: The Financial Aid Advisory Committee was created to provide the Board advice and recommendations regarding the development, implementation, and evaluation of state financial aid programs for college students. It also assists staff in the development of training materials for use by the Center for Financial Aid Information and others in informing students, parents, secondary education counselors, college personnel, members of appropriate community-based organizations, and others about financial aid opportunities for Texas students, including eligibility requirements and procedures for applying for financial aid. In addition, the committee shall provide insight on state financial aid program policies and procedures (e.g. eligibility, allocations, disbursement processes, etc.); review the collection, use, and reporting of data; and identify areas of research for consideration.

Annual Report Period: November 2017 - November 2018

Chair: Zelma De Leon – University of North Texas

Vice Chair: Diane Todd Sprague – The University of Texas at Austin

Past Chair: Delisa Falks – Texas A&M University

Committee Members:

Karla Flores – The University of Texas Rio Grande Valley

Jeanne Gage - Texas A&M University-Corpus Christi

Bridget Jans – University of Houston

Sandi Jones - McLennan Community College

Robert Merino - San Jacinto Community College District

Dana Mingo – Paul Quinn College

Chris Murr – President, Texas Association of Student
Financial Aid Administrators

Alan Pixley - Collin College

Cathy Sanchez - University of North Texas Health
Science Center

Billy Satterfield – University of Houston-Clear Lake

Mike Scott – Texas Christian University

Terry Sheneman – Fort Bend ISD

Samantha Stalnaker – Tarrant County College District

Christine Stuart-Carruthers – Texas State Technical College
System

Kara Tappendorf - Hendrickson High School

Peggy Watts – Temple College

Brent Williford – Blinn College

Committee Meeting Dates:

December 8, 2017

March 8, 2018

June 7, 2018

September 6, 2018

Annual Costs Expended

Travel: \$7994.43

Other: N/A

Time Commitments: It is estimated that committee members and agency staff spend at least 607 total hours in preparation, meeting day, and post-meeting administrative activities for each quarterly meeting.

Current Recommendations to the Board:

1. Continue to work with the THECB by providing feedback and recommendations on new initiatives, state financial aid program policies and procedures and other financial aid topics to strengthen student participation and access to higher education.
2. Continue the work of the Data Collection Subcommittee to review and streamline the collection, use, and reporting of institutional reports to the Texas Higher Education Coordinating Board (THECB).
3. Continue to create and utilize Financial Aid Advisory Committee subcommittees with subject experts to review and identify areas of development/research for consideration of topics of interests.
4. Continue to provide feedback regarding proposed legislative recommendations.
5. Continue support of tuition set-aside funds.
6. Provide a student's complete state financial aid history to institutions.

Summary of Tasks Completed:

Over the course of the year, the Financial Aid Advisory Committee members discussed and provided feedback and recommendations regarding a number of financial aid topics. Highlights included, but are not limited to the following:

Implementations:

- **Priority Deadline** - The Board approved the committee's recommendation that the priority deadline for state programs be changed from March 15 to January 15, beginning FY2020. Members:
 - Discussed how to notify the financial aid community and students about the change.
 - Assisted with the FAFSA on the Web and paper FAFSA language regarding the state deadline.
- **Senate Bill (SB) 887** - The committee members had multiple discussions with Ginger Gossman, Sr. Director, Innovation and Policy Development THECB, regarding the new Senate Bill (SB) 887 (now Texas Education Code 52.335) student loan debt disclosure proposed rules and requirements. Members:
 - Discussed questions and suggestions from the financial aid community.
 - Provided input for the SB 887 student debt letter which helped THECB craft and finalize a letter template that includes the elements that are in statute and rule. Institutions may use the optional letter as a guide.
 - Shared how they were going to implement the requirement at their institutions.
 - Suggested a webinar to provide guidance for institutions, and for institutions to share implementation plans.
- **The THECB hosted two webinars to assist institutions with implementation of SB 887:**
 - June 4 webinar outlined the student debt letter requirements and assisted in the implementation for SB 887
 - August 28 webinar provided guidance on how to effectively communicate information presented in student debt letter required by SB 887.

Data Collection:

- **The Data Collection Subcommittee** - Beginning FY2018, institutions were required to follow a new FAD reporting schedule consisting of three separate reports. The Financial Aid Advisory Committee's Data Collection Subcommittee continued to work with the THECB to implement the new Financial Aid Database (FAD) process/report and validation/certification to consolidate reporting. Institutions now have the ability to electronically sign completed reports online. The subcommittee will now work on the next phase of the auto grant payment project (disbursement and reporting back and forth).

- **Records Retention** – Effective FY2018, the THECB changed the record retention schedule from 5 years to 7 years. Members continued to discuss recommendations to align retention schedules for state aid documents with federal aid retention timelines (3 years).
- **Web Based portal** – Members provided suggestions for the THECB to have a web-based portal to update user information instead of using three different platforms requiring institutions to provide user access information. Members suggested that the THECB build a portal that feeds all three databases into a web-based system similar to that of the U.S. Department of Education.

Legislative Review:

- In preparation for the 86th Session of the Texas Legislature, members provided feedback on THECB legislative proposals to John Wyatt, Director External Relations THECB. The Board adopted the THECB priority recommendations for the 86th Legislative Session. Major legislative recommendations impacting financial aid include:
 - TX WORKS Program – modifies and centralizes the Texas Work Study program.
 - TEXAS Grant – reduces the number of semester credit hours of eligibility from 150 to 130.
 - TEOG – expands TEOG number of hours of eligibility for students enrolled in community college baccalaureate degree programs.
 - 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).
- In addition, the Financial Aid Advisory Committee’s Legislative Recommendations Subcommittee was created to recommend legislative proposals. The subcommittee’s recommendations will be part of the THECB’s conversations with members of the Legislature.
 - **Recommended Proposals:**
 - Align state programs’ Satisfactory Academic Program (SAP) criteria with those of the federal SAP requirements as defined by each institution’s SAP policy.
 - Eliminate the separate confirmation of conviction for offenses involving controlled substances for state aid programs and rely solely on the related question on the Free Application for Federal Student Aid (FAFSA).
 - Align Texas Educational Opportunity Grant (TEOG) Program matching requirements to that of the TEXAS Grant matching requirements.
 - Allow institutions the ability to use a portion of their allocations of the Texas College Work-Study Programs to support the administration of the program.
 - Secure authorization for THECB to centralize the functions required of institutions under SB 887.
 - Monitor the changes to federal aid programs/processes as it may be necessary to consider changes to state aid allocation/processes.
 - **Appropriations Proposals:**
 - Review timing of appropriations, as the Early FAFSA and earlier awards timing necessitates knowing allocations sooner than institutions have known in the past.

○ **Recommendations for the TEXAS Grant Program:**

- Increase appropriations to fund 100% of eligible students in this program or raise the Estimated Family Contribution cap (for priority determination) while funding the same percentage of eligible students; or
- Overall percentage increase in funding for the TEXAS Grant Program to allow the recommended (target) award amount to increase from \$5,000 per year established in FY2012, to \$7,000 per year.

Business Recommendations:

- Members continued to provide feedback and recommendations on new initiatives, state financial aid programs policies and procedures and other financial aid topics to strengthen student participation and access to higher education. Members:
 - Provided input regarding the Texas Administrative Code (TAC) structure and language to best serve the financial aid community.
 - Provided feedback for the Annual Financial Aid Report Appendix E – shows the distribution of students by income range.
 - Provided feedback regarding TEXAS Grant eligibility and awards, by eligibility pathway.

