



FINANCIAL AID ADVISORY COMMITTEE (FAAC)

Handouts for the March 5, 2020, meeting:

Topic	Page
▪ Current Meeting Agenda	<u>1</u>
▪ Draft meeting notes from the November 2019 FAAC Meeting	<u>3</u>
▪ Handout for Agenda Item E: Presentation: Senate Bill 1474 and Its Impact on New Student Loan Options	<u>10</u>
▪ Handout for Agenda Item F: Presentation: Department of Education Experimental Sites Initiative; Second Chance Pell	<u>11</u>
▪ Handout for Agenda Item G: Presentation: Department of Education Experimental Sites Initiative; Pell Grants for Students in Dual Enrollment	<u>17</u>
▪ Handout for Agenda Item H: Update: House Bill 3 (FAFSA/TASFA Graduation Requirement) and House Bill 2140 (On-line TASFAA)	<u>30</u>

▪ Handout for Agenda Item I: Discussion: Proposed Update to Texas Administrative Code Related to TEXAS Grants	<u>37</u>
▪ Handout for Agenda Item J: Discussion: Proposed Update to Texas Administrative Code Related to Adding a Definition of Academic Year	<u>70</u>
▪ Handout for Agenda Item K: Discussion: Proposed Update to Texas Administrative Code Related to Repealing the Grant Pro-Ration Requirements	<u>71</u>
▪ Handout for Agenda Item L: Discussion: Proposed Convening of a Negotiated Rule-Making Committee on Texas College Work-Study	<u>73</u>
▪ Handout for Agenda Item O: Update: Legislative Recommendations Subcommittee	<u>74</u>
▪ Handout for Agenda Item P: Update: TASFAA Recommendations and Feedback	<u>77</u>
▪ Handout for Agenda Item R: Discussion: Interaction of Priorities Impacting State Financial Aid	<u>78</u>
▪ Handout for Agenda Item S: Discussion: Priority Deadline (continuing November discussion)	<u>79</u>
▪ Handout for Agenda Item T: Update: FAAC Nomination Process	<u>82</u>

Financial Aid Advisory Committee Meeting Agenda

Name of Committee: Financial Aid Advisory
Committee Date of Meeting: **March 5, 2020**
Time of Meeting: 9:30 a.m.
Location: Texas Higher Education Coordinating Board
Headquarters Board Room, Room 1.160
1200 E. Anderson Lane
Austin, Texas 78752

- A. Welcome, Introductions, and Overview of Meeting – Robert Merino, Chair
- B. Consideration of Approval of Minutes from the meeting held on November 21, 2019 – Robert Merino
- C. Recognition of Outgoing Student Representatives – Robert Merino
- D. Update: Prior FAAC Business – Charles Contéro-Puls, Deputy Assistant Commissioner
- E. Presentation: Senate Bill 1474 and Its Impact on New Student Loan Options – Ken Martin, Assistant Commissioner/CFO and Debra Urias, Vice President, Brazos Higher Education Servicing Corp.
- F. Presentation: Department of Education Experimental Sites Initiative; Second Chance Pell – Felipe Leal, Director of Financial Aid, Lee College and Cynthia Martinez, Financial Aid Senior Advisor, Southwest Texas Junior College
- G. Presentation: Department of Education Experimental Sites Initiative; Pell Grants for Students in Dual Enrollment – Don Hilton, Director of Financial Aid, Ranger College
- H. Update: House Bill 3 (FAFSA/TASFA Graduation Requirement) and House Bill 2140 (On-line TASFAA) – Claudette Jenks, Director, College Readiness and Success
- I. Discussion: Proposed Update to Texas Administrative Code Related to TEXAS Grants – Charles Contéro-Puls, Deputy Assistant Commissioner
- J. Discussion: Proposed Update to Texas Administrative Code Related to Adding a Definition of Academic Year – Charles Contéro-Puls
- K. Discussion: Proposed Update to Texas Administrative Code Related to Repealing the Grant Pro-Ration Requirements – Charles Contéro-Puls
- L. Discussion: Proposed Convening of a Negotiated Rule-Making Committee on Texas College Work-Study – Charles Contéro-Puls
- M. Update: TASFA Sub-Committee – Robert Merino, sub-committee Chair
- N. Update: Data Collection Sub-Committee – Samantha Stalnaker, sub-committee Chair
- O. Update: Legislative Recommendations Subcommittee – Shannon Crossland, sub-committee Chair
- P. Update: TASFAA Recommendations and Feedback – Lyn Kinyon, TASFAA President

- Q. Update: School District Recommendations and Feedback – Ben Bholan, Arlington ISD
- R. Discussion: Interaction of Priorities Impacting State Financial Aid – Charles Contéro-Puls
- S. Discussion: Priority Deadline (continuing November discussion) – Charles Contéro-Puls
- T. Update: FAAC Nomination Process – Charles Contéro-Puls
- U. Update: Office of Student Financial Aid Programs – Charles Contéro-Puls
- V. Discussion: Topics for Future Meetings – Robert Merino
- W. Adjournment – Robert Merino

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 Members in Attendance		Committee Members Absent
Robert Merino (Chair) Diane Todd Sprague (Past Chair) Tacey Anderson Dr. Ben Bholan Shannon Crossland Karla Flores Rachele Garrett Ed Kerestly Lyn Kinyon Tam Nguyen Charles Contero-Puls Thomas Ratliff Terry Sheneman	Joy Thomas Formon Thompson Denise Welch Brent Williford Johnathan Cereceres (Student Rep) <u>Via Teleconference:</u> Paul Galyean Heidi Granger Kelly Steelman Christine Stuart Carruthers	Samantha Stalnaker Marilyn Abedrabbo – (Student Rep)

Agenda Item A. Welcome, Introductions, and Overview of Meeting	Robert Merino, Chair
Handout Provided: No	Formal Decision/Action Required Creation of new permanent agenda item
Presentation Summary: <ul style="list-style-type: none"> New implementations – lunch break for members to network and slow down the meeting for quality purposes. New agenda item introduced – “Topics for Future Meetings” will provide opportunity to create topics for the next agenda 	

Agenda Item B. Consideration of Approval of Minutes from meetings held September 5, 2019	Robert Merino, Chair
Handout Provided: No	Formal Decision/Action Required Minutes approved
Critical Discussion Points: <ul style="list-style-type: none"> No corrections were identified Motion to approve minutes and motion was seconded with all in favor 	

Agenda Item C. Update: External Relations	John Wyatt, Sr. Director, External Relations
Handout Provided: Yes	Formal Decision/Action Required N/A
Presentation Summary: <ul style="list-style-type: none"> In the interim period between sessions, committees will consider issues for next session, as well as monitor recent legislation The Lt. Governor has released his interim charges – see handout A lot of discussion going on about adult learners No interim charges from the House yet THECB will work with the committee members and institutions to provide data, analysis, and any relevant information to assist Commissioner Keller has prioritized working collaboratively with stakeholders to understand perspectives and advance consensus-based solutions to the challenges we face in higher education; looking forward to engaging institutions 	

Agenda Item D. Presentation via Skype: Urban Institute Financial Aid Study	Sandy Baum and Kristen Blagg, Urban Institute
Handout Provided: Yes	Formal Decision/Action Required Will review after completion of study
Presentation Summary: <ul style="list-style-type: none"> Project is funded by Arnold Ventures to study the Texas state grant programs and working to strengthen those programs Goal of study is to talk with various constituents, stakeholders, students, and policy holders Presenters identified various student aid issues in Texas – see handout A particular interest of the researchers is the difference between Pell Grants, which are scaled based on an individual's EFC, and TEXAS Grants/TEOG, which effectively provide one grant level (e.g. tuition and fees) to any recipient Researchers were surprised not to have heard more about (1) how students are covering living expenses and (2) older students being excluded. The Institute is delving into these issues without preconceived ideas or conclusions but in order to tweak the system to effectively meet the state's goals 	

Critical Discussion Points:

- FAAC members pointed out that the limited appropriation may be the cause of concerns regarding the equity of allocations, especially in light of the negotiated rule-making that occurs to help strengthen equitable distribution.
- In-district vs. out-of-district tuition presents different challenges for colleges with high out-of-district populations, given the fact that Pell cannot be used as a matching fund for the tuition and fee requirement. For some students the Pell being excluded from matching is helpful, and for others it is not.
- Examples were provided regarding trying to cover living expenses and how to help the working adults attending school who are not able to take a full-time load due to work schedule; one institution is working with non-profit organizations to connect students with additional resources.
- Texas has a unique combination of decentralized grants with a tuition and fee coverage requirement. Without the tuition and fee coverage requirement, there is the potential to offer smaller grants to more students, which could have an impact on loan levels.
- The diversity of Texas institutions and the diversity of students served make it challenging to develop a grant program that serves everyone effectively.
- TEXAS Grant is like a "golden ticket." If you get that ticket, your tuition and fees are covered for four years. If you don't get that ticket, it may be a huge cliff in the funding a student receives.
- The higher academic progress requirements for state grants expect the recipient to do better than what it takes to graduate, which is somewhat counterintuitive to the idea that we are trying to graduate students; seems to be an arbitrary barrier, since students may be eligible for federal and institutional aid, but not state. Affidavit students are particularly impacted, since they don't have federal aid to fall back on.
- Changes to the grant programs without increased appropriations will likely result in simply shifting the benefit from some students to other students.
- Committee members offered informal data from their institutions suggesting students who receive more aid stay in school

Agenda Item E. Discussion: Proposed Update to Texas Administrative Code Related to Student Indebtedness	Dr. Ginger Gossman, Sr. Director, Innovation and Policy Development
Handout Provided: No	Formal Decision/Action Required N/A
Presentation Summary: <ul style="list-style-type: none"> • Updating based on SB 241 (86th Legislative Session) which updated and clarified SB 887 (85th Legislative Session) by stating higher education institutions are not required to disclose or report private loans on the annual debt letter • State student loans are not considered private loans for this statute and must be included in the letter • There were no suggested changes from the committee. 	

Agenda Item F. Election of Vice Chair	Robert Merino, Chair
Handout Provided: No	Formal Decision/Action Required Ed Kerestly elected as VC
<ul style="list-style-type: none"> • Chair asked for nominations for FAAC Vice-Chair • Only one nomination was received and that was for Ed Kerestly; Mr. Kerestly accepted • Motion was received, seconded, and voted in as vice-chair 	

Agenda Item G. Approval of 2020 Meeting Dates	Robert Merino, Chair
Handout Provided: No	Formal Decision/Action Required Meeting dates approved
<ul style="list-style-type: none"> • Proposed meeting dates <ul style="list-style-type: none"> ◦ March 6, 2020 ◦ June 4, 2020 ◦ September 3, 2020 ◦ December 10, 2020 • Motion was received to accept the dates, seconded, and voted in favor unanimously 	

Agenda Item H. Discussion: Member Expectations	Robert Merino, Chair
Handout Provided: No	Formal Decision/Action Required N/A
Critical Discussion Points: <ul style="list-style-type: none"> New members had an orientation prior to today's meeting Chair is taking the opportunity to review the expectations/requirements with all members Those requirements/expectations are: <ul style="list-style-type: none"> Review materials prior to attending meeting, so we can all participate and have meaningful input and group discussion Attendance – you are expected to attend all meetings; three missed meetings in a row or in a year will result automatically vacating your spot on the committee If you cannot make it to the meeting, you can assign a non-voting substitute If you cannot make it to the meeting, you may teleconference in, though in-person attendance is highly encouraged to allow for more robust conversations Bookmark the FAAC website to access all the materials needed [http://www.thecb.state.tx.us/about-us/advisory-committees/financial-aid-advisory-committee/] Information for lunch will be provided in advance; be prepared to bring cash for your lunch on the day of the meeting 	

Agenda Item I. Update: Prior FAAC Business	Charles Contéro-Puls, Deputy Assistant Commissioner
Handout Provided: No	Formal Decision/Action Required N/A
<ul style="list-style-type: none"> All prior business will be addressed in individual agenda items. 	

Agenda Item J. Presentation: Financial Wellness Learning Collaborative program	Erin Willig, Program Specialist, College Readiness and Success
Handout Provided: Yes	Formal Decision/Action Required N/A
Presentation Summary: <ul style="list-style-type: none"> Due to the illness of Ms. Willig, her co-collaborator from the Trellis Company, Bryan Ashton, made the presentation The idea is to bring together higher education professionals in various roles from various parts of the state to have conversations about how we can implement some of the financial wellness recommendations from the Financial Literacy Advisory Committee. Inputs, Activities, Outputs, and Outcomes, as well as workgroup structure are outlined in the handout. Hope to develop a network of professionals and IHEs ready to prioritize student financial wellness Developing a professional development module with Texas OnCourse to train higher education advisers on how to talk to students about financial wellness Working to understand key points for policy and procedure changes and improvements Developing a report on the survey of financial wellness programs and recommendations for minimum standards or promising practices Intent is to take an approach that acknowledges the impact of financial wellness across the campus, as it relates to retention and a broad number of campus components. 	

Agenda Item K. Presentation: FAAC Annual Report	Diane Todd Sprague Past Chair
Handout Provided: Yes	Formal Decision/Action Required N/A
Presentation Summary: <ul style="list-style-type: none"> One of the duties of the past chair is preparation of the annual report for presentation to the Board. Provides the Board with an indication of the interaction that occurs between the financial aid community and the Coordinating Board. Report will focus on the committee's work on strengthening the state's program in relation to access and retention: The ability for the FAAC to interact with the Coordinating Board to provide feedback on initiatives that would have an impact on state financial aid programs is critical Working with the Coordinating Board on how state programs can align with federal programs to eliminate any artificial barriers to students Subcommittees have been invaluable to the work of the FAAC Continuing to work on the electronic TASFA and the benefits that it can provide Implemented a new member orientation for individuals joining the FAAC 	

Agenda Item L. Update: TASFA Sub-Committee	Robert Merino sub-committee Chair
Handout Provided: No	Formal Decision/Action Required N/A
Presentation Summary: <ul style="list-style-type: none"> There was no subcommittee meeting since the last FAAC meeting College Readiness and Success has submitted proposed rules on the TASFA advisory committee, with a 30 day comment period ending November 25 They are hoping to begin nominations beginning February 20, 2020. 	

Agenda Item M. Update: Data Collection Sub-Committee	Samantha Stalnaker sub-committee Chair
Handout Provided: No	Formal Decision/Action Required N/A
Presentation Summary: <ul style="list-style-type: none"> De Chà Reid presented in Samantha's absence – sub-committee met October 30, 2019, and went over the following items: <ul style="list-style-type: none"> Discussed proposal to redesign the net price calculator tool –it can be cumbersome for students when pulling information and information is not as consistent as it needs to be. Looking for a re-design that is user-friendly for students, institutions, and public and in full compliance. Committee's primary feedback was to ensure that the design provided consistency across the board on how institutions are to provide data and to provide additional training to institutions for using the tool. Reviewed the Move It account users – looking at security; uses an institution login not individual account login; looking at how it would work with individual accounts. Primary feedback from committee was to make sure the transition to individual accounts doesn't impact data reporting. Grant payment system – improving the system that rolled out August 1. Feedback – email notification after request, at the approval, and at disbursement because other areas at the institutions are affected but don't have access to the system. A recent change allows institutions to extract data from the request screen and to see the document number for the transaction detail to track disbursements. Looking into the FAD cycles and reconciliation –Looking at making cycle two an informational cycle instead of reconciliation cycle to ease the process to acknowledge the increased opportunities for summer financial aid activity. The mentorship program has made some significant improvements in their reporting to help align with FAD. Continuing to look at duplicated data elements to see what opportunities may exist for efficiency. <ul style="list-style-type: none"> FADS cycle dates upcoming 19-20 Cycle one – opens Feb 10, 2020, with a deadline of April 17, 2020 Cycle two – opens June 22, 2020, with a deadline August 28, 2020 Cycle three - opens September 28, 2020 with a deadline December 11, 2020 	

Agenda Item N. Update: Legislative Recommendations Subcommittee	Shannon Crossland, Chair
Handout Provided: Yes	Formal Decision/Action Required N/A
Presentation Summary: <ul style="list-style-type: none"> Started committee in October. Want to explore Legislative recommendations for 87th legislature Will have proposal for recommendations prior to March 2020 meeting for FAAC review. Potential items for review include: <ul style="list-style-type: none"> Federal and state financial aid alignment opportunities such as selective service, satisfactory academic progress, and controlled substance requirements Populations not being served Work as a resource Priority financial aid deadline Promise programs Course program of study Net Price Calculator 	

Agenda Item O. Update: TASFAA Recommendations and Feedback	Lyn Kinyon, TASFAA President
Handout Provided: Yes	Formal Decision/Action Required N/A
<ul style="list-style-type: none"> No information at this point 	

Agenda Item P. Update: School District Recommendations and Feedback	Terry Sheneman, Fort Bend ISD
Handout Provided: No	Formal Decision/Action Required N/A
<ul style="list-style-type: none"> This is his last meeting one the FAAC. No information to report. Shonna Norton has accepted a nomination; her nomination goes to CAAP in December and Board in January for approval. Her first official FAAC meeting is March 2020. 	

