

FINANCIAL AID ADVISORY COMMITTEE

ANNUAL REPORT

AGENDA ITEM V-D

COMMITTEE ABOLISHMENT DATE: 10/31/2017

Committee Purpose: *The Financial Aid Advisory Committee was created to provide the Board with advice and recommendations regarding the development, implementation and evaluation of state financial aid programs for college students. In this capacity, it is also to assist 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, and members of appropriate community-based organizations, and others about financial aid opportunities for Texas students. In addition, the committee shall review state financial aid program policies and procedures; review state financial aid reports, including their uses; recommend changes in the allocation of financial aid funds to address state goals; review the collection and uses of data; and identify areas of research for consideration.*

Report Period: December, 2014-November, 2015

Chair: Lisa Blazer-The University of Texas San Antonio

Vice Chair: Tom Melecki-The University of Texas at Austin-Ended in August 2015

Chris Murr-Texas State University served as Vice Chair from September-November 2015

Committee Members: •Marcus Wilson-Texas Tech HSC, •Ron Brown-Mary Hardin Baylor, •Doris Constantine-St Edward's University, •Anne Walker-Rice University, •Carolyn Jones-Collin County CCD, •Zelma De Leon-University of North Texas, •Pilar Janis-Brownsville ISD, •Anna Drake-Student Representative, •George Torres-Texas Guaranteed, •Delissa Falks-Texas A&M, •Chris Murr-Texas State University, •Carolyn Mallory-University of Houston Victoria, •Harold Whitis-Alamo CCD, •Rosario Juarez-Austin Community College, •Melissa Elliot-Vernon College, •Carl Gordon-College of the Mainland, •Audree Hernandez-College Advising Group, •Mary-Gallegos-Adams-TSTC Harlingen

Committee Meeting Dates: December 11, 2014, February 19, 2015, June 25, 2015 and September 17, 2015

Annual Costs Expended

Travel: \$11,355.77

Other: N/A

Time Commitments:

Committee Members and Agency staff spends an estimate of 120 hours every Quarter for preparation, meeting day, completing minutes and clean up after meeting.

Current Recommendations to the Board:

- Work to solidify the nomination process for the FAAC committee, ensuring we meet guidelines and meet the needs of the financial aid community
- Continue to provide feedback leading into the next legislative session
- Work with Student Financial Aid Programs (SFAP) by providing feedback on new initiatives including ideas for the SFAP "central office," Texas Student Aid Handbook, and reporting requirements
- Continue to have a sub-committee that provides feedback to THECB on data collection and reporting
- As the federal process moves to Prior, Prior Year and the FAFSA application opens up on October 1, 2016 for the 2017-18 year, FAAC will need to work with THECB to potentially change processes for state aid in order to effectively package all forms of financial aid at the school level.
- Work with THECB to improve the allocation process, providing information in a timely manner and a more streamlined process.

Summary of Tasks Completed:

Over the course of the year, we spent time discussing what was happening during the legislative sessions. We discussed the possibility of increased funding for Texas Grant and the likelihood that B-on-Time and the Top 10% would be reduced and/or eliminated. We also discussed the continued concern about Hazlewood. We recognize that reductions to the program would cause issues for veterans but it is an unfunded mandate that is costing the universities in the state several million dollars. Also, one of the things we talked about was communication to high school counselors and how we need to amp that up, especially when programs could potentially be eliminated or reduced in any way. One of the items that the FAAC worked on previously was the changes to the Texas Grant rules. At the February meeting, we discussed the changes to the rules, which will help limit eligibility while still providing access to the students that need grant funding. There are still many questions regarding allocation formulas and the need for more negotiated rulemaking. While we came to a conclusion for Texas Grant during negotiated rulemaking, the outcomes were quite severe for some institutions so a request was made to have more negotiated rulemaking, which is currently underway. More data has been requested to ensure we make decisions based on solid data. There are concerns about the new requirement for Texas Work-study requiring off-campus positions. Many of us have small allocations and funding off-campus positions can be difficult to manage. We are looking forward to the study that will be conducted so that FAAC can provide additional feedback on how to best implement this new requirement.

We have also heard from TG regarding the effectiveness of counseling and student loan debt. Committee members agree that we need more financial literacy and student debt counseling, but there are concerns about funding and ensuring we have adequate resources to fully implement a program across the state. Most institutions struggle keeping up with the demands of financial aid processing and counseling in general. We also provided feedback on FAFSA simplification happening at the federal level. While we recognize the need for simplification, we also need to ensure we gather information to determine eligibility for state funded programs. FAAC will also play a role in providing feedback for the new 60x30 strategic plan, especially as it relates to student loan debt.

We are looking forward to the changes in how the student financial aid programs will be enhanced and restructured, based on the presentation provided in June by Charles Puls, Deputy Assistant Commissioner. The changes are needed and FAAC will continue to provide feedback as needed.

Financial Aid Advisory Committee
Meeting Notes
December 11, 2014

Committee Members in Attendance

Lisa Blazer
Ron Brown
Zelma De Leon
Anna P. Drake
Carolyn Jones
Tom Melecki
George Torres
Ann Walker
Marcus Wilson via Broadcasting

Absent Committee Members

Doris Constantine
Pilar Janis

Staff

Connie Cooper
Katherne Carson
Lesa Moller
Rafael Villarreal
Teresa Aleman

Guests

Ray Martinez, Independent Colleges and Universities of Texas
Jeff Webster, TGSLC
Mary Gallegos Adams, Texas State Technical College - Harlingen
Carolyn Mallory, University of Houston - Victoria
Carl Gordon, College of the Mainland
Christopher Murr, Texas State University
Audree Hernandez, College Advising Corp.
David Young, Governor's Office
Linda Battles, THECB
Ginger Gossman, THECB
Paul Turcotte, THECB
Albert Contreras, THECB
Janie Miramontes, THECB
Michelle Williams, THECB

Lisa Blazer greeted everyone in attendance and had all members of the committee and guests in the audience introduce themselves.

Selection Process for New Members

New member recommendations were approved by the CAAP committee on December 10, 2014 and will be presented for final approval at the next Board meeting in January.

Member Service Dates

Lisa Blazer began a discussion of rule changes for member service dates. Currently, new presiding members start with the 2nd meeting of the year. The options discussed were:

- Change the process for next year. The Chair would take over in September and members would start to serve with the 2nd committee meeting in December. This would require moving up the recommendation process to be completed by the September meeting; or
- Start the new service year with September and members would begin to serve with the September meeting. This option would require a rule change.

After several minutes of discussion, the motion was made to go with option one: The Chair would take over in September and committee members will begin to serve with the December meeting. The motion carried; Linda Battles stated the requirement to have nomination materials ready and provided to Board members two weeks prior to the September 23, 2015 Board meeting.

Meeting Minutes

It was acknowledged that the meeting minutes from the September 16 meeting had a typo on page 3, under the Exceptional Items Requests. The LBB total was initially listed as \$300. The correction was previously made to \$300M. The motion to approve the minutes was made and carried.

BOT Loan Counseling Module

Janie Miramontes discussed and provided a slide presentation of the changes to the loan counseling module. The original module presented the student with a certificate of completion at the end; the new module will require the student to register to complete the module and print a certificate of completion. Schools will be able to review an online report of students that have completed the module from an Excel spreadsheet. The following questions/answers resulted from the discussion:

- Q: Is the report available to the schools cumulative? A: Yes, it is a cumulative report.
- Q: What ID is used for the student? A: Whatever the student provides, the module asks for the student id number.
- Q: Can schools with multiple campuses be listed together in the drop-down selection box for the students? A: Yes, that can be looked at.

84th Legislative Session

Lisa acknowledged the upcoming Legislative session and the priorities for the Coordinating Board, and opened for discussion topics the committee should prepare for conversation regarding financial aid. The following topics were cited:

- House Bill 117, regarding the reduction of set-asides and using funds to cover expenses of the Hazelwood program. Christopher Murr suggested the FAAC community stress the benefit that the set-asides provide to high-need populations and that maybe Hazelwood should be funded from other sources.
- BOT appropriations process: Lisa Blazer spoke on how set-asides aren't coming back to schools at the volume of contribution for public schools; there's \$120M sitting that cannot be touched (example: for public institutions, UTSA received \$900k less than what was set aside)

- Lesa Moller expressed that a reallocation of unused funds will be done in March 2015.
- Linda Battles explained the CB submitted a recommendation:
 - to have \$50M on top of the base appropriated to the CB for BOT in the general revenue dedicate;
 - to include any set-asides collected for 2016/2017 biennium;
 - to curtail the accumulation of dollars so at least the legislature could appropriate those dollars as they are collected; and
 - to appropriate any loan repayments collected during the biennium.

Linda also shared there will be a movement towards eliminating set-asides. The Commissioner can see the argument on both sides but wants to be prepared to provide a recommendation to the legislature on what to do if those tuitions set-asides are eliminated.