Presentations

THECB provided a number of presenters on relevant topics to the committee this past year that were very informative and helpful for institutions of higher education. The committee is very appreciative of these presentations. The following are some of the presentations provided this past year:

1. Debt Management Strategies at Western Governor's University
2. Work-Study Student Mentorship Program
3. Emergency Aid Network
4. Data Highlight on Student Debt
5. Mission and Goals of the Division of College Readiness and Success

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Committee Members in Attendance	Committee Members Absent	THECB Staff	Audience
Zelma De Leon Delisa Falks Doris Constantine Karla Flores Jeannie Gage - Teleconference Bridget Jans Robert Merino Dana Mingo – Teleconference Christopher Murr Alan Pixley Cathy Sanchez Billy Satterfield Mike Scott Terry Sheneman Diane Todd Sprague Samantha Stalnaker Christine Stuart-Carruthers – Teleconference Kara Tappendorf Peggy Watts Brent Williford Matthew Vandermause - Teleconference	Sandi Jones	Terri Daniels Ginger Gossman Ken Martin Lesla Moeller Charles Puls DeChà Reid Shebah Spears	Bob Collins, WGU Jordan Williford, WGU

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
B. Consideration of Approval of Minutes of the meeting held on September 7, 2017. Zelma De Leon, FAAC Chair	Motion to approve meeting minutes from September 7, 2017.	Vote: Unanimously approved, as corrected.

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
C. Update: Prior FAAC Business Charles Puls, Deputy Assistant Commissioner	Overview/Update: (prior agenda item in review) Agency's Internal Audit & Compliance suggestions <ol style="list-style-type: none"> 1. More regular student by student reconciliation (monthly and mandatory) 2. Reduction in large EOY refunds 3. Reduction in audit findings that requires scope of audit to expand 4. Move to an automated process for paying out payments to institutions 	The Financial Aid Services (FAS) and ISS offices are currently working on items 1 and 4. More information for items 2 and 3 will be provided at next meeting in March 2018 meeting. Committee requested information on schools currently not performing monthly reconciliations on state aid programs in next meeting.

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
D. Consideration of selection of a Vice Chair	Vice Chair Nominations: <ul style="list-style-type: none"> • Diane Todd Sprague, UT Austin 	Motion: Delisa Falks Seconded: Doris Constantine

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Zelma De Leon, FAAC Chair		By unanimous vote Diane Todd Sprague new Vice Chair.
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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
E. Consideration of selection of 2018 FAAC Meeting Dates Zelma De Leon, FAAC Chair	Proposed future meeting dates: <ul style="list-style-type: none"> • March 8, 2018 • June 7, 2018 • September 6, 2018 • December 6, 2018 	Consensus met - proposed meeting dates calendared for 2018. <ul style="list-style-type: none"> • March 8, 2018 • June 7, 2018 • September 6, 2018 • December 6, 2018

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
F. Presentation: Debt Management Strategies at Western Governor's University Bob Collins, VP of Financial Aid	<p>Overview: Mr. Collins provided information on significant student loan changes featured in the House of Representatives draft bill for the reauthorization of the Higher Education Act (See slide one of the PowerPoint presentation located at: http://www.theccb.state.tx.us/reports/PDF/10318.PDF?CFID=70764158&CFTOKEN=99353343). He also recommended that the committee members read a policy brief written by the Committee for Economic Development, which includes 13 recommendations for inclusion in the Higher Education Reauthorization Act. He noted that the proposals represent a major overhaul.</p> <p>The elements of the WGU financial aid delivery model, called the Responsible Borrowing Initiative (RBI), are presented in detail in the slides. WGU participated in the following two institutional waivers (of certain regulations) allowed by the Department of Education as part of its "Experimental Sites" program: (1) the unequal loan disbursements and (2) limiting unsubsidized Direct Loans. The latter was based on an analysis of prior borrowing by WGU students applying for financial aid.</p> <p>Discussion:</p> <ul style="list-style-type: none"> • Has WGU done any studies to determine if offering students loan amounts that are less than the amount for which they are eligible affected the perception of high-need students regarding their access to higher education? <p>WGU is not denying loans for which students are eligible.</p> <ul style="list-style-type: none"> • In year one this was implemented for all students, including those who had received maximum amounts in prior years. • Some students were unhappy when they realized that they had accepted loan amounts that would only cover tuition and fees. • Year one was a lot of re-working (students requesting additional funds). After that cohort, approximately 2/3 of students accepted the recommended amount, with the remainder requesting the maximum amount allowed. • Has the average EFC of the class changed after the new model was implemented? <p>The demographic profile of WGU students has remained somewhat consistent.</p>	N/A

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	<ul style="list-style-type: none"> • Some students entering WGU with high loan debt wanted loan funds for living expenses, but were denied as part of the Experimental Sites initiative. They were advised to attend another institution if they must borrow for more than tuition and fees. • The proposed federal legislation allows institutions to use professional judgement in determining loan limits. If a student truly needs funds to pay for living expenses, the institution has the flexibility to allow that. • Has the WGU tuition and fee structure changed? It has not changed since 2008. Also, most of the students have full-time jobs that cover living expenses. • WGU reframed the Consumer Financial Protection Bureau's "shopping sheet" to make it simple, hiring a third-party software services provider to build an electronic version of the form. The form is launched from the WGU student portal, and the student's action is passed back to WGU. The continued development of this tool was done by WGU staff, introducing "gaming" features. • Is the loan debt information used in determining loan amounts limited to federal student loan debt, and does WGU certify private loans? WGU certifies a minimal amount (approximately \$1 million per year) of private loans and the debt information it reviews for students is federal debt only. • Has the staffing structure returned to a normal state after the initial transition year? The first year was "noisy" and required "staffing up" for the re-working of loan amounts, but after that, the situation stabilized. Also, WGU has partnered with some organizations to provide financial literacy training geared for the adult student population. 	
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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
G. Presentation: Presentation: Work-Study Student Mentorship Program Terri Daniels, Asst. Director, College Readiness and Success	Overview: Program highlights <ul style="list-style-type: none"> • Provides funding to institutions to employ college students for peer to peer activities on college campuses or mentorship on high school campuses • Program goal is to improve student access, success, and completion of higher education • Slight difference from College Work-Study as students can only work in peer or mentorship activities and a minimum salary of \$10.00/hour is required • Program requirements include student training for mentoring and reporting of specific data elements to the Coordinating Board • Program allocation for 2018-2019 biennium is \$5.5 million • For FY 2016, 41 IHEs were funded and 15 IHEs place mentors in local high schools and on their college campus • 2018 will include a website release and Negotiated Rulemaking 	

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
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<p>H. Update: External Relations</p> <p>Charles Puls, Deputy Assistant Commissioner</p>	<p>Update: External Relations (ER) is currently collecting all ideas developed across the Agency for legislative recommendations. ER will be working with the executive officers and the Board to determine which ideals/recommendations will take top priority.</p> <p>More vetting of recommendations will take place in January at the Board's retreat.</p>	
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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<p>I. Update: SB0887 Loan Letter</p> <p>Ginger Gossman, Sr. Director, Innovation and Policy Development</p>	<p>Discussion: Ginger presented information on this topic at the TASFAA conference. Questions and suggestions from the conference and the FAAC are shown in bold:</p> <p>The THECB should consider sending the letter to students, rather than the institutions, because the agency has access to a larger profile of the students than the institutions, although it is not the same data that the institutions have.</p> <p>A statutory change would be required for this, and the agency doesn't have all the information that must be included in the letter. Senator Seliger's comments on the bill expressed intent regarding the relationship between students and institutions.</p> <p>What is considered "reasonable" in terms of the statutory requirement that an institution must disclose information to students that it may "reasonably collect from its own records"?</p> <p>Proposed rules will allow institutions the flexibility to determine what they are reasonably able to collect from their own records. The rules will not require institutions to include parent loans in the disclosures.</p> <p>Are institutions required to continue to send the annual communication even to students who do not continue to apply for financial aid in subsequent years?</p> <p>Yes, if the student carries debt. Ginger's understanding of the statute is that an institution is only responsible for sending the communication to students who are enrolled at the institution.</p> <p>When will the communication template for voluntary use be provided to institutions?</p> <p>When the rules are approved. Proposed rules will require institutions to begin sending the communications every spring, beginning in 2019.</p> <p>Can the communication be electronic?</p> <p>The statute requires that the disclosures be provided electronically.</p> <p>Does the THECB plan to send state loan information to schools? What if a student borrows a state loan, leaves the institution, pays on the loan, and returns to the institution?</p> <p>Currently the agency doesn't have a mechanism in place to do that, although this will be explored for the future. It is not reasonable for institutions to be expected to know what the student has paid on the loan and therefore the institution is not required to include the private loan, in that scenario.</p>	<p>After the rules are implemented, the THECB will explore how the agency might provide institutions access to THECB data for the communication.</p> <p>THECB is now reconsidering whether the exact timing of the annual letter needs to be defined. This will be clarified in the rules.</p>