Agenda Item Q. Discussion: FAFSA State Deadline Language	Charles Contéro-Puls Deputy Assistant Commissioner
Handout Provided: Yes	Formal Decision/Action Required No requests for changes were received
Critical Discussion Points: <ul style="list-style-type: none"> The language being used for Texas is now more in line with other states 	

Agenda Item R. Discussion: Proposed Updates to Texas Administrative Code	Charles Contéro-Puls Deputy Assistant Commissioner
Handout Provided: Yes	Formal Decision/Action Required <ul style="list-style-type: none"> SFAP will investigate whether FAD data can provide insight into impact of priority deadline. Members will connect with colleagues/staffs to gather input on priority deadline concepts

Presentation Summary: <ul style="list-style-type: none"> Proposed updates discussed at the September meeting are being handled as follows: <ul style="list-style-type: none"> Changes to TEOG program and old conditional grant programs for teachers will be posted in the Texas Register late January/early February Proposed updates are being reviewed to strengthen participation in TASSP and the opportunities for service after graduation. Looking to try to reduce artificial barriers and improve participation and nominations from Legislators. Updating B-on-Time but delaying posting until late April or early May so we can delete rules that relate to making new awards since program is phasing out; no new awards will be allowed after this year. Seeking feedback on potential approaches to addressing the challenges that have been identified related to the priority deadline. Since administrative code can be changed more easily than statute, seeking input on whether there is any opportunity to address the identified challenges through rule changes. <ul style="list-style-type: none"> Challenges identified include: deadline doesn't align with the transfer process; deadline impacts an institution's flexibility to award to different populations; deadline causes confusion for students transferring between the different sectors of higher education Feedback received has been: while there is a state required priority deadline, the true deadline varies across institutions, since some schools will use an earlier date; for some schools it's a priority, while for others it's really a cut-off due to limited funding, and still others have to spend a lot of time explaining that it is not a cut-off; the diversity of the types of students make it difficult to have a common priority; the common date doesn't benefit each institution in the same way due to the diversity of institutions; priority is not a guarantee of funding, and may have become more of a rationing tool; was introduced as a means of encouraging students to complete the FAFSA but may have become a deterrent to students who miss the deadline HB3 introduces additional challenges: FAFSA is now required for high school graduation, so is the priority deadline now redundant; and what happens if the high school has a different FAFSA deadline for high school graduation than the priority deadline Looking at whether there is an opportunity to move the priority deadline later to align with high school graduation requirements, and less of an attempt to articulate what every institution must use. Seeking feedback on whether this is an idea the agency should continue to explore, and whether the appropriate way to address it is via rule or statute. 	
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Critical Discussion Points:

- Clarified that the TEXAS Grant Priority Model is not directly linked to the Priority Deadline; a question being considered is which priorities are most critical (e.g. is the academic-based priority of the Priority Model more or less critical than the time-based priority of the Priority Deadline)
- HB3 may eliminate any deterrent, since high school students will now be required to graduate, though the deterrent may still exist for "non-traditional" populations
- Any discussion should consider how the priority deadline will impact allocations, as well as how any flexibility that has been introduced into their use of funding
- Not having a deadline may result in the loss of any incentive for a student/parent to get the FAFSA done.
- There's a lack of clarity on what the state is trying to achieve with the priority deadline.
- Limited funds result in aid being awarded on a first-come first served basis, though those who apply late may often be the ones who need the most help and may be the ones who help the state achieve its completion goals.
- Intent of the statute was to create consistency, though only in a small population of institutions; though the creation of the priority deadline occurred prior to the HB3 implementation of a FAFSA deadline, so need to assess how those statutes interact.


Agenda Item S. Update: Preliminary Considerations for 87th Legislative Session	Charles Contéro-Puls Deputy Assistant Commissioner
Handout Provided: Yes	Formal Decision/Action Required N/A
Presentation Summary: <ul style="list-style-type: none"> • This agenda item does NOT reflect any decision by the agency to pursue certain changes. Instead, it is an opportunity for the FAAC to help the agency better understand the various ideas and suggestions that have arisen regarding the state's financial aid programs. • At the recent TASFAA conference, some ideas were presented for feedback, including: <ul style="list-style-type: none"> ◦ federal and state financial aid alignment (conference members suggested some additional opportunities for alignment, including record retention requirements, and repeated coursework and eligible coursework limits); ◦ priority deadline (conference member feedback was to let institutions determine what is the best deadline for their organization and student body); ◦ work as a resource and considering work from a much broader perspective, such as the new Texas WORKS program, and potentially revising the allocation rule to create more flexibility (conference members acknowledged that work-study reallocations don't result in the creation of new work opportunities but rather allow institutions to recategorize institutional work-study as state work-study); ◦ student populations who aren't served or are underserved by our programs (conference feedback provided additional populations, such as for-profit colleges and upper-middle income families); ◦ decentralized nature of the state's programs results in lack of portability of grants; • Conference feedback provided some "nitty-gritty" details of unintended consequences of program requirements (such as the challenge in TEOG when Pell can't be used as a matching grant but there's not enough need to award other funds); this detailed feedback helps the agency understand what is occurring in the field. • Conference feedback was very similar to prior FAAC feedback, which helps increase the agency's confidence level that FAAC feedback provides a good, broad-based picture of the financial aid community. 	

Agenda Item T. Update: Office of Student Financial Aid Programs	Charles Contéro-Puls Deputy Assistant Commissioner
Handout Provided: No	Formal Decision/Action Required N/A
Presentation Summary: <ul style="list-style-type: none"> • Monthly webcasts will resume in the new year – notifications will go out • Pay attention to upcoming deadlines <ul style="list-style-type: none"> ◦ User access portal review was due Nov 15 – if you haven't met this deadline, do so immediately to keep access ◦ State campus-based programs report due December 13. Form was simplified, removing unnecessary information ◦ Financial aid database certification due December 16. VERY CRITICAL to meet this deadline. Financial Aid services team will help you and work with you to solve any issues • Eliminated the academic hold requirement. Academic holds did not help achieve completion and the goals of 60x30TX. The November report should be used to remove those holds. • SFAP will be implementing expanded due diligence to a group of at-risk borrowers. • In December, the loan origination process will be streamlined so that loans for the majority of students will be available to an institution for certification within minutes of the borrower completing the application. 	

Agenda Item U. Discussion: Topics for Future Meetings	Robert Merino, Chair
Handout Provided: No	Formal Decision/Action Required N/A
Suggested Topics: <ul style="list-style-type: none"> Proposals by presidential candidates to offer free higher education, loan forgiveness, etc. If something like that were to move forward, what would it mean for state financial aid? FAFSA high school completion – how will it relate to ApplyTexas so we can start thinking about it <ul style="list-style-type: none"> Review TEA website video as it relates to FAFSA Will add a standing agenda item for future meetings on this topic Presentation on pilot project for Pell Grants dual credit students and incarcerated students Presentation on recognizing hidden bias and professional judgment Be on the lookout for future topics from conferences you attend; email Dr. Contéro-Puls with your ideas 	


Agenda Item V. Adjournment	Robert Merino, Chair
Handout Provided: No	Formal Decision/Action Required N/A
<ul style="list-style-type: none"> Next meeting March 5, 2020 Meeting adjourned 	

studentloans.com
by Brazos Higher Education



2020 Parent Loan Update


by Brazos Higher Education, a nonprofit serving Texas since 1975



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by Brazos Higher Education



Impact of SB 1474 on Special Texas Nonprofits

SB 1474 gives special Texas nonprofits the ability to finance private student and parent loans with tax-exempt bonds.

Because of the significantly lower cost of funds SB 1474 makes possible, Brazos is able to pass along the savings to Texas parents.

Since SB 1474 became law last year, Brazos has already issued over \$100 million of bonds used to help Texans save money on their education loans.

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Parents Borrow More Nationwide

As originations of Direct Sub/Unsub loans decline nationwide, Direct Loan originations to parents of undergraduate students has increased significantly.

Direct Loan Originations 2014-15 through 2018-19 School Years
(in millions of dollars)

Loan Program	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	% Change
DL SUBSIDIZED	\$24,831	\$22,966	\$21,669	\$20,916	\$19,933	-19.7%
DL UNSUBSIDIZED- UNDERGRADUATE	26,362	26,362	22,912	22,966	20,590	-21.9%
DL UNSUBSIDIZED- GRADUATE	26,699	26,639	27,041	27,135	27,396	2.6%
DL PARENT PLUS	10,751	11,963	12,570	12,749	12,812	19.2%
DL GRAD PLUS	8,380	8,844	9,648	10,298	10,767	28.5%
Total	\$97,023	\$96,773	\$93,839	\$94,063	\$91,499	-5.7%

Nationwide, parents are borrowing more money on average on behalf of their undergraduate students.

(source: studentaid.gov, data as of January 1, 2020)

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Parents Borrow More at Texas Schools

Direct Loan originations to parents of Texas students have increased at **twice the national pace.**

Direct Loan Originations 2014-15 through 2018-19 School Years - Texas Schools
(in millions of dollars)

Loan Program	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	% Change
DL SUBSIDIZED	\$1,534	\$1,459	\$1,462	\$1,413	\$1,378	-10.2%
DL UNSUBSIDIZED- UNDERGRADUATE	1,584	1,584	1,501	1,459	1,370	-13.5%
DL UNSUBSIDIZED- GRADUATE	1,342	1,334	1,436	1,416	1,473	9.7%
DL PARENT PLUS	514	620	678	715	732	42.2%
DL GRAD PLUS	195	201	227	262	286	46.4%
Total	\$5,170	\$5,198	\$5,304	\$5,265	\$5,238	1.3%

Parents of Texas students borrowed \$218 million more during the 2018-2019 school year than during the 2014-2015 school year.

(source: studentaid.gov, data as of January 1, 2020)

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Takeaways for Texas Schools

- Nationwide, *and to a greater degree at Texas schools*, parents are increasingly taking on more Direct Parent PLUS debt to pay for the cost of their children's education.
- This increased demand for the Direct Parent PLUS Loan creates a significant cost for Texas families.
- SB 1474 provides a solution by allowing special Texas nonprofits like Brazos to offer a significantly less expensive alternative to the Direct Parent PLUS Loan.
- This bill has created a greater need for financial literacy among Texas families, to ensure they prudently explore their nonprofit alternatives before taking out a *potentially* more expensive Direct Parent PLUS loan.

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Texans are Overpaying

We estimate 43% of Texans taking out Direct Parent PLUS loans could qualify for a less expensive Brazos Parent Loan. When compared to the median 10-year Brazos Parent Loan, we estimate that parents who have taken out Direct Parent Loans over the past four years could have saved as much as **\$165.8 MILLION** in origination fees and excess interest.

- **\$2.74 BILLION** - Over the past four years, parents of Texas students have taken out \$2.74 billion in Direct Parent PLUS loans from the federal government.
- **\$1.12 BILLION** - We estimate as much as \$1.12 billion of that amount could have been financed at lower rates, with zero origination fees.
- **\$46.0 MILLION** - Parents of Texas students who could have avoided origination fees borrowed an extra \$46.0 million *just to pay the DOE origination fees over the past four years.*
- **\$119.8 MILLION** - Over the next 7-10 years, these parents will pay an extra \$119.8 million in interest compared to the average Brazos Parent Loan APR of 5.20%. This assumes borrowers begin repayment immediately and are on the Standard Plan and have payments automatically drafted from their bank account.

SB 1474 makes alternatives like the Brazos Parent Loan possible for Texas families who otherwise would overpay with a Direct Parent PLUS Loan.

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What does this mean to a Texas family?

Many Texas families taking out Direct Parent PLUS Loans over the past four years could have saved over 10% on the total cost of their parent loans by exploring alternatives.

Cost Comparison of the Direct Parent PLUS Loan with the Brazos Parent Loan for a Texas family borrowing the average amount over the past four school years (2014-2015 through 2018-2019) at Texas public and private nonprofit schools.

	Direct Parent PLUS Loan	Brazos Parent Loan	Savings
Average total 4-year financial need ¹	\$48,628.08	\$48,628.08	
Total origination fees ¹	\$2,073.78	\$0	\$2,073.78
Total loan amount ¹	\$50,701.86	\$48,628.08	
Interest rate (4-year avg). ¹	6.748%	5.200%	1.548%
Total interest (10-year standard repayment)	\$19,207.57	\$13,837.10	\$5,370.47
Total cost of loans	\$69,909.43	\$62,465.18	\$7,444.25

(¹source: studentaid.gov, data as of January 1, 2020)

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Brazos Parent Loan vs. Direct Parent PLUS Loan

Key Comparisons	Brazos Parent Loan	Direct Parent PLUS Loan
Borrower	Any parent, grandparent, spouse, other family member, or friend of the student.	Biological or adoptive parent of the student (in some cases step-parents).
Eligible Degrees	Available for undergraduate, graduate, medical, law and other professional degrees.	Limited to undergraduate students.
Interest Rate	Variable rates from 2.52% to 5.76% APR. Fixed rates from 3.25% to 6.25% APR. Rates include the 0.25% Auto-Pay Discount. Rates are based on credit history and loan term selected.	For the 2019-2020 school year, 6.83%, regardless of borrower credit history. Rate includes a 0.25% discount for automatic payments.
Origination Fees	Zero fees	4.236% beginning October 1, 2019
Yearly Loan Limits	Up to the Cost of Attendance, less other financial aid, as certified by the school.	Up to the Cost of Attendance, less other financial aid, as certified by the school.
Repayment Terms	Five different repayment terms to choose from so you can customize your term to fit your financial needs.	Standard Repayment Plan: 10 years Graduated Repayment Plan: 10 years Extended Repayment Plan: up to 25 years for Direct Loan debt greater than \$30,000.
In-school Determent	No. Repayment begins immediately after the loan is fully disbursed which lowers your interest costs.	Yes. Interest will still accrue during the in-school period and for 6 months post-graduation. Unpaid interest is capitalized.
Forbearance Options	Yes, one year of forbearance is available in three month increments. Interest is capitalized during forbearance.	Yes, forbearance is unlimited but your servicer may set a maximum limit. Interest is capitalized during forbearance.

8

8

Direct Student Loans vs. Direct Parent Loans

- **Origination fees on Direct Parent PLUS loans are more expensive.**

The Direct Parent PLUS Loan origination fee is 4 times as much as the origination fee on a Direct Sub/Unsub Loan (4.236% vs. 1.059%).

- **Interest rates on Direct Parent PLUS loans are more expensive.**

The Direct Parent PLUS Loan interest rate is 2.55% higher than the interest rate on the Direct Sub/Unsub Loan (7.08% vs. 4.530%).