- Linda suggested it would be helpful for ideas for a plan B if the legislature decided to eliminate all tuition set asides. The Commissioner has tasked CB staffer for ideas; a new office, Innovation and Policy Development, has been created to help formulate these types of policy recommendations. Any kind of feedback from the FAAC and other external stakeholders would be helpful.
- Private institutions have concerns of TEG dollars and the EFC cap that limits what a school is able to spend. Ann Walker explained it is hard for someone in the legislature to look at a family with an EFC of \$20K and feel as if they have need and should be worthy of getting need-based aid from the state, but the private institutions rely on those dollars. Funds that aren't used because of the cap are sent back but it's not equitable.
- Community colleges have concerns with diploma mills, definitions, and home schools (institutions not accredited where students receive high school credentials; high volume in Houston area). Carl Gordon expressed the concern is that students go to diploma mills, receive their high school credentials, are able to get accepted because community colleges are open admission institutions, but when they go through the financial aid process the high school credentials don't meet the requirements. Ann Walker shared she received a call from an investigator with the Department of Education that students, particularly in the Houston area, are going to area universities and community colleges with a piece of paper that's not valid and questioned how as institutions it's tracked and what's real and not real.
- Mary Gallegos Adams shared one of the concerns for TSTC and Lamar Colleges is the reset for negotiated rule-making for TEOG and the impact on funding for both college systems. There is a hold-harmless in place for the next two years but they're unsure what will happen after that. Lesa Moller stated the committee was disbanded because it didn't come to a consensus so the CB had to put together proposed rules which were approved at the CAAP meeting the day before (December 10, 2014).
- Linda Battle brought up Senate Bill 117 by Van Taylor, requiring students to demonstrate eligibility for federal aid in order to receive state aid.

Lisa reiterated the need to be geared up and ready to go and asks to be emailed with anything that may come up that the FAAC should have a conversation about or be heard on. She will make sure that contacts for a variety of offices are updated so FAAC can be put on the agenda when necessary.

Zelma De Leon asked Lesa Moller to elaborate on revised statutory provision of Top 10% Scholarship Program and the recommendations that will be put forth. Current language states graduating seniors

taking less than full time enrollment cannot receive the scholarship; they're wondering if the language can be changed to allow student to receive the scholarship in the semester they are graduating. Lesa states she is not familiar with any legislative recommendation due to very recent staff changes and deferred to Linda Battles. Linda confirmed it is part of the CB legislative packet; the Top 10% Scholarship Program has been operating as it was created in a rider in 2009. Subsequently another Top 10% statute was created but never funded and never implemented. What the CB wants to do now is get statutory authorization of the program currently being administered and are recommending an allocation methodology.

Student Loan Debt Goal 2016-2030

Lesla Moller opened the presentation stating the current Closing the Gap by 2015 plan was adopted in October 2000 and it will soon be time to adopt a new plan for the next 15 years. One of the strengths of the plan was the contribution and strong support from the state's educational, business and political communities. To develop the same level of engagement and support, the Board has created the Texas Higher Education Strategic Planning Committee. The tasks assigned to the Committee are:

1. making recommendations for the goals, targets and statewide strategies for the next long term strategic plan for higher education in Texas; and
2. soliciting input from stakeholders and the general public across the state.

Embedded within the framework are communications, meetings, and conferences to invite, secure, and consider institutional and other stakeholder feedback on the potential goals and the perspective measurable targets associated with the next long term plan. It's anticipated that at the July 23, 2015 meeting, the Strategic Planning Committee will present to the Board, for consideration and adoption, their final recommendations regarding the next long-term strategic plan for higher education. The Strategic Planning Committee has considered the following four goals for the next long-range higher education plan for Texas:

1. An overall state educational attainment goal;
2. A completion goal;
3. A marketable skills goal; and
4. A student debt goal.

Institutions will be invited to provide input through subcommittees and during comment periods. Lesa Moller turned it over to Lisa Blazer for additional discussion on the topic. Lisa stated there will be additional requirements placed upon the schools to make sure the goals implemented are met on their various campuses and asked for thoughts from the audience. The following recommendations were made:

- George Torres recommended the committee make sure that when the strategies are set up, they make sense; it's a good opportunity for the FAAC to step up and advise the group writing the plan. TG stands ready to assist in any way they can.
- Ann Walker recommended the committee look at the broader picture of how to get loan borrowing down and how to provide financial literacy to students; schools want to reduce borrowing without the burden of administrative costs, resources, or personnel. Support from the legislature is needed to ease cost concerns.
- Ann Walker recommended the need to make sure state loans (CAL and BOT) remain competitive with low interest so they are preferable over private loans.

- Ann Walker recommended the state come up with a richer, more contextual way to understand a family's financial strength for allocation of state funds; the federal EFC is not a true picture of what a family can contribute.
- Lisa Blazer recommended the committee be prepared to discuss the impact to institutions of 15 hours becoming the new full-time requirement; there could be a lot of ramifications at the state and federal level. The committee needs to make sure the legislature understands the population the schools serve and the different needs.
- Lisa Blazer recommended documenting the work the FAAC does to provide valuable educational tools for legislature and campus communities; to share how FAAC is able to fill gaps to help the state meet strategic objectives.

Paul Turcotte (involved with staffing the Strategic Planning Committee) assured the committee that all the items discussed are key points to the Strategic Planning Committee. Student loan debt for Texas is doing quite well when compared to the nation, but it's not necessarily quite well enough for Texas; they want to make sure we continue to do well over the next 15 years. That's why the committee picked 60% compared to wage and not some other metric. The goal won't be met from the financial aid office; the goal involves a cultural shift in getting students to think about spending tomorrow's money if they're not going to be making it back.

Ann Walker asked that the Strategic Planning Committee keep in mind that most students in the state of Texas do not look like the kid we all imagine going off to college; it's not the 18 year old going off to college for the first time.

Carolyn Jones asked that they keep in mind 15 hours per semester to get an award could impact whether community college students can go or not.

The strategic plan is supposed to be completed in June. Each month the committee will continue to meet. Meetings will be broadcasted; Lesa will speak with Mary Smith to see if the FAAC can be included on the mail list for invites.

THECB Reorganization

Lesa Moller directed everyone to the website to find the new THECB organization chart. Lesa recognized a new Innovation and Policy Development group; Ginger Gossman is the Senior Director. The group will likely be interested in working with the FAAC on any policies that come up regarding state financial aid.

The agency is also going through the process to hire a new Deputy Assistant Commissioner for State Financial Aid Programs. The CB lost Lyn Kinyon to Baylor University; her position had also been posted and recently closed.

FAAC Meetings

A decision needs to be made on the next committee meeting, it's anticipated for February. A doodle poll will be sent out for response. Lisa recommended the 2015 Meeting Schedule for February, June, September, and December.

Meeting Adjourned.

Financial Aid Advisory Committee
Meeting Notes
February 19, 2015

Committee Members in Attendance

Lisa Blazer,
Pilar Janis
George Torres
Ann Walker
Anna Drake
Zelma De Leon
Harold Whitis
Carolyn Mallory
Carl Gordon
Delisa Falks
Marcus Wilson
Carolyn Jones
Audree Hernandez
Mary Gallegos-Adams
Chris Murr
Tom Melecki

Absent Committee Members

Melissa Elliot
Ron Brown
Doris Constantine
Rosario Juarez

Staff

Linda Battles
John Wyatt
Ken Martin
Lesa Moller
Janie Miramontes
Katherne Carson
Connie Cooper
Albert Contreras

Guests

Carla Fletcher-Research Analyst TG,

Approval of Minutes

The minutes from the last meeting were approved by the committee.

HB1 and Other Bills Impacting Financial Aid Programs

John Wyatt, Director, External Relations, THECB

Bills have been introduced in both the House (HB1) and Senate (SB2).

SB 2 Level Funded Programs

02/2015

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- Texas Grants was level-funded, which had been reduced based on removal of transfer from TX Grant to TEOG FY 15 and a gift from TG which was not included in our base. THECB did receive what we requested at our base.
- TX B-On-Time maintains level funding for the public institutions.
- Tuition Equalization Grant Program
- Texas Educational Opportunity Grant Program (TEOG)
- Texas College Work Study Program

SB2 Reductions

- Reduction of funding for the CB of \$97 Million - ~ 6.4% reduction.
- Single largest reduction was \$30 Million to reimburse institutions for tuition and fees under the Hazlewood program; program was transferred to the Texas Veterans Commission in 2014.
- Texas B-On-Time for private institutions was only funded to cover renewal students –eventual phase-out of the program.
- Top 10% Scholarship Program was funded only at the level sufficient to cover renewal students, which represents a \$21 Million reduction over the 14/15 level. SB2 includes a rider language restricting funding to renewal students only.
- Texas Armed Services Scholarship Program was reduced at 25%, which represents about a \$1.7(8) Million reduction

HB1 Includes an increase of 5.3% or \$8 Million in all funds and increases Texas Grant at ~\$41.3 Million over the 14/15 base.

HB1 Level Funded Programs

- Tuition Equalization Grant Program
- Texas Educational Opportunity Grant Program (TEOG)
- Texas College Work Study Program

HB 1 Reductions

- Top 10% Scholarship Program was funded only at the level sufficient to cover renewal students.
- Texas B-On-Time program - restricts program for both Private and Public institutions funding to cover renewal students only. HB1 will wind it down for all institutions. There is a provision to appropriate about \$99 Million in the GRD account for B-On-Time, but that is contingent upon passage of legislation eliminating the tuitions set asides for B-On-Time.