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	<p>As a "Phase II" of this initiative, for the next legislative session, could we move to a more centralized model, which would be more efficient and allow for a more comprehensive picture of loan indebtedness to be presented to the student?</p> <p>The THECB is interested in pursuing all avenues that benefit the students.</p> <p>When are the draft rules going to be published?</p> <p>Rules to be approved at the April Board meeting must be presented at the March meeting of the appropriate Board Committee (CAAP or CAWS); thus, the proposed rules must be posted in the Texas Register in February. If the decision is to send the rules straight to the Board, they would be posted in early March.</p>	
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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<p>J. Discussion: User Access Portal Improvements –</p> <p>Zelma De Leon, Chair</p>	<p>Overview: Financial Aid Services launched their annual user access cleanup for their secure web portals. A recommendation has been made by the financial aid community to have the CB use a web based portal to update user information instead of the current procedure which involves printing a user authorization form from a website, obtaining a designated signature, and sending it back to the CB as an attachment in an email.</p> <p>Discussion:</p> <p>Committee members:</p> <ul style="list-style-type: none"> • A web based system that can be logged into to add and delete users instead of passing paper back and forth would be more efficient and more helpful in keeping user access information up to date. • Currently there are three different platforms that institutions must provide user access information for and if the CB can build a portal that feeds all three databases into one system, then administrators can reduce some of the steps they have to go through. • A web based portal can also aid in audit process showing timely updates without having to find emails, attachments etc. • Right now the paperwork is updated annually but web-based would allow updates throughout the year. • Having an online system will aid the institutions in maintaining their own records of user access when staff exits. • Some institutions have this capability with other agencies and this has proven to make things a lot easier and done in a more timely fashion. <p>DeCha Reid:</p> <ul style="list-style-type: none"> • CB staff is meeting to discuss best ways to ensure capturing all contact information changes for multiple systems. • CB needs to make sure that documentation covers all portals. • CB will look into a web based portal similar to the Department of Education. • Currently the process is very manual on the CB's end. FAS wants to make the process user friendly and useful across the board for everybody. • The CB is looking into a quarterly review rather than annual review which is what CB internal audit prefers. 	

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
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<p>K. Update: Data Collection Sub-Committee</p> <p>Doris Constantine, Sub-Committee Chair</p> <p>DeChà Reid, Director, Financial Aid Services</p>	<p>Update:</p> <ul style="list-style-type: none"> • CB opened up the FY 2018 FAD reporting portal December 1. The CB has had a few institutions that have already submitted files for FY 2018 which allows the CB to review initially programed errors, edits and comments. The CB will revise/update some of the new changes based on findings during the reviews. The more submitted files and feedback from institutions that are received the better so the CB can ensure that programming is performing correctly. • Additional webinars regarding the FAD reporting change have been created. A memo was sent December 7, 2017 listing two different modules that are available. One is a high level overview of what FY 2018 FAD reporting will look like for institutions. The second module consists of commonly asked questions regarding FY 2018 FAD. This module will be updated as the CB receives more feedback and reviews more submissions from institutions. • The CB is also reviewing the FAD instruction manual and the definitions for the data elements. Some definitions will be updated in order for institutions to more fully understand the data that needs to be pulled for the report. Notifications will be sent out detailing which definitions in the instruction manual are revised, as well as any additional guidance that the CB can provide. • The sub-committee will now work on the next phase which is disbursement and reporting back and forth. This will begin in early spring after the CB team decides on a clear objective and goal. • The FAAC chair reminded institutions that an email was sent December 1 with the reporting cycles and the dates and deadlines for submission. 	
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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<p>L. Update: Legislative Recommendations Sub-Committee</p> <p>Delisa Falks, Sub-Committee Chair</p>	<p>Update: Proposed legislative recommendations:</p> <ul style="list-style-type: none"> • Funding – consider timing of appropriations due to FAFSA awards now taking place earlier. • Align policies for TEXAS Grant, TEOG and TEG (and appropriate waivers and exemptions) regarding SAP with federal SAP policies. • Eliminate separate confirmation of conviction regarding offenses involving control substance and rely on the related question on the FAFSA • Authorize the THECB to administer the application for TASFA and relevant data submissions to IHEs • Secure appropriations and authorize for THECB to centralize functions required under SB887 • Monitor the changes to federal aid programs and consider those changes for state aid programs and allocation processes. • Fully fund the Hazelwood Exemption Program which is currently administered by Texas Veterans Commission (TDC) <p>Discussion: Overall financial aid – Considering the growth rate for each IHE, find innovative ways to better structure the current model for financial aid to meet the 60x30TX goals.</p>	<p>Subcommittee will continue vetting legislative recommendations.</p>

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<p>M. Update: Office of Student Financial Aid Programs</p>	<ul style="list-style-type: none"> • Borrower Services <ul style="list-style-type: none"> ○ Our new IVR system will be launched in January, which should significantly improve the borrower experience. • Financial Aid Services <ul style="list-style-type: none"> ○ The new FADS process has been launched, allowing us to eliminate the end-of-year reports and the TEG Need 	

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<p>Charles Puls, Deputy Assistant Commissioner</p>	<p>survey. We are currently investigating other reports we may be able to eliminate to ease the burden on institutions.</p> <ul style="list-style-type: none"> o Trainers have been very active at TASFAA, TACRAO, and individual campuses. <ul style="list-style-type: none"> • Legislative Ideas <ul style="list-style-type: none"> o These are just ideas. o CAL Updates: Reintroduction of a cleanup bill from the last Legislative Session to correct statutory language regarding the funds used for the CAL program, remove some outdated language, eliminate sections that have never been implemented, and provide clarity in the section regarding total loan eligibility. o Bond authority: Update the Government Code to help ensure that there is enough bond authority to meet CAL demand. o Texas WORKS: Reintroduction of a bill from the last legislative session to remove the off-campus requirement for institutions, allowing institutions to focus on on-campus opportunities, while the agency coordinates an off-campus internship program for students and employers across the state, in support of 60x30TX, especially the marketable skills goal. o TASSP Modification: Re-work TASSP as a loan repayment, rather than loan forgiveness, program. Loan repayment programs incur less administrative expense and operate more efficiently than loan forgiveness programs. o Limiting state aid to required coursework: Extend the current federal financial aid expectation – limiting federal financial aid to coursework that counts toward the degree – to state aid programs in support of 60x30TX. This expectation would provide an active link between student financial aid programs and the degree plan expectations. While it does not provide a complete roadblock to excess credit hours, it implements actions that will require institutions to identify unnecessary coursework and to limit a student's access to state funding in situations where the student does not pursue alterations to their course schedule. It will encourage earlier filing of degree plans, as well as more timely completion of the steps necessary to change majors, minors, and other academic credentials. • Negotiated Rule-Making <ul style="list-style-type: none"> o The agency plans to launch a negotiated rule-making process in the new calendar year to provide institutions with greater flexibility in spending the grant and work-study program funds, and to provide a longer period of time to utilize funds to best help their student populations. o It will also serve as a preliminary step toward eventually being able to allow institutions to utilize funds during the summer. o Notices inviting nominations for the committees will occur shortly after the New Year, with the goal of having a negotiated rule ready for the July Board meeting. (Thus, the current year would be unaffected.) Negotiated rule-making committee members will help 	
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	<p>develop a rule that is in the best interests of all students in the State.</p> <ul style="list-style-type: none"> ○ The current reallocation system limits flexibility, since it requires institutions to return funds well before the end of the school year. The current system also creates inequitable distributions due to reallocations only going to a limited number of schools who then see increases in their future allocations due to being recipients of the reallocated funds. Thus, a school that does not utilize their full allocation not only has to return funds, but also sees a decrease in their percentage share of the next year's funding. ○ The goal is to allow institutions the full spring semester to manage their allocation. Allocated funds an institution was not able to utilize (as demonstrated on the summer submission of FADS) would then be used to provide updated allocations to all institutions in October. This redistribution provides funds six months earlier than the current reallocation process. It also allows for all institutions to benefit from unutilized funding. 	
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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
N. Adjournment Zelma De Leon, Chair	<ul style="list-style-type: none"> • Next FAAC meeting set for March 8, 2018. • Adjournment at 1:10 pm. 	