- **Higher origination fees and interest rates makes deferment of Direct Parent PLUS Loans more expensive than in-school deferment of a Direct Unsub Loan.**

- **Fewer repayment options are available.**

Income-sensitive repayment plans available to Direct Sub/Unsub Loan borrowers are *not* available for Direct Parent PLUS Loan borrowers. This can make the loans difficult for some to repay.

- **Direct Sub/Unsub loans are limited and many times cannot meet the financial need of the student.**

9

9

Financial Literacy for Parents

The Department of Education website says: “*The interest rate on federal student loans is fixed and usually lower than that on private loans—and much lower than that on a credit card!*”

While this may be true for the Direct Sub/Unsub Loan, due to the lower origination fee and lower interest rate, it's certainly questionable when it comes to Direct Parent PLUS Loans.

When a family sees a “federal” parent loan, they naturally presume it must be the best without exploring potential alternative parent loan options.

Is maximizing federal loans, including the Direct Parent PLUS Loan, before considering private loan alternatives really the best advice for everyone?

- Should parents pay a one-size-fits-all interest rate and pay a 4.236% origination fee when they may qualify for a significantly lower rate?
- Do parents who are not receiving the economic benefit of the education really need an in-school deferment? At the current rate, the loan balance when repayment begins will be an average of 18.4% more than the original financial need.

10

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2019 Generic Texas University Parent Loan Report

Figuring out how to pay for college can be a daunting process for many parents. With the numerous options for financing the cost of attendance, it's easy to see how many parents can needlessly overpay for college by not researching all of the available parent loan options thoroughly. Many parents of GTU students utilizing the Direct Parent PLUS loan are missing out on some *serious* savings by paying unnecessary origination fees and high interest rates.

\$39.1M

For the 2018-2019 school year, parents of GTU students borrowed \$39,177,646¹ under the Direct Parent PLUS loan program. This was a 1% increase from the 2017-2018 school year.

1,470

1,470¹ parents took out loans under the Direct Parent PLUS loan program during the 2018-2019 school year to help their students attend GTU.

43%

We estimate as many as 43% of parents taking out Direct Parent PLUS loans could have qualified for meaningful savings and could have avoided unnecessary origination fees.

\$715K

Origination fees under the Direct Parent PLUS program were 4.248% for loans originated between October 1, 2018 and September 30, 2019. Parents of GTU students could have avoided as much as \$715,635 in origination fees last year.

\$1.4M

Over the lifetime of these Direct Parent PLUS loans, parents of GTU or students will overpay as much as \$1,414,043 in interest when compared to the median interest rate 10-year Brazos Parent Loan.

\$1.58M

Interest rates on Direct Parent PLUS loans decreased from 7.60% to 7.08% for the 2019-2020 school year. This year, parents of GTU students could avoid as much as \$713,613 in origination fees and save as much as \$867,587 in interest over the lifetime of these loans. And that's for a single school year.

¹source: studentaid.gov, data as of January 1, 2020

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Thank you.

Brazos Higher Education is a Texas nonprofit student loan company located in Waco, Texas. Our mission is to promote college affordability for Texas residents.



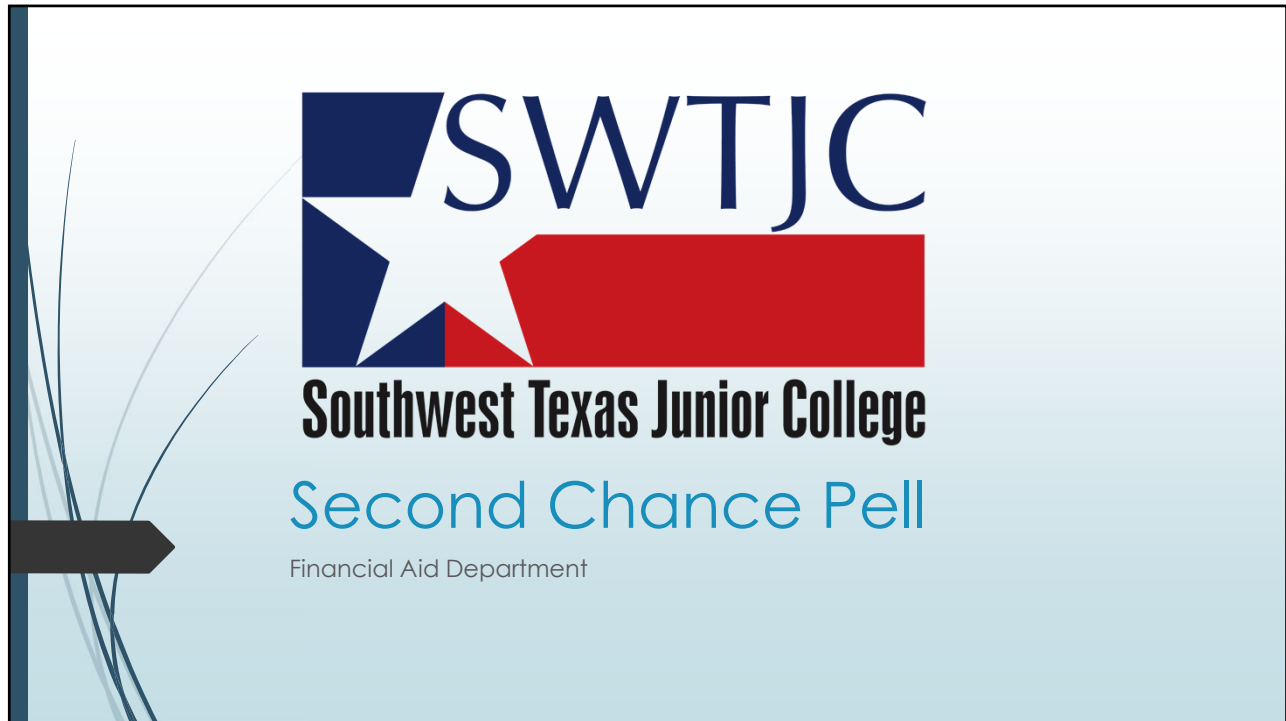
For more information about Brazos Higher Education and the Brazos Parent Loan, visit studentloans.com.

Contacts: Debbie Urias (254) 297-7445 | debra.urias@brazos.us.com

Justin Green (254) 297-7427 | justin.green@brazos.us.com

12


12



1

Second Chance Pell

- In 2016, the U.S. Department of Education created the Second Chance Pell (SCP) Experimental Sites Initiative to provide need-based Pell grants to those in state and federal prisons. This initiative examines the impact expanded access to financial aid has on incarcerated adults' participation in educational opportunities.
- Approved August 2016.
- First full academic year 2016-2017.
- Students enrolled in Academic Programs were awarded Fall 2016.
- Carpentry Program was approved and students awarded Spring 2017.



U.S. Department of Education

2

Programs offered at Briscoe

- Associate of Arts in General Studies Degree
- Associate of Applied Science in Carpentry
- One-Year Construction Carpentry Certificate
- Two-Year Construction Carpentry Certificate



3

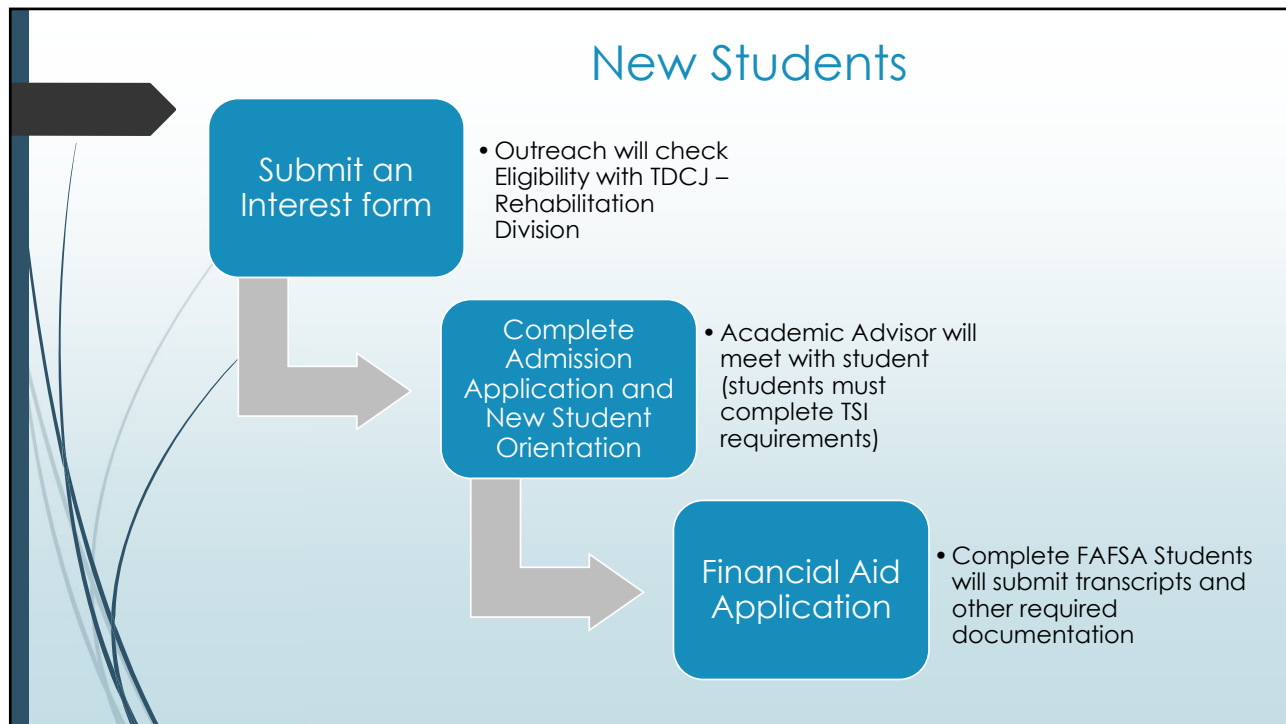
Dolph Briscoe Unit – Male Population



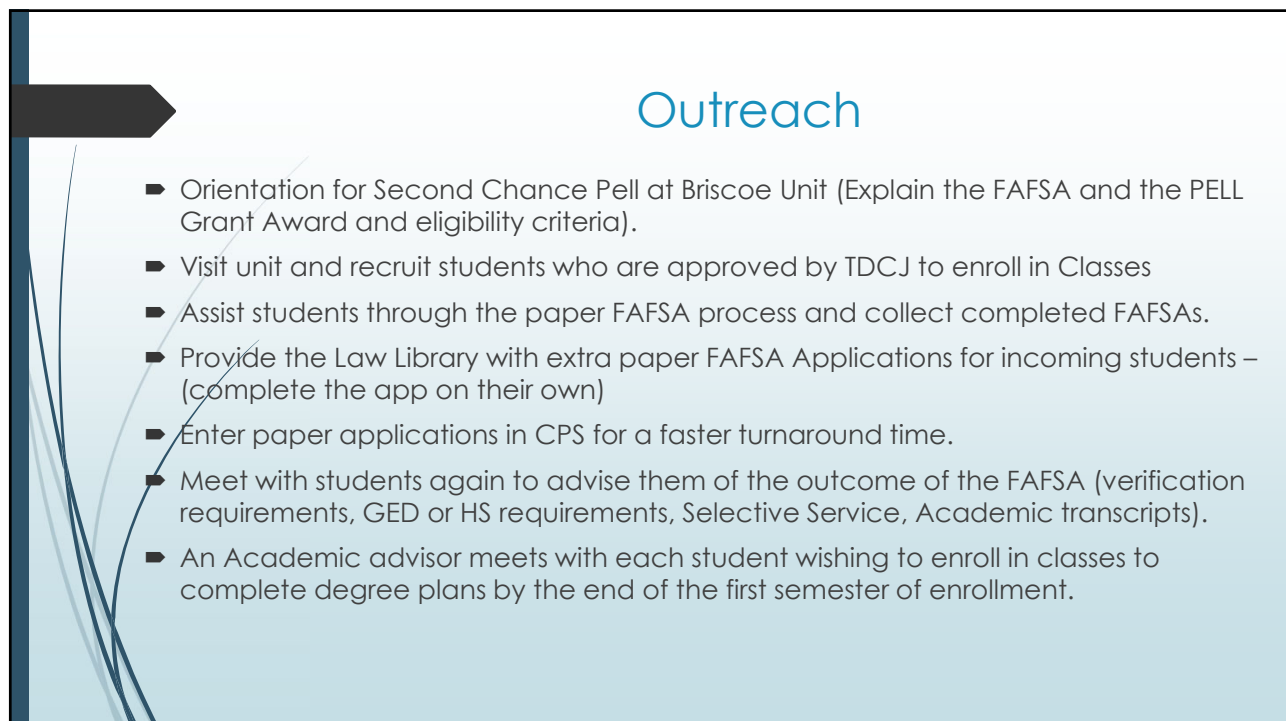
- SWTJC offers classes at Dolph Briscoe Correctional Institution which is supervised by Warden Evelyn Castro.
- 233 Total Employees
- 165 Security Employees
- 42 Non-security employees
- 14 Windham Education Employees
- 1,384 Maximum capacity of inmates
- G1, G2, and G4 Custody levels



4



5



6

Progress so far...

- **2014-2015**
 - 25 graduates
- **2015-2016**
 - Second Chance Pell not implemented
 - 21 graduates
- **2016-2017**
 - 111 FAFSAs submitted
 - 41 students awarded
 - 46 graduates
- **2017-2018**
 - 145 FAFSAs submitted
 - 74 students awarded
 - 36 graduates
- **2018-2019**
 - 164 FAFSAs submitted
 - 95 students awarded
 - 52 graduated
- **2019-2020**
 - 109 FAFSAs submitted
 - 52 students awarded

7

Setbacks

- Failure to register for Selective Service
- Difficulty obtaining verification documents
- Not enough clarity from the Department of Education regarding how to verify dependent students – do parents really provide the support?
- Reluctance of parents to release information
- Obtaining out of state high school, academic, or GED transcripts
- Citizenship
- Students who are on Default
- Limited contact with students
- Cannot transfer FAFSA to other Institutions
- Incorrect social security numbers
- Manual process – no internet access or technology available at the unit

8

Positive Outcomes

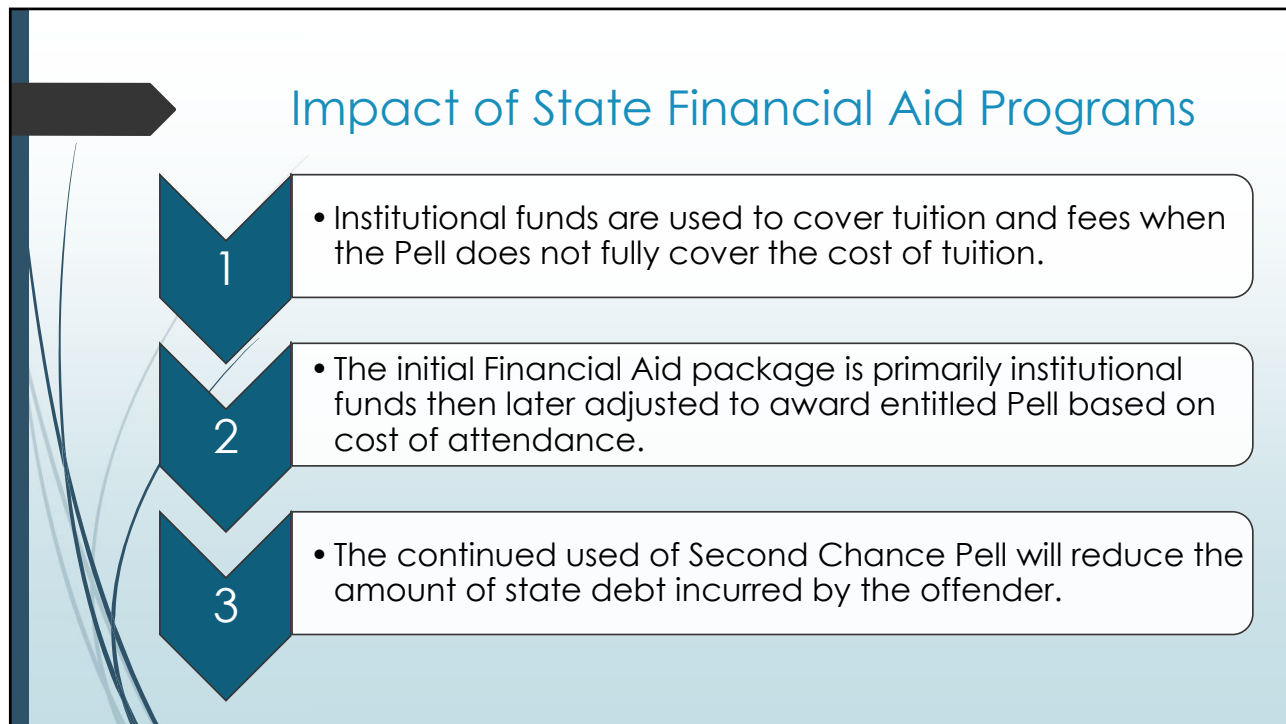
- Students feel they are worthy; literally given a "Second Chance"
- They are given hope they will be productive upon release by developing their mental skills and providing marketable job training skills to re-enter society as successful productive citizens.
- Morale of students is high, and they are respectable/good behavior to not lose their privileges to enroll in classes.
- Increase in classes offered per semester
- Students increase their course load due to ability to pay for classes and graduate earlier
- Students who do not qualify for the state loan may qualify for Pell and not have a debt to pay when paroled
- Students have realistic goals; they have a better understanding of following a degree plan and know what classes to enroll in.
- Students seek to transfer to other penal institutions participating in Second Chance Pell
- The Briscoe Unit has become a SWTJC campus not a penal unit. The offenders have become our students.