Tuition set asides

- HB117: Would make tuition set asides optional for institutions and would require that set aside proceeds be directed first for covering tuitions and fee exemptions for Veterans and their dependents.
- HB1325: Would permit institutions to retain any excess set asides for B-On-Time loans that they make, but that excess would have to be dedicated for Veterans and their dependents.
- HB375: Would eliminate the requirements for set asides in their entirety. Set aside requirements would be eliminated but institutions would retain ability to use set asides for financial aid.
- HB952: Would give institutions the option to retain set asides and potentially make B-On-Time awards or use set asides for other eligible financial aid purposes.

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Residency

- HB209 and HB360: would eliminate the current path way that allows undocumented students to be considered residents for both tuition and financial aid purposes.

TEXAS Grant

- SB117: Would require all Texas grant recipients to be eligible for federal financial aid.

Tuition and Fee Rates

- HB 89: By Rep. Mary Gonzalez would limit institutions' future tuition rates to no more than what they charge in 14/15 academic year.
- SB255: By Senator Ellis would limit institutions' tuition rates to no more than what they charged in the 15/16 academic year.
- SB233: Would limit growth to no more than the rate of inflation.

Appropriations

The Commissioner and Vice Chairman appeared before the Senate Finance Committee.

- Texas Grant –\$137.9 Million exceptional item request (EIR) to be able to serve 100% eligible students at a \$5,300 grant reward amount.
- TEOG - \$37.3 Million EIR to insure level funding with the FY15 funding amount which was not funded in the introduced bill.
- Work-Study -\$5.3 Million EIR to provide awards to 1,577 additional students each year; this was not included in either introduced bill.
- TEG - \$18 Million EIR to restore the program to FY09 funding levels and serve approximately 30,000 students each year.

B-On-Time

- The Commissioner has made the point that B-On-Time was one of the few state programs aimed more toward middle class students - students that don't necessarily have the largest amount of need.
- Rep Giddings has expressed concern that institutions were not receiving what they were contributing in set asides - if an institution doesn't use its entire allocation the funding is reallocated to other institutions.
- Various House bills would eliminate set asides and return \$99 Million that has accumulated to the institutions, but there is no specific bill to phase-out BOT. There is still some discussion on how to wind-down the program. The provision to return the \$99 Million is contingent upon passage of legislation.
- Because the need requirement for B-On-Time is much lower, there is the ability to extend that program to students higher up the income chain. CB staff has traveled to Washington to find relief to the requirement that prohibits institutions from promoting alternative loans to its students.
- Several committee members commented about the importance of making students aware of the program.

Top 10%

- The CB had submitted a scenario in its LAR where Top 10% would be reduced to renewal students *only if we had to take a cut*. This was just in the reduction scenario, if needed.

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- Both HB1 and SB2 have the same funding level and restrictions for Top 10% - only for renewal students.

The Committee requested a copy of the Commissioner's presentation to both finance committees.

Other comments and concerns

- Potential aid cuts would affect the neediest students (example – Brownsville ISD – 85% to 100% of students have applied to at least one post-secondary institution). Studies show that 60% of the Texas population is going to need a secondary credential in order to meet our work force needs by 2020.
- Committee members were encouraged to communicate any concerns regarding bills affecting financial aid to the Chair, as hearings will be starting soon.
- The CB does not yet know how the Legislature intends to treat undocumented students.
- Any reductions for the Hazlewood program would hurt veteran population; but, institutions need a remedy for rising costs of the program. Both the House and Senate appropriations bills included \$30 Million to reimburse institutions for some of their costs.
- The set aside elimination bill (designated tuition only) would go into effect in September.
- Lisa Blazer reiterated that the FAAC needs to make the counselors aware of these proposed bills. A suggestion was made to distribute a notice to high school counselors stressing that funding for these programs is in "limbo", and to use caution when advising students.
- \$8 Million dollars EIR for Advise Texas to replace the CACG funding. John W. was not aware of any plans to increase the endowment.

Possible end of modification of tuition deregulation - Impact to Financial Aid

Consensus has not been reached. Senator Seliger has proposed "performance based" tuitions, based on the 9 performance metrics that institutions are using currently; those meeting 5 of 9 metrics would have the ability to raise tuition. If not, it would default to the rate of inflation.

Rules Adopted on January 22, 2012 and FY2016 Update

Lesa Moller, Interim deputy Assistant Commissioner, Student Financial Aid Programs, THECB

- Rules adopted in January - will become effective March 4, 2015.
- TEG Rule - No significant changes; only language recommended by ICUT.
- TXG - Main change was to change the definition of attempted hours for eligibility limits. Current rule allowed student to qualify for a grant up to 150 semester hours attempted while receiving the grant. Adopted rule would limit eligibility to hours "attempted", 150 credit hour attempted hours period regardless if student received a Texas Grant for those hours. It also includes a professional judgment option to allow eligibility beyond 150 attempted semester credited hours based on student's hardship circumstances, as long as the student does not attempt more than 150 hours while receiving the Grant.
- New rule includes clarifying language concerning eligibility for renewal awards, periods of grant eligibility for students and the required adjustment to awards if additional resources are identified after the disbursement.
- TEOG -The rule for allocation and reallocation applies only to allocations for FY16 and FY17. By limiting the rule to apply to FY16 and 17, allows for a possible legislative resolution and another negotiating committee to determine allocation methodologies for period after FY17.

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Discussion of the New BOT Loan Counseling Module

Janie Miramontes, Director, Loan Program Operations, THECB

Janie reported that over 700 students have completed the module at 37 institutions. No problems or issues have been reported.

Reallocation

General reminder and discussion about the deadlines to request additional funds through reallocation. Ken Martin commented that in prior years, we had seen a much stronger utilization of funds, and was surprised by the amount (TEXAS Grant) that was still outstanding.

Discussion of the TG/NASFAA Study, Effectiveness of Counseling and Student Loan Debt

George Torres introduced Carla Fletcher-Sr. Research Analyst TG

TG has been working with NASFAA over the last year to create recommendations for improving administration of student loan counseling. A copy of the presentation was provided to the members.

Practitioner Recommendations:

- Provide background/introductory information, send YouTube link to student first, help borrowers locate their servicer contact information and explain the purpose behind the budget tools.
- Include cost of housing, bills, food, transportation, insurance cost, and other expenses.
- Would be helpful if the financial aid counselor could advise the student of the average or range of reasonable costs to put into the calculator to budget.
- Most students don't know the difference between a high loan burden and an income driven repayment plan - the Module presentation is the problem.
- Students want advice which the financial aid office could provide.
- TG gave all recommendations to the Department.

Policy Recommendations:

- Clarify counseling regulations and allow greater professional discretion,
- Explore incentives for robust, supplemental, or innovative counseling methods and providing greater resources for counseling in financial aid offices,
- Provide clarity and executive flexibility for HEA counseling requirements, more learning with less information, and
- Require intermediate/additional counseling.

General discussion regarding the presentation:

- The ppt presentation has not been presented to the DOE.
- Schools may not have resources to do more "in the middle" entrance and exit counseling - students should be more accountable
- Secretary of Education's Chief of Staff is interested in Texas' plan for financial literacy.
- TG has conducted studies concerning integrated counseling - you can't just borrow loans in a bubble. A greater emphasis on financial literacy is important - if students do not graduate they

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are more likely to default on their loans, no matter what they majored in or how much they borrowed.

- One-on-one counseling vs group – which is more effective? Most of the schools performed group counseling, possibly due to limited resources.
- Possible recommendation for next phase – compare delinquency rates for persons who did or did not receive some type of exit counseling.
- Loan counseling needs to occur early in high school.
- No clear guidance regarding holding disbursements for students who fail to complete loan counseling.

THECB Higher Education Strategic Planning Committee (HESPC)

The Committee is in charge of providing recommendations regarding the Board's development of the next long term strategic plan. "Student debt" is one of the items.

Texas HESPC has been meeting on a monthly basis since 2014. The agenda and meeting minutes are on the CB web site. Meetings are open to the public and are "live". Last meeting was February 12, 2015; next meeting March 17, 2015. Public can submit input via on line tools like College Town Hall Texas <http://www.collegetownhalltx.com>. Lisa B will send information to committee. It is anticipated at the CB quarterly meeting they will present recommendation for consideration of adoption.

RE: NASGAP FAFSA simplification questionnaire and the "two question" post cards - what field(s) would your state need?

If Feds make the changes, are the State's programs able to comply or would rule changes be required? Suggestion was made to reply to NASSGAP survey that Texas considers the following data elements essential for determination of eligibility for state financial aid: 1) dependent status, 2) the number of dependents in college, and 3) untaxed income.

No new business was introduced.

Meeting Adjourned at 12:20 pm.

Next meeting – TBD.