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

Agenda Item	Critical Discussion Points	Formal Decision/ Action Required
<p>B. Consideration of Approval of Minutes of the meeting held on December 7, 2017.</p> <p>Zelma De Leon, FAAC Chair</p>	Motion to approve meeting minutes from 12-7-2017.	Minutes unanimously approved.
<p>C. Update: Prior FAAC Business</p> <p>Charles Puls, Deputy Assistant Commissioner</p>	<p>Update: Negotiated Rule-Making Committees have been assembled for TEXAS Grant, TEOG, and TEG meetings in April which will focus on providing institutions with more flexibility in the use of their funding:</p> <ul style="list-style-type: none"> • Both annual allocations at the start of the biennium • Providing institutions the full spring semester to manage their allocation • Provide allocation increases earlier in the academic year (Oct vs. March) • Equitably distribute excess funding across all institutions early in the academic year • Move toward allowing summer grants <p>Four additional prior business items will be addressed later in the meeting:</p> <ul style="list-style-type: none"> • Student Loan Letter (SB 887) – Agenda Item E • Potential Legislative Ideas – Agenda Items F and G • Records Retention – Agenda Item H • User access verification feedback – included in Agenda Item L 	
<p>D. Presentation: Emergency Aid Network</p> <p>Monique Lee Whitley, Program Coordinator, Emergency Aid Network - THECB</p> <p>Dr. Terisa Riley, Senior VP, Student Affairs & Univ. Admin. Texas A&M-Kingsville</p>	<p>Overview: Emergency Aid in Texas is a grant created by Bill and Melinda Gates to help study best practices and policies related to emergency student aid in Texas.</p> <p>Discussion: The aim of the project is to understand the impact and benefits emergency aid programs have on persistence, completion and student debt, all of which fall within the scope of <i>60x30TX</i>.</p> <p>The four phases of the project outlined in the presentation dealt with:</p> <ul style="list-style-type: none"> • Landscape Analysis. Survey sent to 178 institutions (Two-year and four-year, both public and private) regarding emergency aid practices and the use of data to identify those in need of emergency aid services. • Network Launch. Ten institutions with significant underrepresented minority populations and with an existing emergency aid program were invited by THECB to develop best practices to help promote policies and processes for effective 	Members were provided a handout to review and answer frequently asked questions regarding Committee requested information on the data source regarding the 3 million students exiting college due to emergency expenses.

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	<p>emergency aid programs in Texas, and to identify barriers that may exist from current policies on emergency aid.</p> <ul style="list-style-type: none"> • Awareness and Dissemination. EA Net presentations to advisory committees such as FLAC and FAAC, and an upcoming statewide convening in September 2018 inviting all HEIs, non-profit organizations, philanthropists • Advocacy. The EA Net will ask THECB to incorporate policy recommendations for emergency aid into the THECB legislative and government related briefings. <p>Specific items the network has discussed include:</p> <ul style="list-style-type: none"> • Defining <u>emergency</u> – the universal definition still being considered by EA Net: “An unexpected or unforeseen expense, event, or circumstance that could cause a loss of momentum toward student success.” • Emergency Aid Programs already in place: <ul style="list-style-type: none"> ○ 61% of institutions already had named emergency aid programs ○ 40% had no established emergency aid program ○ Hurricane Harvey helped to identify that 1/3 of the institutions in the impacted areas did not have an emergency aid program in place. • Whether institutions consider emergency aid as a resource and if a threshold amount is in place, as well as, the statutory difference between disaster aid and emergency aid. • Considering the formation of an online bank of information providing institutions with help on establishing/improving an emergency aid program. Currently NASPA has developed a site called “Student ARC” in which administrators can add information to the site offering a “one-stop-shop.” <p>September 10th and 11th EA Net will sponsor a statewide convening in Austin and institutions are encouraged to attend.</p> <p>EA Net website: http://www.thecb.state.tx.us/60x30TX/TexasEANet</p>	<p>Committee requested that THECB EA Net provide the citation from the US Department of Education that helps guide institutions with coordinating emergency aid, and the distribution of the same to all institutions statewide, as soon as possible.</p>
<p>E. Update: SB0887 Loan Letter</p> <p>Ginger Gossman, Sr. Director, Innovation and Policy Development</p>	<p>Update:</p> <ul style="list-style-type: none"> • Timeline for proposed rules: <ul style="list-style-type: none"> ○ Posted to the Texas Register February 16. ○ Comments due March 18. ○ Rule will be considered at March 21 CAAP Committee meeting ○ Full Board approval would be at the April board meeting • An optional template modeled after the Indiana letter was shared with committee members, with a few questions for members noted. <p>Discussion:</p> <ul style="list-style-type: none"> • A concern was raised about private loans: <ul style="list-style-type: none"> ○ Not specifically required in the statute, yet are included in the proposed rule. ○ Some private loans that do not require institutional certification. • The agency believes the spirit of the law is to provide the student the fullest picture of indebtedness that is “reasonably available” to institutions. Institutions should explain in the letter that they may not have all of the information on the student’s debt. • The committee chair asked members to share how they plan to pull data into the letter and how they will estimate the amount of interest owed on the loans, given different interest rates. <p>Suggestions:</p> <ul style="list-style-type: none"> • Consider outsourcing the integration of available data into the letter, as such services are available. • THECB should create a web page where the rules, FAQs, letter template, and webinar can be posted for institutions. • THECB should organize a webinar to provide guidance and for institutions to share their implementation plans. • Items THECB should consider regarding the template: <ul style="list-style-type: none"> ○ include an explanation of the difference between Subsidized federal loans and unsubsidized loans, 	

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	<ul style="list-style-type: none"> o place data in a table format, which has proven to be preferable to students (based on focus group feedback) and is suggested for the loan and repayment data in this letter, and o place an asterisk beside the repayment information, stating "other repayment options may be available". 	
<p>F. Update: Legislative Recommendations Sub-Committee</p> <p>Delisa Falks, Sub-Committee Chair</p>	<p>Update: FAAC Sub-Committee Recommended Legislative Proposals Handout provided</p> <p>Legislative Proposals</p> <ul style="list-style-type: none"> • Align state programs' SAP criteria w/federal requirements • Align state programs' rules regarding conviction for controlled substances w/federal requirements • Align TEOG matching requirements with TX Grant matching requirements • Alter TEOG to cover cost of attendance, rather than tuition and fees, and align matching requirements accordingly • Appropriate sufficient funds for new staff to administer the off-campus employment requirements of the Texas College Work-Study Program • Authorize THECB to implement an electronic TASFA and data transmission process for institutions • Secure appropriations and authorizations for THECB to centralize functions required under SB887 • Monitor changes to federal aid programs, higher ed. reauthorization, etc. <p>Appropriations Proposals</p> <ul style="list-style-type: none"> • Review timing of appropriations as the early FAFSA and awards timing necessitates knowing allocations sooner • Increase funding for TX Grant to allow for an increase in target award amount <p>Discussion:</p> <ul style="list-style-type: none"> • While increased TEXAS Grant funding has not been a specific part of the Board discussion, THECB believes this is a good recommendation • THECB does not believe anything will be happening regarding reauthorization this year due to the wide differences between the Senate and House proposals. • THECB has not had any specific discussions the Dept of Ed regarding their proposed mobile app that will provide complete loan history, but we will look into it. The goal of SB887 is to provide transparency - not create extra work - for the students and to align state requirements with the federal requirements. Access, mobility, transparency, simplicity are big issues for institutions • The sub-committee's recommendations are not in priority order • The agency plans to propose Texas WORKS again in the 86th Legislative Session 	<p>The sub-committee will finalize the recommendations and submit them to THECB for consideration.</p>
<p>G. Update: External Relations</p> <p>John Wyatt, Director External Relations THECB</p>	<p>Update:</p> <p>Elements that may impact the 86th Legislative Session:</p> <ul style="list-style-type: none"> • The new makeup of the Legislature; who will be the Speaker of the House and who will the committee chairs be • There are no guarantees that any returning member will be reappointed to the same committee position <p>Agency planning for the coming legislative session:</p> <ul style="list-style-type: none"> • Staff recommendations for legislation will be presented at the March 21 CAAP meeting and the April 21 Board meeting. Those recommendations can still be amended after Board approval. <ul style="list-style-type: none"> o Texas WORKS to create centralized off-campus state Work-Study program. Commissioner views this as a priority. o Decrease the lifetime limit for TEXAS Grant from 150 hours to 135 hours, or 15 hours beyond degree requirements. o TEOG awards for students enrolled in BA programs at community colleges o Increase in bonding authority (currently limited at \$75 for projects) to \$200 million per bond issuance, along with some statutory clean-up language. • <u>Not</u> included is last session's recommendation to limit the amount of TEXAS Grant or TEOG award to tuition, fees, and books (less Pell). 	