9

Things we learned along the way!

- Hope the SCP pilot continues.
- It is a good incentive and provides the students skills they are able to use upon release. Prepares them for the workforce.
- Constant processing of students' award based on cost of attendance each semester.
- Need FERPA for all students.
- Increase in parent/family involvement.

10





Experimental Sites Dual Enrollment PELL

RANGER COLLEGE
DON HILTON

1



Dual Credit PELL

**3 year Experimental Program that
started with the 2016-2017 School year
39 schools participating
Ranger College is the only school from
Texas**

2



Dual Credit PELL

Participating Institutions are exempt from Section 484(a)(1) of HEA as well as CFR 668.32(b) which prohibit a student who is enrolled in a secondary school from receiving funds under the Federal Pell Grant Program.

3



Dual Credit PELL

Institutions are also exempt from Section 484(d) of the HEA as well as CFR 668.32(e) . That currently requires that a student have a high school diploma or its equivalent in order to be eligible for Federal PELL Grants

4



Dual Credit PELL

Requirements to Participate

5



Dual Credit PELL

- ▶ Students must be enrolled in a Public Secondary School.
- ▶ Must have agreements with Local Education Agencies (LEA).
- ▶ Dual Enrollment arrangement must meet all applicable requirements of the College's Accrediting Agency.
- ▶ Must report your public secondary schools and LEA's to Experimental Sites

6

Dual Credit PELL

- ▶ Students must be enrolled in courses that lead to a degree or certificate at your institution.
- ▶ Must not interfere with the completion of requirements to graduate high school or secondary school.
- ▶ Students must be able to earn the equivalent of a minimum post secondary hours
- ▶ PELL funds cannot be used for remedial coursework.
- ▶ Must make sure students are adequately prepared for post-secondary coursework. (STAAR, PSAT, ACT, SAT, PLAN, TSI)

7

Dual Credit PELL

- ▶ Must provide appropriate Student Support Services
 - Tutoring
 - College Transition Support
 - Guidance Counseling
 (These can be provided by the secondary school)
- ▶ Must provide assistance in completing the FAFSA
- ▶ Required to disclose to students the possibility of being responsible for institutional charges if they withdraw (R2T4).
- ▶ Must notify students of any possible restrictions of transferability of Credits

8



Dual Credit PELL

PELL Grants for Dual Credit students
does count towards the Students
Lifetime Limit (LEU)

Lifetime limit is 600%

100% = One full academic year enrolled as a full-time student

9



Dual Credit PELL

**Requirements for the Awarding and Disbursing PELL Grant
funds are the same as for your regular students.**

**Credit Balances – Experiment requires credit balances, if
any, be release to the student under normal Title IV
requirements**

10



Dual Credit PELL

If a student's charges exceed his or her PELL Grant award the school must have a mechanism in place to ensure the student does not have to pay any of the remaining charges out of pocket.

This can be done by institutional scholarship, through an outside scholarship or other source of funding.

11



Dual Credit PELL

Ranger College Data

12



Dual Credit PELL

2016-2017 -- 5 schools

2017-2018 -- 29 schools

2018 – present – 44 schools

13



Dual Credit PELL

Dual Credit Enrollment

2015-2016 = 1004

2016-2017 = 1251

2017-2018 = 1313

2018-2019 = 1430

2019-2020 = 1209

14

Dual Credit PELL

2016-2017

Enrollment = 1251

5 Schools

85 students applied for PELL (6.8% of total enrollment)

47 students were awarded PELL (3.8% of total enrollment, 55% of those that applied)

Students from all schools participated

61 Students received a Degree or Certificate while still in High School

10 Participated in the Dual Credit Pell experiment

6 of the 10 Graduates received PELL

15

Dual Credit PELL

2017-2018

Enrollment = 1313

29 schools

303 students applied for PELL (23% of total enrollment)

169 students were awarded PELL (12.9% of total enrollment, 55.8% of students that applied)

Students from all 29 applied

54 Students received a Degree or Certificate while still in High School

18 Participated in the Dual Credit Pell experiment

13 of the 18 received PELL

16



Dual Credit PELL

2018-2019

Enrollment= 1430

44 schools

340 students applied for PELL (23.8% of total enrollment)

224 students were awarded PELL (15.7% of total enrollment, 65.9% of students that applied)

Students from 29 schools applied

31 Students received a Degree or Certificate while still in High School

15 Participated in the Dual Credit Pell experiment

11 of the 15 received PELL

17



Dual Credit PELL

2019-2020

Enrollment = 1209

44 Schools

265 students have applied for PELL (21.9% of total enrollment)

165 students have been awarded PELL (13.6% of total enrollment, 62.3% of students that applied)

Students from 31 schools have applied

(January 31, 2020 end of month reporting)

18

Dual Credit PELL

Pro's

- ▶ Increased the number of schools participating with Ranger College in Dual Credit
- ▶ Increased enrollment in most years
- ▶ Has allowed some lower income students to take Dual Credit Courses that otherwise would not have been able to attend

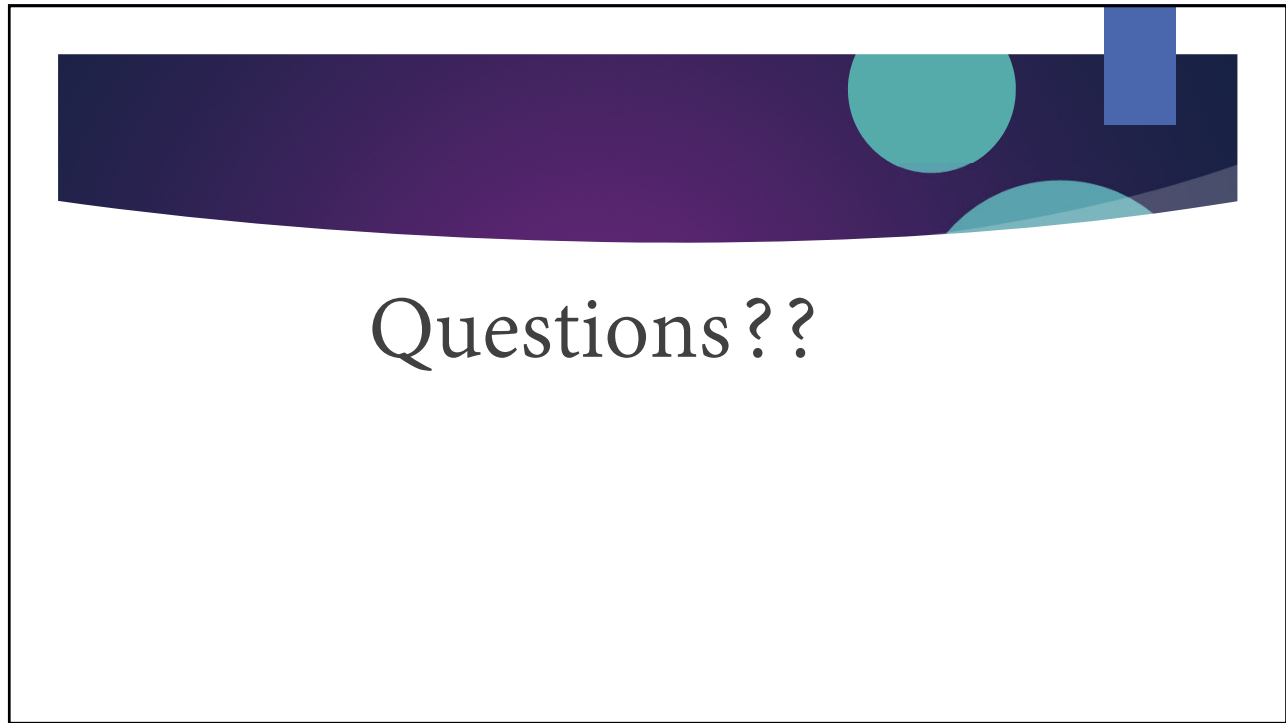
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Dual Credit PELL

Challenges

- ▶ Manpower
- ▶ COD (Common Origination and Disbursement) (EDEXpress)
- ▶ Schools that pay all or portion of Dual Credit
- ▶ Counselors
- ▶ Getting students to apply
- ▶ SAP (Satisfactory Academic Progress)
- ▶ Verification
- ▶ End of Year Reporting
- ▶ IPEDS Reporting

20



2019-20 Pell Grant Chart

Agenda Item ____
Page 28

EFC	12 HOURS +	9-11 HOURS	6-8 HOURS	1-5 HOURS
0	6195=3098/3097	4646=2323/2323	3098=1549/1549	1549=775/774
1-100	6145=3073/3072	4609=2305/2304	3073=1537/1536	1536=768/768
101-200	6045=3023/3022	4534=2267/2267	3023=1512/1511	1511=756/755
201-300	5945=2973/2972	4459=2230/2229	2973=1487/1486	1486=743/743
301-400	5845=2923/2922	4384=2192/2192	2923=1462/1461	1461=731/730
401-500	5745=2873/2872	4309=2155/2154	2873=1437/1436	1436=718/718
501-600	5645=2823/2822	4234=2117/2117	2823=1412/1411	1411=706/705
601-700	5545=2773/2772	4159=2080/2079	2773=1387/1386	1386=693/693
701-800	5445=2723/2722	4084=2042/2042	2723=1362/1361	1361=681/680
801-900	5345=2673/2672	4009=2005/2004	2673=1337/1336	1336=668/668
901-1000	5245=2623/2622	3934=1967/1967	2623=1312/1311	1311=656/655
1001-1100	5145=2573/2572	3859=1930/1929	2573=1287/1286	1286=643/643
1101-1200	5045=2523/2522	3784=1892/1892	2523=1262/1261	1261=631/630
1201-1300	4945=2473/2472	3709=1855/1854	2473=1237/1236	1236=618/618
1301-1400	4845=2423/2422	3634=1817/1817	2423=1212/1211	1211=606/605
1401-1500	4745=2373/2372	3559=1780/1779	2373=1187/1186	1186=593/593
1501-1600	4645=2323/2322	3484=1742/1742	2323=1162/1161	1161=581/580
1601-1700	4545=2273/2272	3409=1705/1704	2273=1137/1136	1136=568/568
1701-1800	4445=2223/2222	3334=1667/1667	2223=1112/1111	1111=556/555
1801-1900	4345=2173/2172	3259=1630/1629	2173=1087/1086	1086=543/543
1901-2000	4245=2123/2122	3184=1592/1592	2123=1062/1061	1061=531/530
2001-2100	4145=2073/2072	3109=1555/1554	2073=1037/1036	1036=518/518
2101-2200	4045=2023/2022	3034=1517/1517	2023=1012/1011	1011=506/505
2201-2300	3945=1973/1972	2959=1480/1479	1973=987/986	986=493/493
2301-2400	3845=1923/1922	2884=1442/1442	1923=962/961	961=481/480
2401-2500	3745=1873/1872	2809=1405/1404	1873=937/936	936=468/468
2501-2600	3645=1823/1822	2734=1367/1367	1823=912/911	911=456/455
2601-2700	3545=1773/1772	2659=1330/1329	1773=887/886	886=443/443
2701-2800	3445=1723/1722	2584=1292/1292	1723=862/861	861=431/430
2801-2900	3345=1673/1672	2509=1255/1254	1673=837/836	836=418/418
2901-3000	3245=1623/1622	2434=1217/1217	1623=812/811	811=406/405
3001-3100	3145=1573/1572	2359=1180/1179	1573=787/786	786=393/393
3101-3200	3045=1523/1522	2284=1142/1142	1523=762/761	761=381/380
3201-3300	2945=1473/1472	2209=1105/1104	1473=737/736	736=368/368
3301-3400	2845=1423/1422	2134=1067/1067	1423=712/711	711=356/355
3401-3500	2745=1373/1372	2059=1030/1029	1373=687/686	686=343/343
3501-3600	2645=1323/1322	1984=992/992	1323=662/661	661=331/330
3601-3700	2545=1273/1272	1909=955/954	1273=637/636	636=318/318
3701-3800	2445=1223/1222	1834=917/917	1223=612/611	0=0/0
3801-3900	2345=1173/1172	1759=880/879	1173=587/586	0=0/0
3901-4000	2245=1123/1122	1684=842/842	1123=562/561	0=0/0
4001-4100	2145=1073/1072	1609=805/804	1073=537/536	0=0/0
4101-4200	2045=1023/1022	1534=767/767	1023=512/511	0=0/0
4201-4300	1945=973/972	1459=730/729	973=487/486	0=0/0
4301-4400	1845=923/922	1384=692/692	923=462/461	0=0/0
4401-4500	1745=873/872	1309=655/654	873=437/436	0=0/0
4501-4600	1645=823/822	1234=617/617	823=412/411	0=0/0
4601-4700	1545=773/772	1159=580/579	773=387/386	0=0/0
4701-4800	1445=723/722	1084=542/542	723=362/361	0=0/0
4801-4900	1345=673/672	1009=505/504	673=337/336	0=0/0
4901-5000	1245=623/622	934=467/467	623=312/311	0=0/0
5001-5100	1145=573/572	859=430/429	0=0/0	0=0/0
5101-5200	1045=523/522	784=392/392	0=0/0	0=0/0
5201-5300	945=473/472	709=355/354	0=0/0	0=0/0
5301-5400	845=423/422	634=317/317	0=0/0	0=0/0
5401-5500	745=373/372	0=0/0	0=0/0	0=0/0
5501-5576	657=329/328	0=0/0	0=0/0	0=0/0
5577-999999	0=0/0	0=0/0	0=0/0	0=0/0