Financial Aid Advisory Committee
Meeting Notes
June 25, 2015

<u>Committee Members in Attendance</u>	<u>Committee Members Absent</u>	<u>THECB Staff</u>	<u>Audience</u>
Lisa Blazer Harold Whitis Zelma De Leon Delisa Falks Anna Drake Mary Gallegos-Adams Tom Melecki Carla Fletcher for George Torres Carolyn Jones Carl Gordon Doris Constantine Carolyn Mallory Audree Hernandez Ron Brown Chris Murr via Tel-Conference Marcus Wilson via Tel-Conference	Melissa Elliot Pilar Janis Rosario Juarez Anne Walker	Ken Martin Charles Puls Linda Battles Lesa Moller Katherine Carson Wanda Carr DeCha Reid Janie Miramontes Albert Contreras Roosevelt Sanchez Michelle Williams Lizette Montiel Holly Kosiewicz Ginger Gossman Connie Cooper Michelle Salazar Rafael Villarreal Sophia Rodriguez Renee Jones Shebah Spears	Lois Holl-ICUT Rissa Pokker-ED Ray Martinez-ICUT Laura Hartmann-UT Systems Tomas Guajardo-UT Systems Charlotte Sellin-SFA Meredith George-UT Systems

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Approval of Minutes</u>	The minutes from the 2/19/15 meeting were approved by the committee.	Approved

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Presentation on Student Financial Aid Programs (SFAP)</u> Charles Puls, Deputy Assistant Commissioner – Student Financial Aid Programs	Goal is to build the Office of Student Financial Aid Programs into an integrated unit. <ul style="list-style-type: none"> SFAP "Central Office" – Office Coordinator, Administrative Assistant, Trainer, etc. Looking to expand institutional resources (e.g. a Texas Student Aid Handbook, improved institutional portal, etc.) Comprehensive review of state financial aid reporting requirements to improve efficiency and effectiveness. Working within our agency to make sure we know what each part of the agency is working on and how we can help each other succeed. 	None

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June 25, 2015

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<p><u>Update the recently completed legislative session</u></p> <p>Lizette Montiel- Office of External Relations</p>	<ul style="list-style-type: none"> • Texas Grant program received an increase of \$62.7M or 9.6% over 2014-2015 levels. This represents the adjusted base and does not include a one-time donation of \$30M from Texas Guaranteed. • Texas Educational Opportunity Grant received a biennial increase in funding from \$65.1 million in FY 2014-15 \$94.0M for 2016-2017. However, because two-year college students previously served by TEXAS Grants were moved to TEOG • Beginning in FY2015 (Senate Bill 215, 83rd Legislature), An Additional \$8.4 million would have been required to continue to fund TEOG at the FY2015 service level. Also, for FY2016-17, TEOG was split into separate pools for community colleges and for state and technical colleges to reflect the different allocation methodologies needed for these sectors. • Tuition Equalization Grant received an increase in funding of \$12.2M or 6.8% for 2016-2017. • The Texas B-On-Time Loan Program is phased out over the next five years. The loan will be provided to students who received an initial loan before the 2015-2016 academic year and the five percent tuition set-aside is eliminated as of the fall 2015 semester. • Top 10% Scholarships are phased out. It has been decreased 54% or \$21.4M limiting awards to renewal students only. • Texas Armed Services Scholarship Program received a cut in funding by \$2.0M or 25%. • The College Work Study Program was level funded at \$18.8M for the biennium. • SB 1750 requires institutions to ensure that at least 20% but not more than 50% of work study positions are provided by employers located off campus beginning with the 2016-2017 academic year. • The Educational Aide Exemption received \$1.5M in new appropriations after funding was discontinued in 2011. • HB 3027 - Texas Competency-Based Education Grant Program did not pass. 	<p>Coordinating Board will be reviewing rules for impacted programs accordingly.</p>

Financial Aid Advisory Committee
Meeting Notes
June 25, 2015

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Update on Loan repayment programs (LRP)</u> Lizette Montiel- Office of External Relations	<ul style="list-style-type: none"> • Border County Faculty LRP was level funded \$375,626 total (Biennium) • Dental Education LRP received-\$220,000 new appropriations for the biennium. • Mental Health Professional LRP is a new program authorized per SB 239 with \$2.13M total (Biennium) • Physician Education LRP was level funded \$33.8M total (Biennium) • Teach for Texas LRP was level funded \$4.43M total (Biennium) • Math and Science Scholars LRP is a new program authorized per SB 686 \$2.60M total (Biennium) • Math and Science scholars were authorized in the previous session and it calls for the first awards to be made during the 2016-2017 school year. 	Coordinating Board will be reviewing rules for impacted programs accordingly.

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Update on new THECB strategic plan</u> Ginger Gossman, Sr. Director for Innovation and Policy Development	60X30TX new strategic plan builds on Achievements of Closing the Gaps 2015-2030 draft plan. <ul style="list-style-type: none"> • Attainment - By 2030, at least 60% of Texans aged 25-34 will have a postsecondary credential or degree. • Completion – By 2030, 550,000 students in that year will complete a certificate, associate, bachelors, or masters from a Texas higher education institution. • Marketable Skills – By 2030, all graduates from Texas public institutions of higher education will have completed programs with identified marketable skills. • Student Debt – By 2030, undergraduate student loan debt will not exceed 60% of first-year wage. • The 60% is a maintenance goal and is structured as a state wide goal. • We are using the median debt ratio to measure the debt compared to wages regarding the 60% goal. • Committee suggested that we create an ongoing state wide advisory group to focus on this goal. The group would include Council of Public University Presidents and ICUT. • Committee members suggested we involve other organizations to participate and share with the main focus of this plan, for instance Centers for Public Policy Priorities, Education is Freedom and Project GRAD. 	None

Financial Aid Advisory Committee
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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Discussion of nomination process for new FAAC members</u> FAAC Chair, Lisa Blazer	<ul style="list-style-type: none"> New board members Term begin with December 2015 meeting. Tom Melecki will take over the Chair position in the December meeting. In order to meet the deadlines for submitting information for the board, we will have to use email to accomplish this goal prior to the September meeting The Presidents of the institutions will nominate the new members. The timeline stand point for the Board is to have the votes in by the end of August 2015 to have them distributed out to the committee members. The TASFAA President changes as well. Members who are still interested in continuing servicing, keep in touch with your President. 	<p>The Coordinating Board will send out an announcement to the Presidents of the institutions.</p> <p>Committee members will look at the type of institutes and the rotations of service.</p> <p>Lisa Blazer will work with the CB staff to let you know how many positions are needed.</p>

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Discussion of Rule 1.155 – Report to the Board; Evaluation of Committee Costs and Effectiveness</u> FAAC Chair, Lisa Blazer and Charles Puls	<p>“The committee chair person shall report any recommendations to the Board on no less than an annual basis. The committee shall also report committee activities to the Board to allow the Board to properly evaluate the committee's work, usefulness, and the costs related to the committee's existence. The Board shall report its evaluation to the Legislative Budget Board in its biennial Legislative Appropriations Request.”</p> <ul style="list-style-type: none"> Create a formal report in communicating to the board and appropriate departments the cost and effectiveness of the programs and committees. There is not a time table on when the template will be available. We are hoping to have a pilot template to present to the board in October. 	None

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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Discussion of FAAC involvement in data collection</u> FAAC Chair, Lisa Blazer	<ul style="list-style-type: none"> • Our involvement in data collections. In the past we had a sub-committee. Do we want to continue with a sub-committee on the FAAS report or do we want one only for the data collection from financial aid offices and how that inter-acts with other committees. • Per Linda Battles with the CB our sunset bill required us to engage in the negotiated rule making and re-evaluating the collection of data. • We will have a formal negotiated rule making process of stake holders from the institutions. 	<p>A Sub-committee was discussed and the board agreed that we should form this committee.</p> <p>Charles Puls with the Coordinating Board will follow up with Chair regarding the formation of sub-committees.</p> <p>Lisa Blazer committee chair will send out email requesting volunteers across the state.</p> <p>Doris Constantine volunteered as the lead of the committee; Carolyn Jones has volunteered to be on the committee.</p>

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Discussion of opportunities to improve the agency's support of financial aid administration</u> FAAC Chair, Lisa Blazer	<ul style="list-style-type: none"> • In moving from the prior approach to allocation to the negotiated-rule approach to allocations, the negotiated rule process did not include detailed data runs. It will be important for the agency and the negotiated rule committee members to review data related to proposed rules, since this did not occur for TEXAS Grant, which caused some surprising outcomes. • Charles Puls also asked for feedback on the short-term and long-term needs the committee would want us to be looking at, in order to best service the board in the future. • Committee request a list of the current contact information for the CB staff. • Committee members would like to see both FAQ and the FSA handbook resources working together. • Committee requested that if Legislative update with high points could go out to the Presidents and CFO's? • Committee suggested when funds are delayed, can CB expedite the disbursements? 	<p>Coordinating Board will provide something in writing regarding the THECB institutional complaint process.</p>