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Agenda Item	Critical Discussion Points	Formal Decision/ Action Required
	<p>Discussion:</p> <ul style="list-style-type: none"> • THECB estimates roughly \$10 million could be redirected to incoming students by limiting TEXAS Grant to 135 hours. John surmised that some element of grandfathering would be provided for students already at 135 hours at the time such a change becomes effective. TEOG for BA's also proposes the 135 credit limit, mirroring TEXAS Grant • The transfer issue needs continued review, as it has a large impact on both grant eligibility and completions. Both the agency and the state legislature are looking at these items. How can we make transfer more efficient for students, to ensure that they are not taking extraneous hours? What is the impact of dual credit that doesn't count toward a certain major? • Members questioned the impact if Texas WORKS reduced the current Texas Work-Study allocations. It was noted that over a dozen institutions dropped out of Texas Work-Study in the first year because they didn't feel they could fulfill the off-campus expectation. 	
<p>H. Records Retention</p> <p>Charles Puls, Deputy Assistant Commissioner</p>	<p>Update: Records Retention continues to be reviewed. Internal Audit and Compliance Monitoring suggested four items that, if improved, could influence the length of time that records need to be retained:</p> <ul style="list-style-type: none"> • More regular student by student reconciliation (monthly and mandatory) <ul style="list-style-type: none"> ○ This is less an issue of who is or isn't doing something, and more an issue of what tools are available to complete reconciliation. Currently, there aren't solid tools in place to support institutions in this effort. • Automated process for making payments to institutions <ul style="list-style-type: none"> ○ THECB is looking to create a more automated grant processing project to achieve the following goals: <ul style="list-style-type: none"> ▪ Student-specific supporting documentation ▪ Free up resources for more proactive efforts with institutions ▪ More timely distribution of funds to institutions ▪ Greater efficiency in payment processing ▪ Greater accuracy of performance measures ▪ Alleviate resource constraints that may occur when we start processing summer grants ▪ Improved reconciliation ▪ Reduced institutional reporting requirements ▪ Platform support has redundancy within ISS. • Reduction in large EOY refunds • Reduction in audit findings that requires scope of audit to expand <ul style="list-style-type: none"> ○ The discovery of the large discrepancies in loan data is still recent enough that there simply hasn't been enough time to perform more reviews to demonstrate improvements. Internal Audit is working to build more targeted desk reviews into their compliance monitoring plan, thus speeding the process for gathering enough data to be used to discuss potential policy changes. <p>Discussion:</p> <ul style="list-style-type: none"> • Concerns were acknowledged regarding the conflict between the state and federal records retention expectations. The agency is pursuing the automated grant processing to help support the potential for a reduced state retention requirement. • Clarification was provided that the audit concerns were related to all aid programs covered by the financial aid MOU, not just loans. • A description of the general concept behind the automated grant processing was provided (e.g., a year-to-date report with minimal student-by-student data would be submitted by the institution each time it requested a disbursement). • A request was made for the agency to provide better guidance as to when transfers between allocations can occur. • Clarification was provided that the reconsideration of the length of record retention would be based on improvements being made in a number of areas, not just based on one metric. 	

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

Agenda Item	Critical Discussion Points	Formal Decision/ Action Required
<p>I. Update: Data Collection Sub-Committee</p> <p>Zelma De Leon, Chair</p> <p>DeChà Reid, Director, Financial Aid Services</p>	<p>Update:</p> <ul style="list-style-type: none"> • Doris Constantine, Sub-Committee Chair has retired. The sub-committee needs a new chair. • Dana Mingo volunteered to be chair of sub-committee. FAAC Committee agrees. • As of March 7, 2018, 40% of all institutions had validated their FADS. 85 institutions were still working out some errors and one institution was still trying to get FADS programmed and submitted. <p>Discussion:</p> <ul style="list-style-type: none"> • DeCha elaborated that she, the chair and sub-committee worked together to enhance the FAD FY17-18 report. The group gives guidance and recommendations on data elements and descriptions. • DeCha would like to improve the instruction manual for the next reporting cycle which opens May 1. It is helpful to have the institutions' perspective. 	
<p>J. Update: FAAC Student Representative Transition</p> <p>Zelma De Leon, Chair</p>	<p>Update:</p> <ul style="list-style-type: none"> • Transitioning out - Matthew Vandermause recognized for two years of service as student representative for FAAC. • Transitioning in – Jonathan Cereceres as the new student representative from the University of Texas at El Paso. • Note: No nominations were received to represent two-year institutions. 	
<p>K. Update: FAAC Nomination Process</p> <p>Charles Puls, Deputy Assistant Commissioner</p>	<p>Update: The following items were reviewed in preparation for the upcoming nomination cycle</p> <ul style="list-style-type: none"> • A revised nomination letter was reviewed to help clarify expectations for future members (e.g., attending meetings ideally in person, reviewing materials in advance, attendance expectations, etc.) • The efforts to collect nominations were reviewed with committee members (e.g., notifications to Presidents and Chancellors, copying financial aid directors, and notices sent to TASFAA listserv, the agency financial aid mailing list, and to association staff at TASSP and TASA to share with their members). • Terms ending this year: <ul style="list-style-type: none"> o Doris Constantine o Delisa Falks o Jeannie Gage o Sandi Jones o Chris Murr o Cathy Sanchez o Brent Williford 	
<p>L. Update: Office of Student Financial Aid Programs</p> <p>Charles Puls, Deputy Assistant Commissioner</p>	<p>Update:</p> <p>Financial Aid Services</p> <ul style="list-style-type: none"> • Financial Aid Database restructuring has been the primary effort, as mentioned earlier. <p>Borrower Services</p> <ul style="list-style-type: none"> • A new Integrated Voice Response system was implemented Feb 26, which provides an underlying structure for significantly more control of the IVR system. • A top priority is hiring 14 new staff members by July 1 to close the gap created during the hiring freeze and address challenges in our service levels. <p>Project Oversight</p> <ul style="list-style-type: none"> • While the 2016/2017 SFAP strategic plan focused on identifying opportunities for improvement, the 2018/2019 SFAP strategic plan focuses on developing customer response metrics and implementing improvements. Project oversight has been implemented to prioritize efforts, and these priorities are being shared with FAAC to hear input on our priority rankings. 	
<p>M. Adjournment</p> <p>Zelma De Leon, Chair</p>	<ul style="list-style-type: none"> • Next FAAC Meeting set for June 7, 2018. • Adjournment at 12:32 pm. 	