1/2 Time
Required

3/4 Time
Required

Full-Time
Required

Dual Credit Qualifying Test Scores

Math Courses Including: College Algebra, Trigonometry, Statistics, Pre-Calculus, Physics, Chemistry	STAAR - Algebra I 4000 & Passed Algebra II PLAN - Composite 23, Math 19, English 19 PSAT - Reading 50, Math 50, Combined 107 New PSAT 10-15-15 - Math 510	STAAR - Algebra II 2000 ACT - Composite 23, Math 19 SAT - Math 500, Combined 1070 (R&M) New SAT 3-1-16 - Math 530
	If the student is not exempt, he/she must take and pass the Math with a 350.	If the student is not exempt, he/she must take and pass the Math with a 350.
Reading Courses Including: Biology, British Literature, Government, History, Psychology, Sociology, Economics	STAAR - English II 4000 PLAN - Composite 23, Math 19, English 19 PSAT - Reading 50, Math 50, Combined 107 New PSAT 10-15-15 - EBRW 460	STAAR - English III Reading 2000 ACT - Composite 23, English 19 SAT - Reading 500, Combined 1070 (R&M) New SAT 3-1-16 - EBRW 480
	If the student is not exempt, he/she must take and pass the Reading with a 351.	If the student is not exempt, he/she must take and pass the Reading with a 351.
Writing Courses Including: English 1301 and English 1302	STAAR - English II 4000 PLAN - Composite 23, Math 19, English 19 PSAT - Reading 50, Math 50, Combined 107 New PSAT 10-15-15 - EBRW 460	STAAR - English III Writing 2000 ACT - Composite 23, English 19 SAT - Reading 500, Combined 1070 (R&M) New SAT 3-1-16 - EBRW 480
	If the student is not exempt, he/she must take and pass the Sentence Skills with a 340 and the Essay with a 4, or make a 5 on the essay.	If the student is not exempt, he/she must take and pass the Sentence Skills with a 340 and the Essay with a 4, or make a 5 on the essay.
Other Courses Including: Med. Term, Spanish, Art, Music, Learning Frameworks	If the student is not exempt, he/she must attempt the Reading section of the TSI but no pass.	If the student is not exempt, he/she must attempt the Reading section of the TSI but no pass.
Certificate Program Courses Including: Cosmetology, Welding	Students enrolled in certificate programs are exempt from TSI requirements	Students enrolled in certificate programs are exempt from TSI requirements

*Students must have minimum of the above stated scores in each portion of the TAKS, PLAN, PSAT, ACT, or SAT in order to

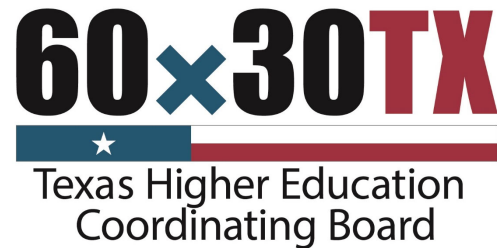
*TAKS ELA and Essay scores cannot be combined with TSI Sentence Skills and Essay scores.

*A student using ACT or SAT scores for Reading and Writing but not Math or visa-versa will need to test with the TSI in the corresponding sections that the student is not complete in.

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Update on FAFSA/TASFA Graduation Requirement and TASFA Development



Financial Aid Advisory Committee

Claudette Jenks, Presenter

March 5, 2020



1

House Bill Overview

House Bill 3- FAFSA/TASFA High School Graduation Requirement

- Requires completion and submission of a FAFSA or TASFA prior to high school graduation
- Begins with the 2021–2022 School Year
- Allows opt out options by a parent, counselor, or self (over 18)
- Establishes an advisory board to advise on policy and implementation

House Bill 2140- Online Texas Application for State Financial Aid

- Establishes the TASFA electronically through the ApplyTexas system
- Establishes an advisory committee of financial aid personnel and other stakeholders
- Maintain online database of institutions that take TASFA
- Board to adopt procedures for TASFA and develop recommendations



2

2

Texas Education Agency FAFSA Advisory Committee

- The FAFSA advisory committee will make recommendations regarding the following:
 - Information districts must provide to students
 - Timelines for distribution of the FAFSA or TASFA and opt-out form to students
 - Timelines for submission of a completed opt-out form
 - The method by which a student must provide proof of completion and submission of the FAFSA or TASFA
 - Resources to be provided by TEA
- Recommendations will be completed by December 2020.

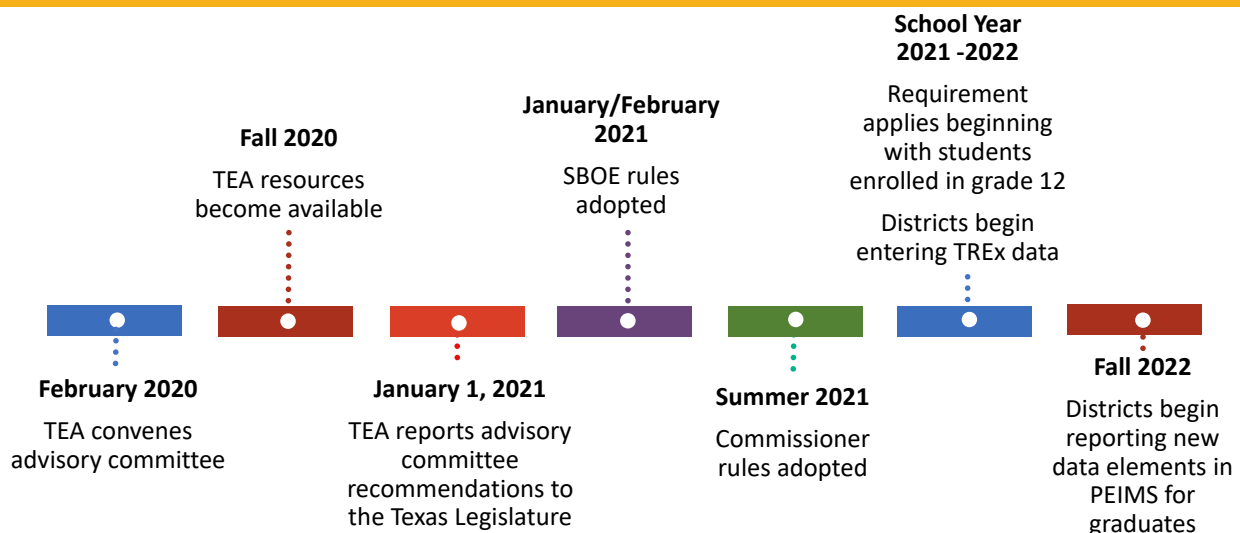


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TEA Implementation Timeline



60x30TX

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Texas Higher Education Coordinating Board TASFA Advisory Committee

- The TASFA advisory committee will be composed of financial aid personnel, public school counselors, and stakeholders who advise students regarding financial aid.
 - School counselors
 - Higher education financial aid and technical representatives
 - Student representative
 - Nonprofit organizations
- THECB will seek advisory committee nominations between February and March 2020.
- The advisory committee is expected to meet at least three times between April and August 2020.



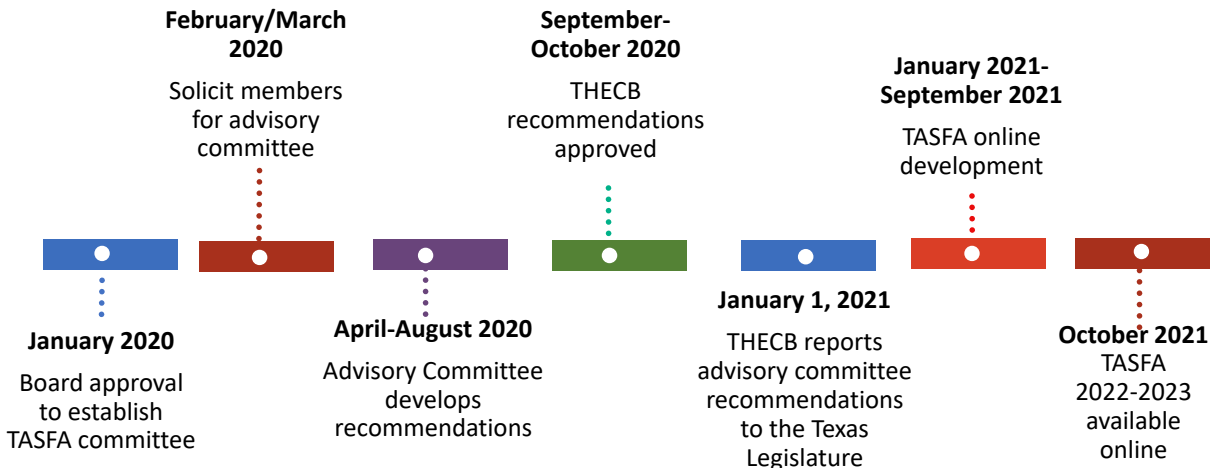
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THECB Advisory Committee, con't

- The TASFA advisory committee will:
 - Make recommendations to the Board on the procedures, development, and any associated cost of the online TASFA
 - Identify technical and functional revisions of the ApplyTX System regarding the development of the online TASFA
 - Solicit input from stakeholders across the state; and
 - Conduct other activities necessary for the development of the online TASFA
- Recommendations will be completed by October 2020.

6

THECB Implementation Timeline



7

7

Tracking FAFSA Completions and Submissions

The screenshot shows the login interface for the ApplyTexas Administrative & Counselor Reporting Suite. It includes a header with the ApplyTexas logo, a login section with fields for User-ID and Password, and a footer with a date update notice.

- The ApplyTexas Counselor Suite hosted by UT Austin provides student level data from the USDE (via MOU with school districts) about FAFSA submissions and completions.
- From late October-June, data is released daily Monday-Friday. The first report is added to the ApplyTexas site by mid- to late October.
- Districts must enter into an MOU with THECB and counselors must register for an account to access data through their ISD's ESC.



8

8

Tracking FAFSA - Challenges

Identified Challenges

- Student SEARCH and SELECT the correct high school from FAFSA dropdown
- School name changes
- Student/Parent not using FSA ID to sign FAFSA
- Students filling out FAFSA Renewal application

Resolution

- Developed FAQs to provide counselors with information and guidance on how to make corrections
- More frequent data updates – from Tuesday and Thursday to Monday- Friday
- Added Mobile Device data to download
- Plan to meet with Department of Education

Reporting Requirements

- Districts will enter financial aid application data in their local student information systems beginning with students enrolled in 12th grade during the 2021-2022 school year.
- Districts will also need to indicate that the graduation requirement has been met on the high school transcript.
- THECB and TEA are exploring ways to streamline data collection systems for monitoring and reporting FAFSA information.
- THECB will work with TEA and the TASFA Advisory Committee to determine requirements related to TASFA tracking and reporting.

Next Steps

- Help build capacity by working with high school districts to assist in FAFSA and TASFA completions to prepare for implementation.
- TASFA Advisory Committee members to be approved by Board in March, first meeting in April/May.
- Continue collaborations with TEA and other stakeholders to explore data collection and sharing, develop system of supports for implementation, and develop messaging to the field.
- Meeting with Education Commission of the States.



11

11

For additional information:

House Bill 3 Overview

Texas Education Agency website at [House Bill 3](#)
HB3info@tea.Texas.gov include the Financial Aid Application in the subject line

House Bill 3 - FAFSA High School Graduation Requirement

Alexis Bauserman
 Director of Counseling, Advising, and Student Supports
 Texas Education Agency
Alexis.Bauserman@tea.Texas.gov

House Bill 2140 - TASFA Development

Claudette Jenks
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 Texas Higher Education Coordinating Board
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Texas Higher Education Coordinating Board

12

12

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Texas Higher Education
Coordinating Board



13

Chapter 22 Student Financial Aid Programs

Subchapter L Toward Excellence, Access, And Success (Texas) Grant Program

Section

- §22.225. Authority and Purpose
- §22.226. Definitions
- §22.227. Eligible Institutions
- §22.228. Eligible Students
- §22.229. Satisfactory Academic Progress
- §22.230. Discontinuation of Eligibility or Non-Eligibility
- §22.231. Hardship Provisions
- §22.233. Priority in Awards to Students
- §22.234. Award Amounts and Adjustments
- §22.236. Allocation and Reallocation of Funds
- §22.237. Funds Provided from Student Deposit Fees
- §22.239. Authority to Transfer Funds
- §22.241. Tolling of Eligibility for Initial Year Award

§22.225. Authority and Purpose

- (a) Authority. Authority for this subchapter is provided in the Texas Education Code, Chapter 56, Subchapter M, Toward EXcellence, Access and Success (TEXAS) Grant Program. This subchapter establishes procedures to administer Texas Education Code, §§56.301 - 56.311.
- (b) Purpose. The purpose of this program is to provide need-based grants of money to enable eligible students to attend eligible public institutions of higher education in this state.

§22.226. Definitions

In addition to the words and terms defined in §22.1 of this Chapter, the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

- (1) Continuation award--A TEXAS Grant awarded to a person who has previously received an initial year award.
- (2) Degree program of four years or less--A baccalaureate degree program other than in a program determined by the Board to require four years or more to complete.
- (3) Degree or program of more than four years--A baccalaureate program determined by the Board to require more than four years to complete.
- (4) General Academic Teaching Institution--As the term is defined in Texas Education Code, §61.003(3).
- (5) Initial year award--The TEXAS Grant awarded in the student's first year in the TEXAS Grant program, typically made up of a fall and spring disbursement.
- (6) Medical or dental unit--As the term is defined in Texas Education Code, §61.003(5).
- (7) Public Institution--As the term, institution of higher education, is defined in Texas Education Code, §61.003(8).

- (8) Prior-prior year--For allocation purposes, the state fiscal year that began two years earlier than the fiscal year for which the allocation is being calculated.
- (9) Private Institution--As the term, private or independent institution of higher education, is defined in Texas Education Code, §61.003(15).
- (10) Program -- The Toward EXcellence, Access and Success (TEXAS) Grant program.
- (11) Public state college--As the term is defined in Texas Education Code, §61.003(16).
- (12) Required fees--A mandatory fee (required by statute) or discretionary fee (authorized by statute, imposed by the governing board of a public institution) and that a public institution charges to a student as a condition of enrollment at the public institution or in a specific course.
- (13) Target award amount--An amount set by the Coordinating Board, in consultation with public institutions participating in the TEXAS Grant Program, and used as the recommended average award amount for the TEXAS Grant Program for a biennium and in establishing renewal year allocations to participating public institutions as described in §22.236(a)(1) of this subchapter (relating to Allocation and Reallocation of Funds).
- (14) Tuition--Statutory tuition, designated and/or Board-authorized tuition.

§22.227. Eligible Institutions

(a) Eligibility.

- (1) Institutions eligible to make initial year and continuation awards in the program are medical or dental units and general academic teaching institutions, other than the public state colleges. Other public institutions, including public state colleges, are only eligible to make continuation awards, and can make continuation awards only to persons who initially received TEXAS Grants prior to fall 2014 through a public state college, community college, or technical college.
- (2) No participating public institution may, on the grounds of race, color, national origin, gender, religion, age, or disability exclude an individual from participation in, or deny the benefits of the program described in this subchapter.
- (3) Each participating public institution must follow the Civil Rights Act of 1964, Title VI (Public Law 88-353) in avoiding discrimination in admissions or employment.

(b) Approval.

- (1) Agreement. Each eligible public institution must enter into an agreement with the Board, the terms of which shall be prescribed by the Commissioner or his/her designee, prior to being approved to participate in the program.
- (2) Approval Deadline. An eligible public institution must enter into an agreement with the Board and indicate an intent to participate in the program by April 1 in order for qualified students enrolled in that public institution to be eligible to receive grants in the following fiscal year.

(c) Responsibilities. Participating public institutions are required to abide by the General Provisions outlined in subchapter A of this Chapter.