Financial Aid Advisory Committee
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	<ul style="list-style-type: none"> Committee suggested that on non-Legislative years can CB get an idea of the allocations so the institutions can start packaging earlier? 	
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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
Coordination Board Allocations Schedule	<ul style="list-style-type: none"> B-On-Time preliminary went out June 23, 2015, now in the 10 day review period Texas Work Study and TEOG going out June 26, 2015 TEOG preliminary going out June 26, 2015, then will go into 10-day review period Texas Grant going out June 26, 2015, then will go into a 10-day review period The Texas Work Study funds are allowed to be used for the summer with permission from the CB. 	None

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
Closing of meeting	<p>No New Business</p> <p>Meeting adjournment at 1:10pm</p>	<p>FAAC Member nominations will be done prior to next meeting.</p> <p>Next meeting scheduled for September 17, 2015.</p>

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Texas Higher Education Coordinating Board
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<u>Committee Members in Attendance</u>	<u>Committee Members Absent</u>	<u>THECB Staff</u>	<u>Audience</u>
Lisa Blazer Harold Whitis Zelma De Leon Delisa Falks Anna Drake George Torres Carolyn Jones Carl Gordon Doris Constantine Carolyn Mallory Audree Hernandez Chris Murr Melissa Elliot Anne Walker Marcus Wilson Melissa Elliot Mary Gallegos-Adams Via Tel-Conference	Pilar Janis Rosario Juarez Anne Walker Ron Brown	Ken Martin Charles Puls Linda Battles Lesa Moller Katherine Carson Wanda Carr DeCha Reid Janie Miramontes Albert Contreras Roosevelt Sanchez Michelle Williams Michelle Salazar Sophia Rodriguez	Chris Scott-TG Diane Todd Sprague-UT Austin

<u>Agenda Item</u>	<u>Critical Discussion Points</u>	<u>Formal Decision/Action Required</u>
<u>Approval of Minutes</u>	Corrections made to 6/25/15 meeting minutes <ul style="list-style-type: none"> Agenda Item FAAC involvement in data collections, corrected sub-committee volunteer from Carolyn Mallory to Carolyn Jones Marcus Wilson was present via conference call Agenda Item-Allocations schedule should be B-On-Time not B-On-Top and TEOG not TEGO. 	Minutes corrected Amended minutes approved

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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<p><u>Student Financial Aid Program-Updates</u></p> <p>Charles Puls, Deputy Assistant Commissioner – Student Financial Aid Programs</p>	<p>THECB has contracted with 5280 a Nelnet company in upgrading a new version of our loan management system.</p> <ul style="list-style-type: none"> • This will be a migration of our existing management system instead of a new loan management system. • It will improve our processing and customer interfacing system • Functions will be for interaction with students submitting applications and schools certifying those applications • The process will be done in the course of 17-18 months • The anticipated "Go Live" date is set for January 2017 <p>THECB is working on training of the new loan software for schools prior to the "Go live" date.</p> <p>Update on the Trainer position in the Financial Aid Dept.</p> <ul style="list-style-type: none"> • HR is finalizing this position which has grown into a Manager position • The position will oversee: <ul style="list-style-type: none"> • A team of 3 individuals who will be focused on supporting schools • Developing the Texas Student Aid Handbook • Creating a more effective Financial Aid Dept. web portal <p>Update on the Restructuring within Student Financial Aid Program (SFAP)</p> <p>We now have two Divisions under the SFAP Dept.</p> <ul style="list-style-type: none"> • Borrower Services for borrowers • Financial Aid Services for Schools • We are moving toward being skill based rather than program based • As positions open they will be posted outside the agency as well as internal within the next 6 months. • Our goal is to assign one designated phone number where the institutions can call with questions <p>Lisa Blazer-Chair; How does the CB handle customer service complaints?</p> <p>Charles Puls-CB Deputy Assistant Commissioner; Stated that customer service complaint are handled by a staff member in our Division of College Readiness and Success. Dr. Puls- also stated that the CB has distributed the complaint process via the TASFAA listserv.</p>	<p>None</p>

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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<p><u>Presentation on new processing dates for GSP</u></p> <p>DeChá Reid, Director of Financial Aid Services</p>	<p style="text-align: center;">2015-2016 Institutional Calendar</p> <p>May, June and July are the Month's we will go over on the end of year reporting</p> <ul style="list-style-type: none"> • May 1 is the deadline date to submit the Summer update file • Common Error's came up during the end of year process for all programs in FY2015 due to prior year SAP not being met. • The new deadline for summer update file will minimize the number of corrections for the institutions. • Goal is to have all End-of-Year (EOY) reports done prior to end of the fiscal year. • Institutions can submit summer update file before May 1 • June 17 is the deadline date for submitting end of year reporting for Top 10% for public institutions and Texas College Work-study Program for all institutions • We are trying to stagger deadline dates because in FY2015, community colleges had to submit four EOY reports on the same day. <p>In July you have two deadline dates</p> <ul style="list-style-type: none"> • July 1 is the deadline date for institutions to submit their FY2016 reports for TEG, TEOG and Texas Grants. • July 15-Texas Grants for the community colleges to submit their FY2016 EOY report. • These deadlines allow THECB to assist institutions with corrections and submit before the end of July. Our expectation is that all institutions can meet the set deadline dates. • This is a draft, will correct the timeline to reflect that the earliest date to set priority for all (initial and renewal) students is March 15 and not October for renewal students. • FAAC agreed that the dates would work and made no further comments regarding the calendar 	<p>DeChá Reid- CB Director of Financial Aid Services will assemble the final calendar.</p> <p>The FAAC members agreed that a Sub-committee should be created to review the impact of the Federal move to prior-prior year.</p> <p>Members who are not part of the main committee can serve on the sub-committee</p> <p>Chris Murr- Director of Financial Aid Texas State University-has volunteered as the lead to the sub-committee</p> <p>The following volunteered to assist with the sub-committee:</p> <ul style="list-style-type: none"> • Harold Whitis- District Director of Student Financial Aid-Alamo CCD • Marcus Wilson-Director of Financial Aid-Texas Tech University HSC • Delisa Falks-Executive Director Scholarships & Financial Aid-Texas A&M University • Zelma De Leon-Director of Financial Aid-University of North Texas • Diane Todd Sprague-Director, Office of Financial Aid The University of Texas at Austin <p>Lisa Blazer-Chair will give the volunteer list to Chris Murr.</p>

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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Update on TG Pilot Project</u> Chris Scott-TG Program Director	<p style="text-align: center;">TX Student Loan Default Prevention Pilot Program</p> <p style="text-align: center;">3 key elements</p> <ol style="list-style-type: none"> 1. Educate the borrower 2. Academic and Career Choices 3. Strategies to avoid delinquency and default <p>11 Institutions are participating in the program</p> <p>Four Pilot Features are <u>operational now</u></p> <ul style="list-style-type: none"> • Default Prevention Plans <ul style="list-style-type: none"> • Completion/acceptance of plan is the short-term • Lower cohort default rates is the long-term • Student Financial Education and Loan Counseling <ul style="list-style-type: none"> • Number of student attendees • Knowledge gained-pre-test vs post-test • Behavior modification survey • College-Going tips and Emails <ul style="list-style-type: none"> • Mighty Money Minute • Available formats: email, text message and PDF. • Financial Coaching <ul style="list-style-type: none"> • Post session survey • AFCPE-Trained and credentialed coaches • Personal, 1:1, student /coaching sessions <p>Two Features <u>in development</u></p> <ul style="list-style-type: none"> • Integrated advising • Reports and assessments. <p>Pilot is up and running-The first year (June 2014) to now was spent designing and recruiting institutions</p> <ul style="list-style-type: none"> • Pilot should evolve and modify • Cohort default rates take years to develop • Expect interim results we can track. <p>George Toires Assist VP Congressional/Legislative Relations with Texas Guaranteed added that the pilot was to carry out the legislative intent of SB6080 but feels like it is also targeted to the student debt goal for 60x30 goal. TG submitted this pilot to the Dept. of Education in April as a proposal. TG has a surplus of funds to pay for defaulted claims. We would like to use some of the accrued interest from the Federal fund to expand the pilot to include other Texas schools.</p>	<p style="text-align: center;">None</p>

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Select new Vice Chair</u> Lisa Blazer, FAAC Chair	<p>Tom Melecki is no longer in the industry and has resigned from the Financial Aid Advisory Committee.</p> <p>The Vice Chair will serve until they become Chair 3-year commitment</p> <ul style="list-style-type: none"> • Chris Murr nominated for Vice Chair • Delisa Falks nominated for Vice Chair 	<p>Chris Murr- Director of Financial Aid Texas State University was voted Vice Chair for a few hours then will become Chair at the end of this meeting.</p>