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

Financial Aid Advisory Committee
Meeting Notes
June 7, 2018
(Minutes Approved at September 6, 2018 FAAC Meeting)

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

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
B. Consideration of Approval of Minutes of the meeting held on March 8, 2018 Zelma De Leon, Chair	Motion to approve meeting minutes from 3-8-2018	Minutes unanimously approved.
C. Update: Prior FAAC Business Charles Puls, Deputy Assistant Commissioner	Update: <ul style="list-style-type: none"> • 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"> ○ Eliminates reallocations ○ Allows institutions until August 1 to manage their allocation ○ Provide allocation increases much earlier in the academic year (October vs. March) so that institutions can address student needs more effectively. ○ Equitably distribute excess funding across all institutions early in the academic year, rather than focusing on those institutions making requests late in the year ○ Provides a preliminary step toward institutions being able to provide summer grants ○ TEG and TEOG also chose to move to receiving allocations for both years of the biennium at the start of the biennium 	None

Financial Aid Advisory Committee
Meeting Notes
June 7, 2018
(Minutes Approved at September 6, 2018 FAAC Meeting)

	<ul style="list-style-type: none"> ○ The NRM rules will be presented to the Board's Committee on Affordability, Accountability, and Planning at its June meeting. • Update on the Student Loan Letter: <ul style="list-style-type: none"> ○ Staff at Indiana University shared their experiences with a comparable student loan letter, which informed a THECB webinar conducted earlier this week. ○ This first webinar focused on technical questions about the loan letter requirement. ○ Ginger and her staff are planning a second webinar that is going to address how to reach students effectively (language in the letter, etc.). • 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. 	
<p>D. Presentation: Data Highlight on Student Debt</p> <p>Jenna Cullinane-Hege, Deputy Assistant Commissioner</p>	<p>Overview: Ms. Cullinane-Hege discussed the student debt goal (fourth goal of 60x30TX Higher Education Plan), 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>Discussion:</p> <ul style="list-style-type: none"> • Measurements used to perform analysis over a 10-year span (2007-2017): <ul style="list-style-type: none"> ○ Percentage of completers vs. non-completers ○ Amount of debt incurred • Loans tracked during analysis <ul style="list-style-type: none"> ○ Federal ○ State ○ Private • Measurements not used during analysis: <ul style="list-style-type: none"> ○ Completers seeking 2nd degree ○ Hours earned beyond completion ○ Developmental courses • Debt as a percentage of wage varies by: <ul style="list-style-type: none"> ○ Age group <ul style="list-style-type: none"> ✓ 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 ○ Ethnicity <ul style="list-style-type: none"> ✓ African Americans contain the highest proportion of students and hold a higher loan debt ○ Gender <ul style="list-style-type: none"> ✓ Higher number of females are taking out loans ✓ Amount of loans are consistent with males and females ○ Completers vs. Non-completers <ul style="list-style-type: none"> ✓ Non-completers carry less debt and have a lower average loan amount ○ Degrees 	<p>None</p>

Financial Aid Advisory Committee
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June 7, 2018
(Minutes Approved at September 6, 2018 FAAC Meeting)

	<ul style="list-style-type: none"> ✓ Professional and doctoral degrees have the highest level of debt ✓ Bachelor's degree holders have twice as much debt incurred as Associate and Certificate degrees ○ Discipline <ul style="list-style-type: none"> ✓ Completers of associate degrees typically have a lower debt to first year wage • Debt to first year wage for the strategic plan includes borrowers with the following details:: <ul style="list-style-type: none"> ○ Completers ○ Must have debt ○ Must have wages 	
<p>E. Update: External Relations</p> <p>Linda Battles, Deputy Commissioner, for John Wyatt</p>	<p>Update: The Board adopted its priority recommendations for the 86th legislative session in April. Major legislative recommendations impacting financial aid include:</p> <ul style="list-style-type: none"> • TX WORKS Program – modifies and centralizes the Texas Work Study program. <ul style="list-style-type: none"> ○ Mirrors recommendation from 85th Legislature; plans underway to “tweak” this recommendation during the interim to address concerns raised in last session ○ 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. • TEXAS Grant – reduces the number of semester credit hours of eligibility from 150 to 130. <ul style="list-style-type: none"> ○ Aligns with 60X30TX strategy to encourage students to graduate more timely ○ Will provide significant savings to serve more students. • TEOG - expands TEOG number of hours of eligibility for students enrolled in community college baccalaureate degree programs. • 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) <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>

Financial Aid Advisory Committee
Meeting Notes
June 7, 2018
(Minutes Approved at September 6, 2018 FAAC Meeting)

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

Financial Aid Advisory Committee
Meeting Notes
June 7, 2018
(Minutes Approved at September 6, 2018 FAAC Meeting)

<p>H. Discussion: State deadline language on FAFSA</p> <p>Charles Puls, Deputy Assistant Commissioner</p>	<p>Update:</p> <ul style="list-style-type: none"> • Each year the Department of Education requests updates from each state as to what the language should be on the FAFSA regarding the deadline. • The language must be submitted by March. <p>Discussion:</p> <ul style="list-style-type: none"> • Currently Texas has one of the lengthier descriptions. • The Department provides standard lines of language that can be used. • 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. • Many students interpret January 15 as a deadline date to apply for financial aid and not as a priority consideration date. • It was suggested that the priority consideration idea is getting lost in the wording and the narrative should be shortened as much as possible. • Suggested wording: January 15, 2019. For priority consideration submit application by date specified. Texas private colleges – Check with your financial aid administrator. • Should we add "Awards are made until funds are depleted?" 	<p>Suggested wording will be brought to September FAAC meeting for final decision.</p>
<p>I. Discussion: Annual Financial Aid Report Appendix E</p> <p>Charles Puls, Deputy Assistant Commissioner</p>	<p>Overview:</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>Discussion:</p> <ul style="list-style-type: none"> • 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"> ○ One member suggested keeping the \$5,000 increments but increasing the upper range to \$150,000 or \$200,000 and above. ○ Another member believed that Apply Texas uses \$10,000 increments in its ranges, up to \$200,000 and above. 	<p>Chad will check other reports (IPEDS, FISAP, Apply Texas) to determine if there is consistency there, which the annual report could match.</p>

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June 7, 2018
(Minutes Approved at September 6, 2018 FAAC Meeting)

<p>J. Update: FAAC Nomination Process</p> <p>Charles Puls, Deputy Assistant Commissioner</p>	<p>Update: 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"> o Geographic o Sector o System <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>
<p>K. Update: Office of Student Financial Aid Programs</p> <p>Charles Puls, Deputy Assistant Commissioner</p>	<p>Overview:</p> <ul style="list-style-type: none"> • 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"> o 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. • Borrower Services: <ul style="list-style-type: none"> o The TASSP nomination process opened on April 15th for legislators to submit their nominations through July 31st. o 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. o 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. o 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. • Financial Aid Services: <ul style="list-style-type: none"> o There have been several recent communications about program allocations. o Institutions can now access the SFAP web pages by going to the "Agency Resources" heading on the home page of the THECB web site. • Legislative Reporting: <ul style="list-style-type: none"> o The TEXAS Grant Report will be presented to the CAPPS Committee in June for approval at the Board meeting in July. o The annual financial aid report will go to the CAPPS meeting in September and the Board meeting in October. o Chad will present information from both reports at the September FAAC meeting. 	<p>None</p>
<p>L. Adjournment</p> <p>Zelma De Leon, Chair</p>	<ul style="list-style-type: none"> • Next FAAC Meeting set for September 6, 2018 • Meeting adjourned at 11:47 a.m. 	

Financial Aid Advisory Committee
Meeting Notes
September 06, 2018

Committee Members in Attendance	Committee Members Absent	THECB Staff
Zelma De Leon Diane Todd Sprague Delisa Falks Karla Flores Jeannie Gage Bridget Jans Sandi Jones Robert Merino Chris Murr (Conference Call) Alan Pixley Cathy Sanchez Billy Satterfield Mike Scott Terry Sheneman Samantha Stalnaker Christine Stuart-Carruthers Kara Tappendorf Peggy Watts Brent Williford Johnathan Cereceres Marilyn Abedrabbo		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. Consideration of Approval of Minutes of the meeting held on June 8, 2018 Zelma De Leon, Chair	Revision of Collin College	Minutes unanimously approved.