§22.228. Eligible Students

- (a) To qualify for an initial year award, a person who graduates from high school must:
- (1) be enrolled in a medical or dental unit or general academic teaching institution other than public state colleges;
 - (2) be a resident of Texas;
 - (3) meet financial need requirements established by the Board;
 - (4) have applied for any available financial aid assistance;
 - (5) meet applicable standards outlined in Subchapter A of this Chapter; and
 - (6) Except as provided under §22.231 of this subchapter (relating to Hardship Provisions), to receive an initial year award, an otherwise eligible person must enroll in a baccalaureate degree program at an eligible public institution on at least a three-quarter time basis as:
 - (A) an entering undergraduate student not later than the end of the 16th month after high school graduation; or
 - (B) an entering undergraduate student who entered military service not later than the first anniversary of the date of high school graduation and enrolled in an eligible public institution no later than 12 months after being released from active duty military service with an Honorable Discharge, General Discharge under Honorable Conditions, or Honorable Separation or Release from Active Duty, as documented by the Certificate of Release or Discharge from Active Duty (DD214) issued by the Department of Defense;
 - (C) a continuing undergraduate student not later than the end of the 12th month after the calendar month in which the student received an associate degree; or
 - (D) a continuing undergraduate student who has:
 - (i) previously attended a public institution;
 - (ii) received an initial Texas Educational Opportunity Grant under Subchapter M of this Chapter for the 2014 fall semester or a subsequent semester;
 - (iii) completed at least 24 semester credit hours at any public institution(s) or private institution(s);
 - (iv) earned an overall grade point average of at least 2.5 on a four-point scale or the equivalent on all course work previously attempted; and
 - (v) has never previously received a TEXAS Grant.
- (b) Continuation Awards. To receive a continuation award through the TEXAS Grant Program, a student must:
- (1) have previously received an initial year award through this program;
 - (2) show financial need in the semester(s) in which a TEXAS Grant is awarded;
 - (3) be enrolled at least three-quarter time in the semester(s) in which a TEXAS Grant is awarded unless granted a hardship waiver of this requirement under §22.231 of this subchapter (relating to Hardship Provisions);
 - (4) be enrolled in a baccalaureate program at the eligible public institution;
 - (5) make satisfactory academic progress towards a baccalaureate degree at the eligible public institution, as defined in §22.229 of this subchapter (relating to Satisfactory Academic Progress);
 - (6) meet applicable standards outlined in Subchapter A of this Chapter; and

- (7) If a student's eligibility was based on the expectation that the student would complete a high school diploma or associate degree in time to meet the requirements for Program eligibility, and the student failed to do so, then, in order to resume eligibility, such a student must:
 - (A) receive an associate degree;
 - (B) meet all other qualifications for a TEXAS Grant;
 - (C) if required to do so by the institution through which the TEXAS Grant was made, repay the amount of the TEXAS Grant that was previously received; and
 - (D) enroll in a higher-level undergraduate degree program in an eligible public institution not later than the 12th month after the month the student received an associate degree.

§22.229. Satisfactory Academic Progress

- (a) To qualify for a continuation award after the academic year in which a person receives an initial year award, each recipient of the TEXAS Grant shall meet the academic progress requirements as indicated by the financial aid office of his or her institution.
- (b) To receive a subsequent award after he or she receives a continuation award, a recipient shall, unless granted a hardship postponement in accordance with §22.231 of this subchapter (relating to Hardship Provisions):
 - (1) complete at least 24 semester credit hours in his or her most recent academic year; and,
 - (2) maintain an overall grade point average of at least 2.5 on a four point scale or its equivalent, for all coursework attempted at public institutions and private institutions.
 - (3) An entering undergraduate student enrolling in a participating public institution for the second or later semester in a given academic year meets the semester-credit-hour requirement outlined in subparagraph (1) of this paragraph for continuing in the program if he or she completes at least 12 semester credit hours or its equivalent during that semester.
- (c) The calculation of a student's GPA is to be completed in accordance with the General Provisions outlined in Subchapter A of this Chapter.
- (d) The completion rate calculations may be made in keeping with institutional policies.

§22.230. Discontinuation of Eligibility or Non-Eligibility

- (a) A student may not receive a TEXAS Grant after having already being granted a baccalaureate degree.
- (b) A student may not receive a TEXAS Grant for a semester in which he or she is enrolled for fewer than six hours.
- (c) Unless granted a hardship postponement in accordance with §22.231 of this subchapter (relating to Hardship Provisions), eligibility for a TEXAS Grant for a student whose eligibility for an initial year TEXAS Grant was not based on the receipt of an associate degree ends:
 - (1) five years from the start of the semester in which the student received his or her first disbursement of an initial year TEXAS Grant, if the student is enrolled in a degree program of four years or less;

- (2) six years from the start of the semester in which the student received his or her first disbursement of an initial year TEXAS Grant, if the student is enrolled in a degree program of more than four years.
- (d) Unless granted a hardship postponement in accordance with §22.231 of this subchapter (relating to Hardship Provisions), eligibility for a TEXAS Grant for a student whose eligibility was based on receiving an associate degree ends:
 - (1) three years from the date of the semester in which the student received his or her first disbursement of an initial year TEXAS Grant if the student is enrolled in a degree program of four years or less;
 - (2) four years from the date of the semester in which the student received his or her first disbursement of an initial year TEXAS Grant if the student is enrolled in a degree program of more than four years.
- (e) A student's eligibility ends one year from the date of the semester in which the student received his or her first disbursement of an initial year TEXAS Grant, if the student's eligibility was based on the expectation that the student would complete the initial year award requirements as outlined in §22.228 of this subchapter (relating to Eligible Students), but the student failed to do so. However, if such a student later receives an associate degree and again qualifies for TEXAS Grants, he or she can receive an additional three years of eligibility if enrolled in a degree program of four years or less, or an additional four years if enrolled in a degree program of more than four years.
- (f) A student's eligibility for a TEXAS Grant ends once he or she has attempted 150 semester credit hours or the equivalent unless the student is granted a hardship extension in accordance with §22.231(d) of this subchapter (relating to Hardship Provisions).
- (g) A person is not eligible to receive an initial year or continuation award if the person has been convicted of a felony or an offense under Chapter 481, Health and Safety Code (Texas Controlled Substances Act), or under the law of any other jurisdiction involving a controlled substance as defined by Chapter 481, Health and Safety Code, unless the person has met the other applicable eligibility requirements under this subchapter and has:
 - (1) received a certificate of discharge by the Texas Department of Criminal Justice or a correctional facility or completed a period of probation ordered by a court, and at least two years have elapsed from the date of the receipt or completion; or
 - (2) been pardoned, had the record of the offense expunged from the person's record, or otherwise been released from the resulting ineligibility to receive a TEXAS Grant.
- (h) Other than as described in §22.231 of this subchapter (relating to Hardship Provisions), if a person fails to meet any of the requirements for receiving a continuation award as outlined in §22.228(b) of this subchapter (relating to Eligible Students) after completion of any semester, the person may not receive a TEXAS Grant until he or she completes a semester while not receiving a TEXAS Grant and meets all the requirements as outlined in §22.228(b) of this subchapter (relating to Eligible Students) as of the end of that semester.

§22.231. Hardship Provisions

- (a) In the event of a hardship or for other good cause, the Program Officer at an eligible public institution may allow an otherwise eligible person to receive a TEXAS Grant under the following conditions:
 - (1) while enrolled in less than nine semester credit hours;
 - (2) if the student's grade point average falls below the satisfactory academic progress requirements of §22.229 of this subchapter (relating to Satisfactory Academic Progress);
 - (3) if the student's completion rate falls below the satisfactory academic progress requirements of §22.229 of this subchapter (relating to Satisfactory Academic Progress);
 - (4) if the student's number of completed hours falls below the satisfactory academic progress requirements of §22.229 of this subchapter (relating to Satisfactory Academic Progress); or
 - (5) if the student requires an extension of the year limits found in §22.230 of this subchapter (relating to Discontinuation of Eligibility or Non-Eligibility) to complete his or her degree.
- (b) Hardship or other good causes are not limited to, but include:
 - (1) a showing of a severe illness or other debilitating condition that may affect the student's academic performance;
 - (2) an indication that the student is responsible for the care of a sick, injured, or needy person and that the student's provision of care may affect his or her academic performance; or
 - (3) the requirement of fewer than nine hours to complete one's degree plan.
- (c) The Program Officer may allow a student to receive his/her initial year award after more than 16 months have passed since high school graduation if the student and/or the student's family has suffered a hardship that would now make the student rank as one of the institution's neediest. Documentation justifying the exception must be kept in the student's files.
- (d) The Program Officer may allow a student to receive a grant after attempting more hours than allowed under §22.230(f) of this subchapter (relating to Discontinuation of Eligibility or Non-Eligibility) in the event of hardship. However, the total number of hours paid for, at least in part, with TEXAS Grant funds may not exceed 150 semester credit hours or the equivalent.
- (d) Documentation justifying the eligibility granted through the hardship provisions outlined in this rule must be kept in the student's file. Institutions must identify to the Board those students granted eligibility through hardship provisions, so that the Board may appropriately monitor each student's period of eligibility.
- (e) Each participating public institution shall adopt a hardship policy under this section and have the policy available in writing in the financial aid office for public review upon request.

§22.233. Priority in Awards to Students

- (a) If appropriations for the program are insufficient to allow grants to all eligible students, priority shall be given to those students demonstrating continuing TEXAS Grant eligibility pursuant to §22.228(b) of this subchapter (relating to Eligible Students).

- (b) In determining student eligibility for who should receive an initial year TEXAS Grant pursuant to §22.228(a) of this subchapter (relating to Eligible Students), priority shall be given to those students who demonstrate the greatest financial need at the time the award is made.
- (c) In determining student eligibility for TEXAS Grant pursuant to §22.228(a) of this subchapter (relating to Eligible Students), priority shall be given to those students who have an expected family contribution that does not exceed 60 percent of the average statewide amount of tuition and required fees for general academic teaching institutions for the relevant academic year.
- (d) In determining initial student eligibility for TEXAS Grant pursuant to §22.228(a) of this subchapter (relating to Eligible Students), priority shall be given to those students who graduate or are on track to graduate from a public or accredited private high school in Texas on or after May 1, 2013, and complete or are on track to complete the Foundation High School program, or its equivalent as amended in keeping with Texas Education Code, §56.009. The person must also be on track to have accomplished any two or more of the following at the time the TEXAS grant was awarded:
 - (1) successful completion of the course requirements of the international baccalaureate diploma program, or earning of the equivalent of at least 12 semester credit hours of college credit in high school through courses described in Texas Education Code, §28.009(a)(1), (2), and (3), or if graduating prior to September 1, 2020, graduate under the Recommended or Advanced high school curriculum specified in the Texas Education Code, §28.025 as it existed as of January 1, 2013, and the rules promulgated thereunder by the State Board of Education;
 - (2) satisfaction of the Texas Success Initiative (TSI) college readiness benchmarks prescribed by the Board under Texas Education Code, §51.3062(f) on any assessment instrument designated by the Board under Texas Education Code, §51.3062(c) or qualification for an exemption as described by Texas Education Code, §51.3062(p), (q), or (q-1);
 - (3) graduation in the top one-third of the person's high school graduating class or graduation from high school with a grade point average of at least 3.0 on a four-point scale or the equivalent; or
 - (4) completion for high school credit of at least one advanced mathematics course following the successful completion of an Algebra II course, or at least one advanced career and technical or technical applications course.
- (e) If funds remain after TEXAS Grants are awarded to all students meeting the criteria in subparagraph (d) of this paragraph, remaining funds may be awarded to persons who are otherwise eligible for TEXAS Grants.

§22.234. Award Amounts

- (a) The amount of a TEXAS Grant awarded through an eligible public institution may not be reduced by any gift aid for which the person receiving the grant is eligible, unless the total amount of a person's grant plus any aid other than loans received equals or exceeds the student's financial need.
- (b) The Board shall determine and announce the maximum amount of a TEXAS Grant not later than the final day of January prior to the start of each fiscal year. The calculation of the maximum amount per semester will be based on the mandates

contained in Texas Education Code, §56.307. However, no student's TEXAS Grant shall be greater than the amount of the student's financial need.

- (c) An eligible public institution may not charge a person receiving a TEXAS Grant through that institution, an amount of tuition and required fees in excess of the amount of the TEXAS Grant received by the person in that semester unless it also provides the student sufficient aid other than loans to meet his or her full tuition and required fees for that semester. Nor may it deny admission to or enrollment in the institution based on a person's eligibility to receive or actual receipt of a TEXAS Grant.
- (d) The eligible public institution may require a student to forgo or repay the amount of an initial year award if the student is determined to have failed to complete the necessary High School Program or Associate Degree, upon which eligibility for the program was determined, as evidenced by the final high school or college transcript.
- (e) Award calculations and disbursements are to be completed in accordance with the General Provisions outlined in Subchapter A of this Chapter.

§22.236. Allocation and Reallocation of Funds

(a) Allocations for Fiscal Year 2017 and Later.

(1) The share of funds for each institution eligible to make both initial and continuation awards will equal:

(A) The number of Initial Award TEXAS Grant recipients at the institution in the Prior-Prior Year multiplied by the percentage of Initial Award TEXAS Grant recipients in the year prior to the Prior-Prior Year who received a Renewal Award in the Prior-Prior Year; plus the number of Renewal Award TEXAS Grant recipients at the institution in the Prior-Prior Year multiplied by the percentage of Renewal Award TEXAS Grant recipients in the year prior to the Prior-Prior Year who received a Renewal Award in the Prior-Prior Year, multiplied by the institution's average TEXAS Grant in the Prior-Prior Year, up to the amount of the Target Award for the fiscal year for which allocations are occurring, plus

(B) The institution's proportions of the remaining appropriation is based on the sum of the number of students who were reported as a first time enrolling freshman; or an entering undergraduate transfer student who completed an associate's degree within the prior 12 months to enrolling; or an entering undergraduate transfer student who received an Initial TEOG award for the Fall 2014 semester or later, has completed at least 24 semester credit hours, and has earned an overall GPA of at least 2.5 on a four-point scale on all course work previously attempted; and

- (i) were enrolled as undergraduate students and had not yet received a Bachelor's degree;
- (ii) were identified as Texas residents;
- (iii) were enrolled at least 3/4-time;
- (iv) filed a FAFSA or TASFA; and
- (v) had a 9-month Expected Family Contribution that was less than or equal to the cap established for TEXAS Grant in the Prior-Prior Year.

- (2) No institution's annual allocations will be reduced by more than 7.5 percent of the prior year's annual allocation not including any reallocations that occurred in that prior year. This provision will apply to FY2017 and FY2018 allocations after which it will expire. Provisions of this subsection do not apply to allocation reductions resulting from reductions in state appropriations.
- (3) Institutions who are only eligible to make continuation awards will not receive a specific allocation. Those schools will have until February 20, or the first working day thereafter if it falls on a weekend or holiday, to submit for reimbursement any award for a student who is identified as eligible and is awarded a TEXAS Grant. Those awards will be funded through any unencumbered program funds.
- (4) The TEXAS Grant allocation spreadsheet will be provided to the institutions for review and the institutions will be given 10 working days, beginning the day of the notice's distribution and excluding State holidays, to confirm that the spreadsheet accurately reflects the data they submitted or to advise Board staff of any inaccuracies.
- (c) Reallocations. Institutions will have until February 20 or the first working day thereafter if it falls on a weekend or holiday to encumber the program funds that have been allocated to them. On that date, institutions lose claim to any funds not yet drawn down from the Board for immediate disbursement to students, and the funds released in this manner are available to the Board for reallocation to other institutions. Reallocated funds will be distributed among institutions requesting funds using the same basis as was used for the allocation of funds, but no institution will receive more funds than it requested. If necessary for ensuring the full use of funds, subsequent reallocations may be scheduled until all funds are awarded and disbursed.
- (d) Disbursement of Funds to Institutions. As requested by institutions throughout the academic year, the Board shall forward to each participating institution a portion of its annual allocations of funds for immediate release to students or immediate application to student accounts at the institution.
- (e) Release of Funds to Students. The institution may release all or part of the proceeds of a TEXAS Grant to an eligible person only if the tuition and required fees incurred by the person at the institution have been paid.