Texas Higher Education Coordinating Board
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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<p><u>Finalize nominations</u></p> <p>Lisa Blazer, FAAC Chair and Charles Puls, Deputy Assistant Commissioner – Student Financial Aid Programs</p>	<p>Current update on FAAC Member Nominations</p> <ul style="list-style-type: none"> • High School representative can't be finalized now because we do not have any nominations • Committee needs the following members <ul style="list-style-type: none"> • 2 from 4-yr public Institutions • 2 from 2-yr Institutions • 2 from private Institutions • 2 from Health-related Institutions • Appointed members (TASFAA and Student) <p>Proposed Committee Members for Dec 2015-Nov 2018</p> <p>2-Yrs</p> <ul style="list-style-type: none"> • Harold Whitis-Alamo CCD • Melissa Elliot-Vernon College • Rosario Juarez-Austin Community College • Carl Gordon-College of the Mainland • Mary Gallegos-Adams-TSTC-Harlingen • Sandi Jones-McLennan Community College <p>4-Yrs</p> <ul style="list-style-type: none"> • Lisa Blazer-UT SA • Jeannie Gage-Texas A&M University Corpus Christi • Zelma De Leon- University of North Texas • Chris Murr- Texas State University • Carolyn Mallory-University of Houston-Victoria <p>4-Yr Private</p> <ul style="list-style-type: none"> • Doris Constantine-St. Edwards • Lyn Kinyon-Baylor University <p>Health-Related</p> <ul style="list-style-type: none"> • Delissa Falks-Texas A&M • Cathy Sanchez-University of N.TX HSC <p>Other Group</p> <ul style="list-style-type: none"> • Audree Hernandez-College Advising Group <p>Student Rep</p> <ul style="list-style-type: none"> • Anna Drake-University of Texas at Austin <p>TASFAA Representative</p> <ul style="list-style-type: none"> • Shannon Crossland-Texas Tech University <p>Dec 15-Sep 16 under appointed member</p> <p>Charles Puls- CB Deputy Assistant Commissioner; stated that the recommendation on nominations to the board comes from the agency in terms of committee membership not solely from the advisory committee. The agency as well as the Board needs to be looking at nominations of members.</p> <p>THECB Commissioner is concerned with having two members on the committee from the same institutions. Since the TASFAA President Shannon Crossland (appointed member) is from Texas Tech University and one FAAC nominee- Becky Wilson is also from Texas Tech University.</p> <p>At this time the two institution issue was resolved due to Becky Wilson from Texas Tech University asking to rescind her nomination.</p> <p>George Torres from TG asked to rescind TG's position on the committee so that another representative can serve in the future.</p>	<p>Nominations for High School representative still needed</p> <p>Committee approved the request from TG to rescind their position on the committee</p> <p>Committee approved the following nominee's to the committee.</p> <ul style="list-style-type: none"> • Sandi Jones-McLennan Community College • Jeannie Gage-Texas A&M University Corpus Christi • Doris Constantine-St. Edwards • Lyn Kinyon-Baylor University • Cathy Sanchez-University of N.TX HSC • Shannon Crossland-Texas Tech University-TASFAA • Zelma De Leon- University of North Texas

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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<p><u>Discuss potential rule changes to clarify membership eligibility, nomination process, and Vice Chair, Chair, Past Chair eligibility.</u></p> <p>Lisa Blazer, FAAC Chair and Charles Puls, Deputy Assistant Commissioner-THECB</p>	<p style="text-align: center;">Current FAAC Membership Rules</p> <p>Chapter 1 Subchapter J section 1.151: Membership shall consist of financial aid practitioners, public school counselors, and other persons who can provide insight into the informational needs of students.</p> <p>Chapter 1 Subchapter A (g): Membership. The Board shall solicit nominations and make appointments from such nominations for membership on advisory committees from presidents and chancellors or the respective designee.</p> <p>Challenges and possible changes to the these rules</p> <ul style="list-style-type: none"> • Hard to get HS Counselors nominated • TAFAA Rep only services one year • Members serve a 3-year term • What falls under "Other" • 2 Reps from Health-Related even though there are only about half a dozen HRI's • 1 Student rep from a 2yr and 1 from a 4yr, do we look for 1 or 2 student reps • No language that "other" could not serve as VC then Chair • More specific rule on a vacated slots • Rule regarding who ultimately decides who can be a member. (Agency or Board) • Members from same systems <p>Additional discussion regarding Committee Members</p> <p>Linda Battles-CB Deputy Commissioner-TASF AA rep does not have to be the TASF AA president.</p> <p>In the rules there is a provision regarding a member unable to continue to service on the committee.</p> <p>Charles Puls- CB Deputy Assistant Commissioner and Lisa Blazer-Chair have left some vacancies in order to balance the rotation of members.</p>	<p>Charles Puls-CB Deputy Assistant Commissioner; will put together the comments and issues related to the issues discussed for the new members to review prior to next year's nominations.</p>

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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Initial ideas that have arisen on legislative recommendations for the next biennium</u> Charles Puls, Deputy Assistant Commissioner-THECB	<p>THECB is already think about the next legislative session and discussing ideas. There is a Board retreat next week to discuss the following ideas.</p> <ul style="list-style-type: none"> • Review of the gaps that will follow with the phasing out of Top 10% and BOT Scholarships • Adjustments to address some of the gaps • TEOG issues for Bachelors-some CC offer Bachelor's degrees- TEOG eligibility runs out before completion of a Bachelor's Degree • CAL loan process and access to the program • Required credits and length of eligibility for grant programs. <p>Carolynn Jones-Collin County CC; pointed out that we need to look at the prior-prior year in order to help with the topics.</p> <p>Chris Murr-Texas State University; suggestion on the two year allocations oppose to the one.</p>	None

Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Discussion of trends in CAL usage</u> Charles Puls, Deputy Assistant Commissioner-THECB	<p>Discussion and thoughts over Loan Trends and usage</p> <ul style="list-style-type: none"> • The number of students using College Access Loan is up. • FY16 looks to be higher than FY15 • Questions: <ul style="list-style-type: none"> • What caused the drop on using CAL • What turned the drop around • CB lent students less money • Trends that the Agency should take into consideration <p>Lisa Blazer-UT San Antonio stated that the following may have been reasons for trends.</p> <p>Ideas on downward Trend</p> <ul style="list-style-type: none"> • The changes on private loans • No advertising • Unable to talk about the CAL loan • Students did not know about the CAL • Institutions need to know how to package the loan within the Federal guidelines. <p>Ideas on upward Trend</p> <ul style="list-style-type: none"> • BOT phased out • Figuring out how to inform students • Alternative Lender list <p>THECB is encouraging institutions to reach out if they need more allocations.</p>	NONE

Texas Higher Education Coordinating Board
Financial Aid Advisory Committee
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Agenda Item	Critical Discussion Points	Formal Decision/Action Required
<u>Adjournment</u> Lisa Blazer, FAAC Chair	Next FAAC Meeting set for December 10, 2015 Minutes need to be approved or not approved not a voted item Adjournment at 12:20pm	Lisa Blazer- Chair completed her term as Chair and Chris Murr- Director of Financial Aid at Texas State University has become the Chair.

Preliminary Coordinating Board Legislative Recommendations on Financial Aid



Legislative Recommendations Development Timeline

- **October 22, 2015:** Discuss with the Board the preliminary legislative recommendations and initial stakeholder feedback
- **October 2015 – March 2016:** Continue to engage legislative, institutional, and other external stakeholders to solicit input. Identify modifications that will accomplish Board goals while accommodating stakeholder concerns
- **December 16, 2016:** Update CAAP on legislative recommendations
- **January 21, 2016:** Board discussion of draft recommendations
- **March 30, 2016:** Propose final legislative recommendations to CAAP
- **April 28, 2016:** Board adopts final legislative recommendations

Achieving the Goals of 60x30TX Through Student Financial Aid Programs

TEXAS Grants and Texas Educational Opportunity Grants (TEOG):

- ✓ As the state's primary grant programs for students at public universities (TEXAS Grant) and public 2-year institutions (TEOG), these programs will play an important role in meeting the attainment, completion and student debt goals of 60x30TX.
- ✓ Consider increasing the Expected Family Contribution (EFC) limit for these programs to accommodate more middle-income families, while simultaneously limit grant award amounts to the cost of tuition, fees, and books.
- ✓ Consider making grant recipients eligible for funding during summer sessions.

TEXAS Grants

- ✓ Consider limiting grant recipients to 135 semester credit hours (down from 150 SCH currently) to incent timely completion and use savings to serve additional eligible students.



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Achieving the Goals of 60x30TX Through Student Financial Aid Programs

Texas Educational Opportunity Grants (TEOG):

- ✓ Consider expanding the number of SCH that a recipient enrolled in a community college baccalaureate program may receive the grant to 135 SCH (currently 75 SCH).

Tuition Equalization Grant (TEG):

- ✓ Consider limiting eligibility to undergraduate students to assist with 60x30TX undergraduate debt goal.

Work Study Mentorship Program

- ✓ Consider expanding the allowable use of funds to include student success programs such as tutoring and advising.

Financial Aid Award Notifications

- ✓ Consider informing students of both maximum and a recommended amount on loan awards, so that they can make informed decisions about managing their debt.



7

Texas Administrative Code

TITLE 19	EDUCATION
PART 1	TEXAS HIGHER EDUCATION COORDINATING BOARD
CHAPTER 1	AGENCY ADMINISTRATION
SUBCHAPTER A	GENERAL PROVISIONS
RULE §1.6	Advisory Committees

(a) The Board may appoint advisory committees from outside the Board's membership to advise the Board as it may deem necessary.