Financial Aid Advisory Committee
Meeting Notes
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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<p>C. Update: Prior FAAC Business</p> <p>Chad Puls, Deputy Assistant Commissioner</p>	<ul style="list-style-type: none"> • FAFSA on the Web language <p>Discussed at the last meeting therefore, taking all feedback and will come up with the language at the March 2019 meeting.</p> <ul style="list-style-type: none"> • Removing after October 1st is no longer necessary since it's become the standard • Remove the Texas public college reference because there is a more detailed private two-year reference included • Added a specific line for Private and two-year institutions because they may have different deadlines (check with the colleges financial aid administrators) • Remove the final line where it's broken down between the Texas public and private colleges • Keep reference where additional forms may be required and check with financial aid administrators • Confirm that January 15th is the deadline for priority consideration while applications must be submitted by the date specified (additional forms may be required) • Clarify that private and public may have different deadlines and check with college administrators • Some institutions to change the priority deadline date • Discussion <p>Publishing an earlier date before Dec 15th and update the publications on the date the best to disseminate the priority date is thru Tech Act thru their regional offices</p> <ul style="list-style-type: none"> • All nominations receive representation on the committee (Delisa Falks, a short one-year term), other individuals will be presented in the December meeting • New group of committee members leaving today (Chris Murr, Sandy Jones, Cathy Sanchez and Jeannie Gage) • Updates on Administrative Code, summer grant award proposal, and allocation changes allowing institutions thru August 1st to request program funding for TEG, TEOG and TEXAS Grant • Rules and statute determine how the summer grant awarding process would work and the majority of the rules surrounding summer grants will be the same as fall and spring • TEOG and TEXAS Grant same semester award maximums and targets currently exist • TEG, per statute, have a fiscal year maximum (as opposed to a semester) and the total award amount can't exceed the maximum • Looking into the specifics on how summer awards would be affected by the statute dates and fiscal year requirements it doesn't provide for and ability to carry back any funds from future year to the prior year 	

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	<ul style="list-style-type: none"> • Summer awards will work more easily for institutions that have summer as a trailer because SAP will be calculated at the end of summer and aligns more adequately with the new August 1 deadline Institutions with summer as a header will be more challenging because schools will not be able to use funding from the next fiscal year nor can current fiscal year funds be used because of reporting guidelines • Header schools may possibly award summer as a header as long as they don't disburse until Sep 1 and report it in the FY 2019 FAD report, the academic year will start in the summer and SAP would be calculated at the end of spring • TASP Conference • Rules don't have to change as long as there is clarification on how to build the summer and consistency of the word semester and academic year vs period of enrollment is key 	
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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<p>D Presentation: Mission and Goals of the Division of College Readiness and Success</p> <p>Jerel Booker, Assistant Commissioner</p>	<p>The Mission is to foster access, preparation, , and completion of a higher education credential of value for all students.</p> <p>The Goal is to get students "To" and "Through" in the hopes of moving the needle towards 60X30TX goals. The Division is directly aligned with three 60X30TX goals: an educated population goal, completion goal, and student loan default goal.</p> <ul style="list-style-type: none"> • Access <ul style="list-style-type: none"> ○ Coordinate the P-16 council and conference (12,000 K -12 counselors in TX) – all education levels ○ Run the FAFSA campaign; administer Apply Texas application; Counselor Suite (K-12 tool) ○ Track direct-to-college rate ○ Manage Advise TX (113 near-peer advisors in TX); ○ Prepare students for college – emphasize being "college-ready" in middle school so students are college-ready at an earlier age ○ Oversee Developmental Ed funding –implement HB2223 (Co-Req – requires students to take college 	

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	<p>course and dev ed course at the same time) to help students prepare and complete their 1st year</p> <ul style="list-style-type: none"> ○ Support parent 1-on-1 initiative – what it takes to be “college ready” by next year ○ Support and promote financial literacy- looking for ideas on improving efforts; pursuing additional funding from the legislature <ul style="list-style-type: none"> • Participation and Completion <ul style="list-style-type: none"> ○ “Are you Ready” initiative comprised of 2 prongs: College Ready and Student Ready (institutions are student-centered) ○ Social media videos ○ Funding for student completion work; early alert systems; bridge programs ○ Oversee WS Mentorship ○ Minority male initiatives (support initiatives for increased minority participation) • Outreach <ul style="list-style-type: none"> ○ GenTX – effort to create a college-going culture; strong social media presence ○ CRS serves as the outreach arm for these initiatives for the state ○ Dual-credit on-ramp, pathways, best practices to achieve goals of <i>60X30TX</i> <p>Institutions can assist CRS in promoting and supporting these initiatives and should email Jerel directly with any ideas or comments. The CRS team is planning a tour of TX to meet with different groups in different regions to see what institutions are doing in the field. Information regarding these initiatives is posted on our website; the new <i>Are You Ready</i> website will be available soon. In addition to providing financial literacy, institutions can help by reviewing their individual mentorship programs. This will enable CRS to assess the program’s effectiveness; CRS is seeking suggestions and feedback regarding the mentorship program.</p>	
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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
E. Update External Relations	<u>Presentation Points</u> 86th Legislative Session	

Financial Aid Advisory Committee
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<p>John Wyatt, Director</p>	<ul style="list-style-type: none">• The Texas Legislature will begin its session in January, but the pre-filing period opens in November• The process for appointing committee chairs and committee members will start at the end of the year, but we may not know until January or February who will be chairing the Higher Education Committees and the funding committees <p>Policy Recommendations</p> <ul style="list-style-type: none">• The Texas WORKS Program, one of the Board's major legislative recommendations, would replace the current requirement that a certain percentage of work-study positions be offered off-campus, with a more centralized approach at the THECB• The THECB would have a central repository for off-campus internship opportunities, would work directly with employers to identify what those opportunities are, and would be able to set standards for (a) determining the percentage of funding from the state and from the employers and (b) making sure that marketable skills are embedded in that internship. This program was presented in two bills during the last session.• The Texas WORKS bill and other financial aid bills did not move forward due to the undocumented students issue, as there was a will in the Senate to limit financial aid to citizens and permanent residents.• TEXAS Grant Program: Another recommendation from the last session that we will make again is to limit lifetime eligibility to 135 hours or 15 hours beyond degree requirements. The underlying idea is to motivate students to graduate in a timely manner and to free up funds for other students who are eligible for TEXAS Grant.• TEOG: we are recommending that students enrolled in baccalaureate programs at two-year institutions be eligible for TEOG awards, up to 135 hours. Although the Legislature allowed for expansion of BA programs at these institutions, there really is no state aid for these students. <p>Legislative Appropriations Request (LAR)</p> <ul style="list-style-type: none">• In our base appropriation, we found that we have more money for B-On-Time renewal awards to students attending private institutions than we needed, so we have recommended that the funds not needed (approximately \$7.8 million) for those students be moved to the TEG program for students attending private institutions. <p>We have included in the Legislative Appropriation Request (LAR) an "Exceptional Item" for TEXAS Grant, recommending an additional \$107.3 million for the biennium, making the total approximately \$840 million. The idea behind that amount is to serve the same percentage of students, but also to increase the "target" award amount by 2.5 percent each year. (The target award amount has been \$5,000 for several years.)</p> <p>Discussion</p>	
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	<p>Q: What about the recommendations of the FAAC Subcommittee? Are those going to be moving forward?</p> <p>A: They are going to be part of our conversations with members of the Legislature. The Board made its recommendations. The hurdle we face with financial aid recommendations is the undocumented students issue.</p> <p>Q: Regarding the recommendation to align the TEXAS Grant drug offense question with the question on the FAFSA, would that require a rule change, or will it be discussed with members of the Legislature?</p> <p>A: That would require a statutory change; this is a good example of something that should be part of the conversation with legislators. That is a topic that could be sensitive, because it could be portrayed that the state is suggesting being more lax in terms of drug offenses. The conversation should be about helping legislators understand the benefits of aligning state requirements with federal requirements. We can do this through meetings with legislators and through hearings, so that this could possibly be included in legislation.</p> <p>Q: Regarding the recommendation to allow the Pell Grant to be used in addition to the TEOG to cover tuition and fees – currently we’re using TPEG, which we could use to give to other students – is there anything happening with that?</p> <p>A: I don’t think there will be a conversation about that this afternoon, because that meeting is strictly about our Legislative Appropriations Request, but I think we can look for opportunities, particularly early in the session.</p>	
		None