§22.237. Funds Provided from Student Deposit Fees

Excess student deposit funds remitted to the Coordinating Board pursuant to Texas Education Code, §54.5021(c), may only be used to make TEXAS Grants. If the year-end unobligated and unexpended balance of student deposit funds at an institution exceeds 150 percent of the total deposits to that fund during that year, the excess funds shall be forwarded to the Coordinating Board for disbursement through the TEXAS Grant Program. If an institution established an endowment fund from excess funds prior to the end of state Fiscal Year 2001, no additional excess funds may be added to the endowment corpus. All excess funds and their earnings (including the earnings of the endowment fund) must be used in calculating the year-end balance subject to the 150 percent limit.

§22.239. Authority to Transfer Funds

Institutions participating in a combination of the Toward EXcellence, Access and Success Grant, and Texas College Work-Study Programs, in accordance with instructions from the Board, may transfer in a given fiscal year up to the lesser of 10 percent or \$20,000 between these programs.

§22.241. Tolling of Eligibility for Initial Year Award

- (a) A person is eligible for consideration for an Initial Year award under this subsection if the person was eligible for an initial year award under §22.228 of this subchapter (relating to Eligible Students) in an academic year for which the Texas Legislature failed to appropriate sufficient funds to make initial year awards to at least 10 percent of the eligible student population, and:
- (1) has not received a TEXAS Grant in the past;
 - (2) has not received a baccalaureate degree; and
 - (3) meets the eligibility requirements for a continuation award as described in §22.228(d) of this subchapter (relating to Eligible Students).
- (b) A person who meets the requirements outlined in subsection (a) of this section:
- (1) cannot be disqualified for a TEXAS Grant by changes in program requirements since the time he or she was originally eligible or by the amount of time that has passed since he or she was originally eligible;
 - (2) is to receive highest priority in the selection of recipients if he or she met the priority model requirements of §22.233(d) of this subchapter (relating to Priority in Awards to Students), when originally determined to be eligible;
 - (3) may continue receiving awards as long as he or she meets the requirements for such continuation awards; and
 - (4) may not receive TEXAS Grants for prior academic years.

CHAPTER 22 STUDENT FINANCIAL AID PROGRAMS

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

Rules

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

22.225 Authority and Purpose

(a) Authority. Authority for this subchapter is provided in the Texas Education Code, Chapter 56, Subchapter M, Toward EXcellence, Access and Success (TEXAS) Grant Program. This subchapter establishes ~~[These rules establish]~~ procedures to administer ~~[the subchapter as prescribed in the]~~ Texas Education Code, §§56.301 - 56.311.

(b) Purpose. The purpose of this program is to provide need-based grants of money to enable eligible ~~[certain]~~ students to attend eligible public institutions of higher education in this state. *{56.302(b) For review purposes, the statutory references supporting individual rules have been listed throughout this document. These references would not be included in the posted rule.}*

22.226 Definitions

In addition to the words and terms defined in §22.1 of this Chapter, the ~~[The]~~ following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

~~[(1) Awarded—Offered to a student.~~

~~(2) Board—The Texas Higher Education Coordinating Board.~~

Commented [CC1]: Changes notated as one of the following don't make substantive changes to the nature of the rule:

CLARITY – adjustments to more clearly describe the regulations

CONSISTENCY – aligning wording within and across subchapters

MOVE – moving wording to another location in the rules for greater clarity

OUTDATED – eliminating language that is no longer necessary

REDUNDANCY – eliminating language that has already been explained elsewhere in the rules or in statute

SUMMER – adjustments made to support summer grants.

Commented [CC2]: Changes notated as the following change the nature of the rule:

AUTHORITY – adjustments to align the rule with statute, thus changing the nature of the rule

CORRECTION – adjustments that provide greater clarity, but also could be interpreted as a substantive change to the rule.

Commented [PC3]: CONSISTENCY: Amended to align with wording in other subchapters

Commented [PC4]: CLARITY: Amended to clarify need-based nature of the program and that it is limited to public institutions.

Commented [CC5]: CLARITY: Inserting reference to General Provisions.

Commented [PC6]: REDUNDANCY: Unless otherwise noted, all of the definitions marked for deletion appear in the General Provisions definitions.

~~(3) Commissioner—The Commissioner of Higher Education, the Chief Executive Officer of the Board.]~~

~~[(4) Committee—The TEXAS Grant Oversight Committee, authorized through Texas Education Code, §56.311.]~~

Commented [PC7]: OUTDATED: This term is no longer referenced in this subchapter

~~(1) [(5)] Continuation [or renewal] award—A TEXAS Grant awarded to a person who has previously received an initial year award.~~

Commented [CC8]: CONSISTENCY: Removing multiple defined phrases for the same meaning and aligning wording with other pre-defined term. References throughout the document have been aligned to the defined term.

~~[(6) Cost of attendance—An institution's estimate of the expenses incurred by a typical financial aid student. It includes direct educational costs (tuition, fees, books, and supplies) as well as indirect costs (room and board, transportation, and personal expenses).]~~

~~(2) [(7)] Degree [or certificate] program of four years or less—A baccalaureate degree [or certificate] program other than in a [architecture, engineering or any other] program determined by the Board to require four years or more [less] to complete.~~

Commented [PC9]: CORRECTION and CLARITY: You cannot receive a TEXAS Grant for a certificate program. Clarifying the language to reflect any program other than those the Board has determined require more than four years to complete.

~~(3) [(8)] Degree or [or certificate] program of more than four years—A baccalaureate degree [or certificate] program [in architecture, engineering or any other program] determined by the Board to require more than four years to complete.~~

Commented [PC10]: CORRECTION and CLARITY: You cannot receive a TEXAS Grant for a certificate program. Clarifying the language to reflect any program the Board has determined require more than four years to complete.

~~[(9) Eligible institution—During the 2013-2014 academic year, all institutions of higher education are eligible to make initial and continuation awards. Beginning with awards for fall 2014, only medical or dental units and general academic teaching institutions other than the public state colleges may make initial and continuation awards. Other institutions of higher education, including public state institutions, may only make continuation awards and can make continuation awards only to otherwise eligible students who received TEXAS Grant awards prior to fall 2014.~~

Commented [PC11]: REDUNDANCY: The Institutions section of this subchapter explains this.

~~(10) Enrolled on at least a three-quarter basis—Enrolled for the equivalent of nine undergraduate semester credit hours in a regular semester.~~

~~(11) Entering undergraduate—A student enrolled in the first 30 semester credit hours or their equivalent, excluding hours taken during dual enrollment in high school and courses for which the student received credit through examination.~~

~~(12) Expected family contribution—The amount of discretionary income that should be available to a student from his or her resources and that of his or her family, as determined following the federal methodology.~~

~~(13) Financial Aid Advisory Committee—An advisory committee for the Board, authorized in Texas Education Code, §61.0776 and charged with providing the Board advice and recommendations regarding the development, implementation and evaluation of state financial aid programs for college students.~~

Commented [PC12]: OUTDATED: No longer referenced in this subchapter.

~~[(14) Financial need—The cost of attendance at a particular public or private institution of higher education less the expected family contribution. The cost of attendance and family contribution are to be determined in accordance with Board guidelines. Federal and state veterans' educational and special combat pay benefits are not to be considered in determining a student's financial need.]~~

~~[(15) Foundation high school program--The curriculum specified in the Texas Education Code, §28.025, as it exists after the passage of House Bill 5 by the 83rd Legislature, Regular Session, and the rules promulgated thereunder by the State Board of Education.]~~

Commented [CC13]: MOVE: This term was only used once in the entire subchapter, so defining in the rule rather than in the definitions.

~~(4) [(16)] General Academic Teaching Institution--As the term is defined in Texas Education Code, §61.003(3) [§61.003].~~

Commented [CC14]: CLARITY: Clarifying statutory reference.

~~[(17) Honorably discharged--Released from active duty military service with an Honorable Discharge, General Discharge under Honorable Conditions, or Honorable Separation or Release from Active Duty, as documented by the Certificate of Release or Discharge from Active Duty (DD214) issued by the Department of Defense.]~~

Commented [PC15]: MOVE: This term was only used once in the entire subchapter, so defining in the rule rather than in the definitions.

~~(5) [(18)] Initial year award--The TEXAS Grant awarded [grant award made] in the student's first year in the TEXAS Grant program, typically made up of a fall and spring disbursement.~~

Commented [CC16]: CONSISTENCY: References throughout the document have been aligned to defined terms.

~~[(19) Institution of Higher Education or Institution--Any public technical institute, public junior college, public senior college or university, medical or dental unit or other agency of higher education as defined] in Texas Education Code, §61.003(8).]~~

~~(6) [(20)] Medical or dental unit--As the term is defined in Texas Education Code, §61.003(5) [§61.003].~~

Commented [CC17]: CLARITY: Clarifying statutory reference.

~~[(21) Period of enrollment--The term or terms within the current state fiscal year (September 1-August 31) for which the student was enrolled in an eligible institution and met all the eligibility requirements for an award through this program.]~~

Commented [CC18]: OUTDATED: No longer referenced in this subchapter.

~~(7) Public Institution--As the term, institution of higher education, is defined in Texas Education Code, §61.003(8)~~

Commented [CC19]: CLARITY: More clearly define public vs. private institutions. The term "institution" or "institution of higher education" has been changed to "public institution" throughout the subchapter.

~~(8) [(22)] Prior-prior year--For allocation purposes, the state fiscal year that began two years earlier than the fiscal year for which the allocation is being calculated.~~

~~[(23) Priority Model--The additional academic requirements for priority consideration for an initial year TEXAS grant award for persons who graduate from high school on or after May 1, 2013 and enroll in a general academic teaching institution in the 2013-2014 academic year or enroll in a medical or dental unit or general academic teaching institution other than a state college in fall 2014 or later, as described in §22.228 of this title (relating to Eligible Students).]~~

Commented [PC20]: REDUNDANCY: Only used in one place in the subchapter, and it is already fully explained in that one place.

~~(9) Private Institution--As the term, private or independent institution of higher education, is defined in Texas Education Code, §61.003(15).~~

Commented [CC21]: CLARITY: More clearly define public vs. private institutions. References throughout the document have been aligned to the defined term.

~~(10) Program -- The Toward EXcellence, Access and Success (TEXAS) Grant program.~~

~~[(24) Program Officer--The individual named by each participating institution's chief executive officer to serve as agent for the Board. The Program Officer has primary responsibility for all ministerial acts required by the program, including maintenance of all records and preparation and submission of reports reflecting program transactions. Unless otherwise indicated by the administration, the director of student financial aid shall serve as Program Officer.]~~

~~[(11) [(25)] Public state college--As the term is defined in Texas Education Code, §61.003(16) [§61.003].~~

Commented [CC22]: CLARITY: Clarifying statutory reference. References throughout the document have been aligned to the defined term.

~~[(26) Recommended or advanced high school programs--The curriculum specified in the Texas Education Code, §28.025 as it existed as of January 1, 2013, and the rules promulgated thereunder by the State Board of Education.]~~

Commented [PC23]: MOVE: This term was only used once in the entire subchapter, so defining in the rule rather than in the definitions.

~~[(12) [(27)] Required fees--A mandatory fee (required by statute) or discretionary fee (authorized by statute, imposed by the governing board of [an] a public institution) and that [an] a public institution charges to a student as a condition of enrollment at the public institution or in a specific course.~~

~~[(28) Resident of Texas--A resident of the State of Texas as determined in accordance with Chapter 21, Subchapter B, of this title (relating to Determination of Resident Status). Nonresident students who are eligible to pay resident tuition rates are not residents of Texas.]~~

~~[(13) [(29)] Target award amount--An [award] amount set by the Coordinating Board, in consultation with public institutions participating in the TEXAS Grant Program, and used as the recommended average award amount for the TEXAS Grant Program for a biennium and in establishing renewal year allocations to participating public institutions as described in §22.236(a)(1) of this title (relating to Allocation and Reallocation of Funds).~~

Commented [CC24]: CLARITY: Clarifying affected institutions.

~~[(14) [(30)] Tuition--Statutory tuition, designated and/or Board-authorized tuition.~~

22.227 Eligible Institutions

(a) Eligibility.

~~(1) Institutions [Prior to fall 2014, all institutions of higher education are eligible to participate in the TEXAS Grant program. Beginning with awards for fall 2014, the only institutions] eligible to make initial year and continuation awards in the program are medical or [and] dental units and general academic teaching institutions, other than the public state colleges. Other public institutions [of higher education], including public state colleges, are only eligible to make continuation awards, and can make continuation awards only to persons who initially received TEXAS Grants [grant awards] prior to fall 2014 through a public state college, community college, or technical college. {56.301(2)}~~

Commented [PC25]: CLARITY: Amended to clarify affected institutions and align with other subchapters

~~(2) No participating public institution may, on the grounds of race, color, national origin, gender, religion, age, or disability exclude an individual from participation in, or deny the benefits of the program described in this subchapter.~~

Commented [PC26]: CLARITY: Amended to clarify affected institutions and align with other subchapters

~~(3) Each participating public institution must follow the Civil Rights Act of 1964, Title VI (Public Law 88-353) in avoiding discrimination in admissions or employment.~~

Commented [PC27]: CLARITY: Amended to clarify affected institutions and align with other subchapters

(b) Approval.

~~(1) Agreement. Each eligible public institution must enter into an agreement with the Board, the terms of which shall be prescribed by the Commissioner or his/her designee, prior to being approved to participate in the program.~~

Commented [PC28]: CLARITY: Clarifying the need for the agreement

(2) Approval Deadline. An eligible public [An] institution must enter into an agreement with the Board and indicate an intent to participate in the program [be approved] by April 1 in order for qualified students enrolled in that public institution to be eligible to receive grants in the following fiscal year.

Commented [PC29]: CLARITY: Clarifying the steps for approval and participation

(c) Responsibilities.

Commented [PC30]: REDUNDENCY: Covered in General Provisions.

Participating public institutions are required to abide by the General Provisions outlined in subchapter A of this Chapter.

Commented [PC31]: CLARITY: Inserting reference to General Provisions.

~~[(1) Probation Notice. If the institution is placed on public probation by its accrediting agency, it must immediately advise the Board and grant recipients of this condition and maintain evidence in each student's file to demonstrate that the student was so informed.~~

~~(2) Disbursements to Students.~~

~~(A) Documentation. The institution must maintain records to prove the receipt of program funds by the student or the crediting of such funds to the student's school account.~~

~~(B) Procedures in Case of Illegal Disbursements. If the Commissioner has reason for concern that an institution has disbursed funds for unauthorized purposes, the Board will notify the Program Officer and financial aid officer and offer an opportunity for a hearing pursuant to the procedures outlined in Chapter 1 of this title (relating to Agency Administration). Thereafter, if the Board determines that funds have been improperly disbursed, the institution shall become primarily responsible for restoring the funds to the Board. No further disbursements of grants or scholarships shall be permitted to students at that institution until the funds have been repaid.~~

~~(3) Reporting Requirements/Deadlines. All institutions must meet Board reporting requirements in a timely fashion. Such reporting requirements shall include reports specific to allocation and reallocation of grant funds (including the Financial Aid Database Report) as well as progress and year-end reports of program activities.~~

~~(4) Program Reviews. If selected for such by the Board, participating institutions must submit to program reviews of activities related to the TEXAS Grant Program.]~~

22.228 Eligible Students

[(a) All persons who receive an initial award through the TEXAS Grant Program while attending public community colleges, technical colleges or the Lamar Institute of Technology in the 2013-2014 academic year must:

Commented [PC32]: OUTDATED: No longer necessary.