(b) The use of advisory committees by the Board shall be in compliance with the provisions of Texas Government Code, Chapter 2110 regarding the composition and duration of committees, the reimbursement of committee member's expenses, the evaluation of committees, and the reporting to the Legislative Budget Board.

(c) An advisory committee is automatically abolished on the fourth anniversary of the date of its creation unless it has a specific duration prescribed by statute or the Board reestablishes the committee. A written statement shall be prepared by the Commissioner or his or her designee for each advisory committee setting forth the purpose of the committee, the task of the committee, the manner in which the committee will report to the Board, the date on which the committee is created, and the date on which the committee will automatically be abolished. The written statements shall be maintained on file in the Board offices.

(d) Purpose and Duties of Advisory Committees. The purpose of an advisory committee shall be to give the Board the benefit of the members' collective technical expertise and experience with respect to matters within the Board's jurisdiction. An advisory committee's sole duty is to advise the Board. An advisory committee has no executive or administrative powers or duties with respect to the operation of the Board, and all such powers and duties rest solely with the Board. The specific purposes and tasks of an advisory committee subject to this subchapter shall be identified in Board rules.

(e) Composition of Advisory Committees.

(1) The composition of advisory committees created by the Board, including subcommittees or workgroups with non-advisory committee members, shall contain no more than 24 members in compliance with the requirements of Texas Government Code, Chapter 2110.

(2) The Board shall make reasonable attempts to provide balanced, geographic representation, consonant with Texas Government Code, Chapter 2110, on all advisory committees. A rule or other action may not be challenged because of the composition of an advisory committee.

(3) This section does not apply to an advisory committee to the extent that:

(A) another state law specifically states that Texas Government Code, Chapter 2110 does not apply; or

(B) a federal law or regulation:

(i) imposes an unconditional requirement that irreconcilably conflicts with the requirements of Texas Government Code, Chapter 2110; or

(ii) imposes a condition on the state's eligibility to receive money from the federal government that irreconcilably conflicts with Texas Government Code, Chapter 2110.

(f) Membership Terms. Except as otherwise provided by law, advisory committee members shall serve terms as determined by the Board.

(g) Membership. The Board shall solicit nominations and make appointments from such nominations for membership on advisory committees from presidents and chancellors or the respective designee. Except as otherwise provided by law, all members of advisory committees are appointed by and serve at the pleasure of the Board. Board members may not serve on advisory committees. If an advisory committee member resigns, dies, becomes incapacitated, is removed by the Board, otherwise vacates his or her position, or becomes ineligible prior to the end of his or her term, the Board may appoint a replacement who shall serve the remainder of the unexpired term.

(h) Attendance. A record of attendance at each meeting of advisory committees shall be made. Except as otherwise provided by law, if a member of an advisory committee misses three consecutive regularly scheduled meetings or more than half of all the regularly scheduled meetings in a one-year period, without approval by a majority vote of the Board, that member automatically vacates his or her position on the advisory committee and the Board may make an appointment to fill the remainder of the unexpired term of the vacancy.

(i) Reimbursement. Members of advisory committees shall not be reimbursed for expenses unless the Board expressly authorizes reimbursement. The Board may also, in its discretion, reimburse the expenses of members of any duly authorized subcommittee of an advisory committee.

(j) Presiding Officer. Except as otherwise provided by law, each advisory committee shall select from its members a presiding officer, who shall report the committee's recommendations to the Board. The Board may, at its discretion, appoint other officers of advisory committees or allow committee members to elect other officers at their pleasure.

(k) Manner of Reporting. Advisory committees shall report any recommendations directly to the Board at a Board meeting determined in consultation with agency staff, including the Commissioner of Higher Education. Advisory committees shall also provide an annual or biennial report to the Board to allow the Board to properly evaluate the committee's work, usefulness, and

Commented [PC1]: It has been challenging to get nominations for public school counselors from Presidents and Chancellors.

the costs related to the committee's existence, including the cost of agency staff time spent in support of the committee's activities.

(l) Subcommittees or Workgroups. Advisory committees may organize themselves into subcommittees or workgroups. One member of each subcommittee or workgroup shall serve as the chairperson. Subcommittee or workgroup chairs shall make written reports regarding their work to the presiding officer of the advisory committee. A subcommittee or workgroup of an advisory committee may include members who are not members of the advisory committee, but must include at least one member of the advisory committee.

(m) Meetings. Advisory committees shall meet at the call of the presiding officer or the Board. All advisory committee and subcommittee meetings shall be open to the public and broadcasted via the web, unless prevented by technical difficulties.

(n) Monitoring of Advisory Committees and Records.

(1) The Board shall monitor the activities of advisory committees.

(2) Agency staff shall record and maintain the minutes of each advisory committee and subcommittee meeting. The staff shall maintain a record of actions taken and shall distribute copies of approved minutes and other committee documents to the Board and to advisory committee members on a timely basis.

(3) Minutes kept for advisory committee meetings and reports required under subsection (k) of this section shall be maintained in a form and location that is easily accessible to the public, including making the information available on the Board's website.

Source Note: The provisions of this §1.6 adopted to be effective February 26, 2004, 29 TexReg 1658; amended to be effective December 2, 2013, 38 TexReg 8650

Texas Administrative Code

<u>TITLE 19</u>	EDUCATION
<u>PART 1</u>	TEXAS HIGHER EDUCATION COORDINATING BOARD
<u>CHAPTER 1</u>	AGENCY ADMINISTRATION
<u>SUBCHAPTER 1</u>	FINANCIAL AID ADVISORY COMMITTEE

Rules

<u>§1.149</u>	Authority and Specific Purposes of the Financial Aid Advisory Committee
<u>§1.150</u>	Definitions

§1.151	Committee Membership and Officers
§1.152	Duration
§1.153	Meetings
§1.154	Tasks Assigned the Committee
§1.155	Report to the Board; Evaluation of Committee Costs and Effectiveness

RULE §1.149 Authority and Specific Purposes of the Financial Aid Advisory Committee

(a) Authority. Statutory authority for this subchapter is provided in the Texas Education Code, §61.0776, and the Texas Government Code, Chapter 2110, §2110.0012.

(b) Purposes.

(1) The Financial Aid Advisory Committee is created to provide the Board with advice and recommendations regarding the development, implementation, and evaluation of state financial aid programs for college students. In this capacity, it is also to assist 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.

(2) In addition, the committee shall review state financial aid program policies and procedures; review state financial aid reports, including their uses; recommend changes in the allocation of financial aid funds to address state goals; review the collection and uses of data; and identify areas of research for consideration.

Commented [PC2]: This section ties directly to the statute that created the committee. TEC 61.0776 is included at the end of this document.

Commented [PC3]: This section represents expanded duties that the committee added to the rule. Some items (such as the part on allocations) do not align with other legislative requirements (since allocations must be done by negotiated rule), while other items are vague or have not been occurring. How were these defined? Does the committee intend on being actively involved in all of these things?

Source Note: The provisions of this §1.149 adopted to be effective December 2, 2013, 38 TexReg 8658

RULE §1.150 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings:

- (1) Board--The Texas Higher Education Coordinating Board.
- (2) Center for Financial Aid Information--The state's entity for developing and disseminating information about financial aid for college, consisting of the Texas Financial Aid Information Center call center housed at the Texas Guaranteed Student Loan Corporation, and the College for All Texans website housed on the Board's website.
- (3) Commissioner--The Commissioner of Higher Education, the Chief Executive Officer of the Board.
- (4) Interested persons--Persons who attend committee meetings as representatives of stakeholder entities and any other persons who have made their interest in the work of the committee known to its presiding officer. Such interested persons may participate in committee discussions, as invited by the presiding officer to do so, but do not have the authority to cast votes.

Commented [PC4]: This will transition to the agency over the next two years.

Source Note: The provisions of this §1.150 adopted to be effective December 2, 2013, 38 TexReg 8658

RULE §1.151

Committee Membership and Officers

- (a) Membership shall consist of financial aid practitioners, public school counselors, and other persons who can provide insight into the informational needs of students.
- (b) Membership on the committee will include:
- (1) at least two representatives from each sector of higher education (four-year public universities, health-related institutions, two-year colleges, and private institutions);
 - (2) at least one student representative; if two are selected, one is to be from the four-year college sector and one from the two-year college sector;
 - (3) two representatives of school districts; and
 - (4) one representative from the Texas Association of Student Financial Aid Administrators (TASFAA), named by the TASFAA Board.
- (c) Interested persons, such as the Independent Colleges and Universities of Texas (ICUT), Texas Association of State College and University Business Officers (TASCUBO), and the Texas Association of Community Colleges (TACC), and legislative and governmental relations staff shall be regularly advised of committee meetings.
- (d) The number of committee members shall not exceed twenty-four (24).
- (e) Members of the committee shall select:
- (1) the presiding officer, who will be responsible for conducting meetings and conveying committee recommendations to the Board; and
 - (2) the vice chair, who will succeed the presiding officer at the end of the presiding officer's year of service.
- (f) The transition of leadership to the new presiding officer will occur at the end of the first committee meeting of each state fiscal year. The new presiding officer's term will begin with the second committee meeting of each year, as will each year of committee members' terms. If the chair steps down with more than half his or her term remaining, the vice chair will become chair with the option to complete the previous chair's term and his or her own term or choose to only complete the previous chair's term. If the vice chair's decision is to only complete the previous chair's term, the committee shall immediately elect a new vice chair. If less than half the chair's term remains when the chair steps down, the vice chair will complete both terms.
- (g) Members shall serve for a term of three years, except that, regardless of the number of years previously on the committee, terms for persons who serve as chair of the committee will include the year as chair and the subsequent year as immediate-past chair; and the terms of persons who serve as vice chair will include the year as vice chair, the subsequent year as chair, and a following year as immediate-past chair of the committee. Student members of the committee will serve two-year terms. Persons who have previously served on the committee are eligible to serve again.