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<p>F. Update: SB887 Student Loan Letter</p> <p>Ginger Gossman, Sr. Director</p>	<p>Update</p> <ul style="list-style-type: none"> • June 4th webinar focused on the logistics of the student debt letter • August 28th webinar focused how to craft language that would resonate with the students 	

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	<ul style="list-style-type: none"> • August 28th webinar hosted was a video; planning on sending the link for both the video and the June 4th webinar • No future webinars planned • SB887 goes into effect this year and the letter is dictated in statute or in rule so you will be able to send the letter to your students • THECB crafted a template that encompasses everything that is in statute and rule and it's very clearly stated. It is recommended that you use the letter as a guide because it's very boring 	
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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<p>G Presentations: Annual TEXAS Grant Report and Financial Aid Report</p> <p>Chad Puls, Deputy Assistant Commissioner</p>	<p>Chad presented an overview of the TEXAS Grant Report for FY 2017, highlighting the four legislatively mandated items in the report: allocations, number of awards (disaggregated by race, ethnicity, and expected family contribution), awards based on basic requirements vs priority model requirements, and student performance in terms of persistence, retention and graduation rates.</p> <p>Lesa presented an overview of the annual Report on Student Financial Aid in Texas Higher Education for FY 2017. All stakeholders (students, institutions, and the State) need to work together to overcome the shortfalls that exist after the expected family contribution and financial aid have been subtracted from education costs. Although Texas has a robust financial aid program, increased investment in financial aid is needed because approximately 60% of students in the Pre-K through grade 12 pipeline are from low-income families.</p> <p>Discussion</p> <p>A member asked if the "national" slide showing institutional grant aid included tuition remission or tuition set-asides, as the amounts are much higher than what is shown for Texas. Staff agreed to look into the national data reported by the College Board and later learned that these data did include funds that are not included in data for Texas institutional grants.</p>	

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<p>H. Update: Data Collection Sub Committee</p> <p>Samantha Stalnaker, sub-committee Chair</p>	<p>Update:</p> <ul style="list-style-type: none"> • The sub-committee met July 17. • The sub-committee reviewed the FAD FY17-18 Cycle 3 Manual which was published on August 30 with the collection cycle beginning on August 31. • Changing the dates of the reporting cycles for FAD FY18-19 was discussed with the new dates as follows: Cycle 1 – February 11-April 15 2019; Cycle 2 – June 10-August 19 2019; Cycle 3 – September 30-December 16 2019. • Discussions about the auto grant payment began and will be continued at the next meeting. • As of September 4, 120 out of 144 institutions validated their file for FY 2018 Cycle 2. • 17% of institutions are still working on FY 2018 Cycle 2. • The sub-committee is scheduled to meet on September 25 and will finalize the FAD FY18-19 Cycle 1 Manual. <p>Discussion:</p> <ul style="list-style-type: none"> • A question was asked – The changes to next year’s reporting cycle were based on what? The sub-committee talked about the confusions and difficulties with opening Cycle 1 in December. Some institutions were not sure if they should be reporting fall data or spring data. Moving this cycle back should ease this confusion as well as push reporting cycle 2 back which will now end after spring semester and satisfactory academic progress has been determined. • DeCha Reid stated that there are no changes to the FAD data elements for FY18-19. • A question was asked – When will the award histories be available? The award histories for TEXAS Grant, TEOG and TEG are being redesigned due to using the FAD instead of the End of Year reports and are scheduled to be up by December 1. 	
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<p>I Discussion: Texas Application for Student Financial Aid sub-committee</p> <p>Chad Puls, Deputy Assistant Commissioner</p>	<p>Dr. Puls proposed creation of a standing TASFA sub-committee to review the TASFA on a regular basis and ensure that it continues to serve the needs of the students. A motion to establish a TASFA sub-committee passed unanimously. Robert Merino is the official Chair. Institutions should submit names of others wishing to serve on the sub-committee to the Chair.</p>	<p style="text-align: center;">None</p>
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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<p>J. Discussion: Texas Grant Pathways of Eligibility</p> <p>Chad Puls, Deputy Assistant Commissioner</p>	<ul style="list-style-type: none"> • The final handout on funding levels estimates funding levels and needs for all programs, in particular the TEXAS Grant • The coming Legislative session will be used to build on the TEXAS Grant pathways • The TEXAS Grant pathways are: <ul style="list-style-type: none"> ○ Enrolling within sixteen months after graduation from a high school ○ Enrolling within twelve months of completing an associate degree ○ Transferring after having received a TEOG and completing an associate's degree or transferring after having received a TEOG an completing 24 credits with at least a 2.5 GPA ○ Military pathway has two components: <ul style="list-style-type: none"> ➢ Enlisted in the military within 12 months of graduating ➢ Enrolling within 12 months after being honorably discharged from military service • Estimated funding for the current biennium was about 92% of eligible students and after adding in TEOG and associate students (to the eligibility pathways for which we have information) we were able to identify, that funding dropped to 70% of eligible students • High school pathway has decreased over the years from 77.6% to 68.6% and there has been some growth in the associate degree students • TEXAS Grant pathway stats: <ul style="list-style-type: none"> ○ About 95% of recipients come through the high school pathway ○ About 4% of recipients come through Associate's Degree pathway ○ About 1% of recipients come through the TEOG pathway 	<p style="text-align: center;">NONE</p>

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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<p>K. Update: Office of Student Financial Aid Programs</p> <p>Chad Puls, Deputy Assistant Commissioner</p>	<p>Update:</p> <ul style="list-style-type: none"> • The TASSP nomination process closed August 31. <ul style="list-style-type: none"> ○ Reminder that elected officials are able to name a replacement if their nominee does not complete the process. ○ SFAP staff will identify which of the 85 nominees did not complete the process by October 15 and will reach out to legislators for replacement nominees. ○ Beginning this year, if a current TASSP recipient fails to meet the requirements of the program (SAP, enrolled in ROTC, etc.), the student loses their remaining eligibility and are not allowed back into the program. The elected official who originally nominated the student has the option to nominate a replacement nominee for the next fiscal year. The replacement student is eligible only for the portion of the award that has not yet been utilized. ○ This year the lowest number of TASSP nominations (85) since the beginning of the program were received. There are usually between 110-115 nominations. • In August, the agency received an \$850,000 State Loan Repayment Program (SLRP) grant from the federal government with a recommendation for three renewal years. <ul style="list-style-type: none"> ○ This program will be used in tandem with our loan repayment program for mental health professionals. ○ There are strict requirements on the federal side of the grant. ○ SFAP staff is working on the details of the grant. • Financial Aid Services posted program guidelines in August along with the memo to start the new fiscal year. • The Student Financial Aid Programs link can now be found on the Institutional Resources and Program drop down box on the THECB main website. • SFAP has been working to establish and track more detailed customer response metrics both in terms of responses to institutions as well as responses to borrowers. • By looking at metrics such as responding to the online CRAFT system, processing borrower forms and answering phone calls has already helped re-deploy some staffing resources. 	<p style="text-align: center;">NONE</p>

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L. Transition of Leadership Zelma De Leon, Chair	Transitioning: Chair, Zelma De Leon is transitioning out and Vice Chair, Diane Todd Sprague transitioning in as the new Chair for FY 2019	Zelma De Leon – Term Ended Diane Todd Sprague – New Chair FY 2019
<u>M. Adjournment</u> Lisa Blazer, FAAC Chair	Next FAAC Meeting set for December 06, 2018 Minutes need to be approved or not approved (not a voted item) Adjournment at 12:28pm	