Commented [PC5]: Wording is taken directly from TEC 61.0776(b). Clarification is needed as to who qualifies as "other persons," how they can be nominated, and what roles they can serve.

Commented [PC6]: There are roughly three dozen four-year public institutions, three dozen private institutions, five dozen community colleges, and only six HRI's, yet there are two reps from each sector. Very difficult to meet the HRI requirement.

Commented [PC7]: Since the agency handles the solicitation and assignment of the student reps, greater clarification is needed as to whether the FAAC wants one or two students assigned. Need to clarify if this person is a voting member.

Commented [PC8]: Need to clarify in the rule as to how nominees are identified

Commented [PC9]: Since this person does not go through the nomination process, is this person a voting member?

Commented [PC10]: Are there other interested parties to be added to the list? TG? School counselor groups? TASFAA? Etc?

Commented [PC11]: Concerns were raised by current and former FAAC members that the presiding officer should always be a financial aid practitioner, and not a public school counselor or "other person," but the rules to not align with that approach.

Commented [PC12]: Timing of transition would change if September meeting were changed to August, since fiscal year starts Sept 1.

Commented [PC13]: No exception is indicated for the TASFAA rep, even though that position has been treated as a one-year term.

Source Note: The provisions of this §1.151 adopted to be effective December 2, 2013, 38 TexReg 8658

RULE §1.152

Duration

The committee shall be abolished no later than October 31, 2017, in accordance with Texas Government Code, Chapter 2110. It may be reestablished by the Board.

Source Note: The provisions of this §1.152 adopted to be effective December 2, 2013, 38 TexReg 8658

RULE §1.153

Meetings

The committee shall meet on a quarterly basis. Special meetings may be called as deemed appropriate by the presiding officer. Meetings shall be open to the public and broadcast via the web, unless prevented by technical difficulties. Minutes shall be available to the public after they have been prepared by the Board staff and reviewed by members of the committee.

Source Note: The provisions of this §1.153 adopted to be effective December 2, 2013, 38 TexReg 8658

RULE §1.154

Tasks Assigned the Committee

(a) Tasks assigned the committee include:

- (1) develop a comprehensive financial aid training program for public school counselors, employees of student financial aid offices of public institutions and private or independent institutions of higher education, members of appropriate community-based organizations, and other appropriate persons;
- (2) teach methods to enable persons receiving training to effectively communicate financial aid information to students, parents and others;
- (3) support and promote the dissemination of financial aid information, including eligibility requirements and procedures for applying for financial aid, to students, parents and others; and
- (4) publicize training and make it easily available to public school counselors and other appropriate persons across the state.

(b) Other tasks to be addressed include:

- (1) evaluate and make recommendations regarding means for improving state financial aid programs;
- (2) review and make recommendations regarding program rules and administrative materials to assure procedures are effective and efficient;
- (3) review and make recommendations on financial aid allocations to ensure state goals are met;
- (4) review the collection and use of financial aid data; and
- (5) identify areas of research for consideration.

Source Note: The provisions of this §1.154 adopted to be effective December 2, 2013, 38 TexReg 8658

Commented [PC14]: Language comes directly from TEC 61.0776 regarding the responsibilities of the CFAI. What roles does the FAAC want to take in their involvement in all of these things?

Commented [PC15]: Repeats rule 1.149(b)(2). How were these defined? Does the committee intend on being actively involved in all of these things?

The committee chairperson shall report any recommendations to the Board on no less than an annual basis. The committee shall also report committee activities to the Board to allow the Board to properly evaluate the committee's work, usefulness, and the costs related to the committee's existence. The Board shall report its evaluation to the Legislative Budget Board in its biennial Legislative Appropriations Request.

Source Note: The provisions of this §1.155 adopted to be effective December 2, 2013, 38 TexReg 8658

Specific mention of the FAAC in statute is highlighted in yellow below:

Sec. 61.0776. CENTER FOR FINANCIAL AID INFORMATION. (a) The board, in cooperation with public and private or independent institutions of higher education, the Texas Education Agency, public school counselors, representatives of student financial aid offices of any institutions, regional education service centers, and the Texas Guaranteed Student Loan Corporation, shall develop a center for financial aid information. The center shall disseminate information about financial aid opportunities and procedures, including information about different types of financial aid available, eligibility requirements, and procedures for applying for financial aid. The center shall also provide information to prospective students about the Teach for Texas grant program. The information must emphasize the importance of teaching as a profession.

(b) To assist the board in developing information provided by the center, the board shall create and appoint an advisory committee that consists of experts in financial aid administration, public school counselors, and other persons who can provide insight into the informational needs of students.

(c) The board may designate an institution of higher education or other entity with appropriate facilities and resources to operate or house the center. If the board

designates a public nonprofit entity created by the legislature to operate or house the center, the board may reimburse the entity from money appropriated for that purpose for the costs incurred by the entity in carrying out the activities of the center under this section.

(d) The center shall maintain a toll-free telephone line that is staffed by persons knowledgeable about financial aid information in this state.

(e) The center shall, based on the advisory committee's recommendations, publish information concerning financial aid opportunities in this state and shall:

(1) furnish a written copy of the information to each middle school, junior high school, and high school counselor in this state; and

(2) post the information on an Internet website accessible to the public.

(f) The board, in cooperation with the entities specified by Subsection (a) and the advisory committee established by Subsection (b), shall develop a comprehensive financial aid training program for public school counselors, employees of student financial aid offices of public and private or independent institutions of higher education, members of appropriate community-based organizations, and other appropriate persons. The board may adopt rules as necessary to administer the training program. The board shall design the training program to:

(1) use the information required by Subsection (e) and any other information necessary to carry out this subdivision:

(A) to inform persons receiving the training concerning:

(i) the opportunities available to students for obtaining financial aid, including eligibility requirements; and

(ii) the procedures for obtaining financial aid; and

(B) to provide sufficient and accessible detail to enable the persons receiving the training to provide timely and consistent answers to the questions of students and their parents, conservators, or guardians concerning the opportunities and procedures;

(2) teach methods to enable the persons receiving the training to effectively communicate financial aid information to students and their parents, conservators, or guardians;

(3) support and promote the dissemination of financial aid information to students and their parents, conservators, or guardians throughout local areas; and

(4) publicize the training and make the training easily available to public school counselors and other appropriate persons throughout this state.

Added by Acts 1999, 76th Leg., ch. 1590, Sec. 5, eff. June 19, 1999. Amended by Acts 2001, 77th Leg., ch. 1261, Sec. 2, eff. June 15, 2001.

Amended by:

Acts 2005, 79th Leg., Ch. 1181 (S.B. [1227](#)), Sec. 48, eff. September 1, 2005.

**Prior-Prior Year Subcommittee Report
Financial Aid Advisory Committee
Texas Higher Education Coordinating Board**

November 17, 2015

Members

Zelma DeLeon, Dalisa Falks, Christopher Murr, Diane Todd Sprague, Harold Whitis, and Marcus Wilson

Overview

The subcommittee was charged with developing suggestions the THECB could use to facilitate the smooth transition of institutions to the federal Prior-Prior Year verification model and the October 1st FAFSA availability deadline. For more details about these federal changes (effective 2017-2018), visit the U.S. Department of Education's Electronic Announcement on the [President's Announcement of FAFSA Filing Changes](#).

Suggestions

1. Between each biennium and prior to funds being appropriated by the Legislature for the upcoming biennium, the THECB should consider providing each institution a hold harmless (base) amount for the first year of a biennium. Doing so for each aid program would allow institutions to award aid in a more timely fashion. This approach would enable institutions to better assist financially-needy students access a higher education as well as help the State of Texas achieve its 60x30 strategic goals.
2. Once funds are appropriated by the Legislature, the THECB should consider providing institutions their allocation for the biennium (one allocation per year) for each state financial aid program.
3. The THECB could conduct outreach with existing and new partners throughout the state to help ensure high school counselors are aware of the new October 1 deadline.
4. Maintain current THECB deadlines (e.g., for priority deadline, FADS, submission of COA) for the first year (2017-2018) and reevaluate before summer 2016 to determine if any of the deadlines should be adjusted in the second year (2018-2019) of the new FAFSA environment.
5. With input from the FAAC, make appropriate changes to online and other materials as quickly as practicable to facilitate the smooth transition to the new verification model and FAFSA availability date.