(1) be a resident of Texas;

(2) show financial need;

(3) have applied for any available financial aid assistance;

(4) not have been granted a baccalaureate degree;

(5) be a graduate of an accredited high school in this state not earlier than the 1998-1999 school year;

(6) have completed the Recommended or Advanced High School Program, or if a graduate of a private high school, its equivalent, unless the student:

(A) graduated from a public high school that has been certified by its district not to offer all the courses necessary to complete all parts of the Recommended or Advanced High School Program, and the student has completed all courses that the high school offered toward the completion of such a curriculum; or

(B) was anticipated to graduate under the Recommended or Advanced High School Program or meet the academic requirements as outlined by subsection (b)(5) of this section when the award was made; or

(C) has received an associate degree from an eligible institution no earlier than May 1, 2001; or

(D) was anticipated to receive an associate degree from an eligible institution no earlier than the twelfth month prior to the month in which the student enrolled for fall 2013;

(7) enroll in an undergraduate degree or certificate program at an eligible institution on at least a three-quarter time basis:

(A) not later than the end of the 16th month after high school graduation, if an entering undergraduate student; or

(B) not later than the 12th month after the month the student has received an associate degree;

(8) have a statement on file with his or her institution that indicates the student is registered with the Selective Service System as required by federal law or is exempt from selective service registration under federal law; and

(9) if awarded the grant on or after September 1, 2005, be enrolled in an institution of higher education.

(b) To receive an initial TEXAS Grant award for the 2013-2014 academic year, a person graduating from high school on or after May 1, 2013 and enrolling in a general academic teaching institution must:

(1) be a resident of Texas;

(2) show financial need;

(3) have applied for any available financial aid assistance;

(4) not have been granted a baccalaureate degree; and

Commented [PC33]: OUTDATED: No longer necessary.

(5) to receive top consideration for an award, meet the academic requirements prescribed by subparagraph (A) of this paragraph and meet the priority deadline set by the Board in compliance with Texas Education Code, §56.008. If funds remain after awards are made to all students meeting the criteria in subparagraph (A) of this paragraph and meet the priority deadline, remaining funds may be awarded to persons who meet the priority deadline and are otherwise eligible for awards. Once these awards are made, remaining funds may be awarded to otherwise eligible persons who did not meet the deadline:

(A) graduate or be on track to graduate from a public or accredited private high school in Texas and complete or be on track to complete the Recommended High School Curriculum or its equivalent and on track to have accomplished any two or more of the following at the time the award was made:

(i) graduation under the advanced high school program established under Texas Education Code, §28.025 or its equivalent; successful completion of the course requirements of the international baccalaureate diploma program, or earning of the equivalent of at least 12 semester credit hours of college credit in high school through courses described in Texas Education Code, §28.009(a)(1), (2), and (3);

(ii) satisfaction of the Texas Success Initiative (TSI) college readiness benchmarks prescribed by the Coordinating Board under Texas Education Code, §51.3062(f) on any assessment instrument designated by the Coordinating Board under Texas Education Code, §51.3062(e) or (e) or qualification for an exemption as described by Texas Education Code, §51.3062(p), (q), or (q-1);

(iii) graduation in the top one-third of the person's high school graduating class or graduation from high school with a grade point average of at least 3.0 on a four point scale or the equivalent; or

(iv) completion for high school credit of at least one advanced mathematics course following the successful completion of an Algebra II course, as permitted by Texas Education Code, §28.025(b-3), or at least one advanced career and technical course, as permitted by Texas Education Code, §28.025(b-2);

(B) have received an associate degree or be on track to receive an associate's degree from a public or private institution of higher education at the time the award was made; or

(C) if sufficient money remains, meet the eligibility criteria described by subsection (a) of this section.

(6) Except as provided under §22.231 of this title (relating to Hardship Provisions), a person must also enroll in an undergraduate degree or certificate program at a general academic teaching institution on at least a three-quarter time basis as:

(A) an entering undergraduate student not later than the end of the 16th month after high school graduation; or

~~(B) an entering undergraduate student who entered military service not later than the first anniversary of the date of high school graduation and enrolled in a general academic teaching institution no later than 12 months after being honorably discharged from military service; or~~

~~(C) a continuing undergraduate not later than the end of the 12th month after the calendar month in which the student received an associate degree; and~~

~~(7) have a statement on file with his or her institution that indicates the student is registered with the Selective Service System as required by federal law or is exempt from selective service registration under federal law.]~~

(a) ~~[(e)]~~ To qualify for an initial year award ~~[for fall 2014 or later]~~, a person who graduates from high school ~~[on or after May 1, 2013]~~ must:

(1) be enrolled in a medical or dental unit or general academic teaching institution other than public state colleges; {56.301(2)}

(2) be a resident of Texas; {56.3041(a)(1)}

(3) meet financial need requirements established by the Board; {56.3041(a)(3)}

(4) have applied for any available financial aid assistance; {56.3041(a)(6)}

~~[(5) not have been granted a baccalaureate degree;] and~~

(5) meet applicable standards outlined in Subchapter A of this Chapter; and

~~[(6) to receive top consideration for an award, meet the academic requirements prescribed by subparagraph (A) of this paragraph and meet the priority deadline set by the Board in compliance with Texas Education Code, §56.008. If funds remain after awards are made to all students meeting the criteria in subparagraph (A) of this paragraph and meet the priority deadline, remaining funds may be awarded to persons who meet the priority deadline and are otherwise eligible for awards. Once these awards are made, remaining funds may be awarded to otherwise eligible persons who did not meet the priority deadline:~~

~~(A) graduate or be on track to graduate from a public or accredited private high school in Texas on or after May 1, 2013, and complete or be on track to complete the Foundation High School program or its equivalent as amended in keeping with Texas Education Code, §56.009. An otherwise eligible student graduating before September 1, 2020, must complete or be on track to complete the Foundation, recommended, or advanced High School program. The person must also be on track to have accomplished any two or more of the following at the time the award was made:~~

~~(i) successful completion of the course requirements of the recommended or advanced high school program established under Texas Education Code, §28.025 or its equivalent or the international baccalaureate diploma program, or earning of the equivalent of at least 12 semester credit hours of college credit in high school through courses described in Texas Education Code, §28.009(a)(1), (2), and (3), or if~~

Commented [PC34]: MOVE: Moved to subsection on Non-Eligibility

Commented [PC35]: CLARITY: Inserting reference to General Provisions.

Commented [PC36]: MOVE: Moved to subsection on Priorities.

graduating prior to September 1, 2020, graduate under the Recommended or Advanced high school program;

(ii) satisfaction of the Texas Success Initiative (TSI) college readiness benchmarks prescribed by the Board under Texas Education Code, §51.3062(f) on any assessment instrument designated by the Board under Texas Education Code, §51.3062(c) or qualification for an exemption as described by Texas Education Code, §51.3062(p), (q), or (q-1);

(iii) graduation in the top one third of the person's high school graduating class or graduation from high school with a grade point average of at least 3.0 on a four point scale or the equivalent; or

(iv) completion for high school credit of at least one advanced mathematics course following the successful completion of an Algebra II course, or at least one advanced career and technical or technical applications course;

(B) have received an associate's degree or be on track to receive an associate's degree from a public or private institution of higher education at the time the award was made; or

(C) meet the eligibility criteria described in subsection (a) of this section.]

(6) [(7)] Except as provided under §22.231 of this title, to receive an initial year award [in fall 2014 or later], an otherwise eligible person must [also] enroll in a baccalaureate degree program at an eligible public institution on at least a three-quarter time basis as: {56.3041(a)(4) & (5)}

Commented [PC37]: OUTDATED: Removing unnecessary language.

(A) an entering undergraduate student not later than the end of the 16th month after high school graduation; or {56.3041(a)(5)(A)}

(B) an entering undergraduate student who entered military service not later than the first anniversary of the date of high school graduation and enrolled in an eligible public institution no later than 12 months after being released from active duty military service with an Honorable Discharge, General Discharge under Honorable Conditions, or Honorable Separation or Release from Active Duty, as documented by the Certificate of Release or Discharge from Active Duty (DD214) issued by the Department of Defense [honorably discharged from military service]; {56.3041(a)(5)(B)}

Commented [PC38]: MOVE: Honorable Discharge is only used once in the entire subchapter, so defining here rather than in the definitions.

(C) a continuing undergraduate student not later than the end of the 12th month after the calendar month in which the student received an associate [associate's] degree; or {56.3041(a)(5)(C)}

(D) a continuing [an entering] undergraduate student who has: {56.3041(a)(2)(C)}

Commented [PC39]: CORRECTION: By definition, an entering undergraduate student is a student enrolled in the first 30 hours of their program, so using the term "entering" here does not make sense.

(i) previously attended a public institution [an institution of higher education]; {56.3041(a)(2)(C)(i)}

(ii) received an initial Texas Educational Opportunity Grant under Subchapter M [P] of this Chapter for the 2014 fall semester or a subsequent ~~semester~~ [academic term]; {56.3041(a)(2)(C)(ii)}

Commented [CC40]: CORRECTION: Correcting subchapter reference

(iii) completed at least 24 semester credit hours at any [Texas] public ~~institution(s)~~ or private ~~institution(s)~~ [institution or institutions of higher education]; {56.3041(a)(2)(C)(iii)}

(iv) earned an overall grade point average of at least 2.5 on a four-point scale or the equivalent on all course work previously attempted; and {56.3041(a)(2)(C)(iv)}

(v) has never previously received a TEXAS Grant; [and {56.3041(a)(5)(D)}]

~~[(8) have a statement on file with his or her institution that indicates the student is registered with the Selective Service System as required by federal law or is exempt from selective service registration under federal law.]~~

Commented [PC41]: REDUNDANCY: Part of General Provisions.

~~(b) [(d)]~~ Continuation Awards. To receive a continuation award through the TEXAS Grant Program, a student must:

(1) have previously received an initial year award through this program; {56.305(a)}

(2) show financial need in the semester(s) in which a TEXAS Grant is awarded; {56.305(a)(1)}

Commented [PC42]: SUMMER: Clarifying language to support summer grants

(3) be enrolled at least three-quarter time in the semester(s) in which a TEXAS Grant is awarded unless granted a hardship waiver of this requirement under §22.231 of this title; {56.305(a)(3)}

Commented [PC43]: SUMMER: Clarifying language to support summer grants

(4) ~~[if he or she received an initial TEXAS Grant award prior to fall 2014,]~~ be enrolled in a baccalaureate ~~[an undergraduate degree or certificate]~~ program at ~~the~~ [an] eligible public institution; ~~[if he or she received an initial TEXAS Grant award in fall 2014 or later, be enrolled in a baccalaureate degree at a medical or dental unit or general academic teaching institution other than a state college; {56.305(a) & (a)(2)}]~~

Commented [PC44]: CLARITY: Removed redundant wording to make easier to read.

~~(5) not have been granted a baccalaureate degree;~~

Commented [PC45]: MOVE: Moved to subsection on Non-Eligibility

~~(6) have a statement on file with his or her institution that indicates the student is registered with the selective service system as required by federal law or is exempt from selective service registration under federal law; and]~~

Commented [PC46]: REDUNDANCY: Part of General Provisions.

~~(5) [(7) if he or she received an initial TEXAS Grant award prior to fall 2014, make satisfactory academic progress towards an undergraduate degree or certificate, as defined in §22.229 of this title (relating to Satisfactory Academic Progress); if he or she received an initial TEXAS Grant award in fall 2014 or later,]~~ make satisfactory academic progress towards a baccalaureate degree at ~~the~~ [an] eligible public institution, as defined in §22.229 of this title; [-] {56.305(a)(4)}

Commented [PC47]: OUTDATED: Remove unnecessary language

(6) meet applicable standards outlined in Subchapter A of this Chapter; and

(7) [(8)] If a student's eligibility was based on the expectation that the student would complete a high school diploma or associate degree in time to meet the requirements for Program eligibility. [the Recommended or Advanced or Foundation High School Program, meet the priority model academic requirements as outlined in subsection (b)(5) or (c)(6) of this section, or acquire an associate's degree] and the student failed to do so, then, in order to resume eligibility, such a student must: {56.3042(a) & 56.3042(a-1)}

(A) receive an associate [associate's] degree; {56.3042(c) & (d)}

(B) meet all other qualifications for a TEXAS Grant; {56.3042(c) & (d)}

(C) if required to do so by the institution through which the TEXAS Grant was made, repay the amount of the TEXAS Grant that was previously received; and {56.3042(b)}

(D) enroll in a higher-level undergraduate degree program in an eligible public institution not later than the 12th month after the month the student received an associate [associate's] degree. {56.305(d)}

[(e) In determining initial student eligibility for TEXAS Grant awards pursuant to subsections (a), (b) and (c) of this section, priority shall be given to those students who have an expected family contribution that does not exceed the lesser of the limit set by the Board for the relevant fiscal year or 60 percent of the average statewide amount of tuition and fees for general academic teaching institutions for the relevant academic year.]

Commented [PC48]: MOVE: Moved to subsection on Priorities.

22.229 Satisfactory Academic Progress

(a) To qualify for a continuation [or renewal] award after the academic year in which a person receives an initial year award, each recipient of the TEXAS Grant shall meet the academic progress requirements as indicated by the financial aid office of his or her institution. {56.305(e)(1) & (e-2)(1)}

(b) To receive a subsequent award after he or she receives a continuation award [:

(1) a recipient who was awarded an initial year TEXAS grant prior to September 1, 2005, shall, unless granted a hardship postponement in accordance with §22.231 of this title (relating to Hardship Provisions):

Commented [PC49]: OUTDATED: removed unnecessary language

(A) complete at least 75 percent of the hours attempted in his or her most recent academic year, as determined by institutional policies; and

(B) maintain an overall grade point average of at least 2.5 on a four point scale or its equivalent, for all coursework attempted at public or private or independent institutions of higher education.

(2) To receive a subsequent award after he or she received a continuation award], a recipient [who was awarded an initial year award through the TEXAS Grant

Program on or after September 1, 2005] shall, unless granted a hardship postponement in accordance with §22.231 of this title:

(1) [(A)] complete at least 24 semester credit hours in his or her most recent academic year; and, {56.305(e-1)(2)(A)}

(2) [(B)] maintain an overall grade point average of at least 2.5 on a four point scale or its equivalent, for all coursework attempted at public institutions and private institutions [an institution or private or independent institution]. {56.305(e)(2)(B) & (e-1)(2)(B)}

(3) [(C)] An [A first-time] entering undergraduate [freshman] student enrolling in a participating public institution for the second or later [regular term or] semester in a given academic year meets the semester-credit-hour requirement outlined in subparagraph (1) [(A)] of this paragraph for continuing in the program if he or she completes at least 12 semester credit hours or its equivalent during that [term or] semester.

(c) The calculation of a student's GPA is to be completed in accordance with the General Provisions outlined in Subchapter A of this Chapter.

(d) The completion rate calculations may be made in keeping with institutional policies.

[(e) A grant recipient who is below program grade point average requirements as of the end of a spring term may appeal his/her grade point average calculation if he/she has taken courses previously at one or more different institutions. In the case of such an appeal, the current institution (if presented with transcripts from the previous institutions), shall calculate an overall grade point average counting all classes and grade points previously earned. If the resulting grade point average exceeds the program's academic progress requirement, an otherwise eligible student may receive an award in the following fall term.]

22.230 Discontinuation of Eligibility or Non-Eligibility

(a) A student may not receive a TEXAS Grant after having already being granted a baccalaureate degree. {56.304(c)}

(b) A student may not receive a TEXAS Grant for a semester in which he or she is enrolled for fewer than six hours.

[(a) For recipients who received a TEXAS Grant prior to Fall 2005 or were awarded an initial year TEXAS Grant for the 2005-2006 academic year prior to September 1, 2005:

(1) Unless granted a hardship postponement in accordance with §22.231 of this title (relating to Hardship Provisions), a student's eligibility for a TEXAS Grant ends six years from the start of the semester or term in which the student received his or her first disbursement of an initial TEXAS Grant award, if the student's eligibility for a TEXAS Grant was based on the completion of the Recommended or Advanced High School Program or its equivalent in high school.

(2) Unless granted a hardship postponement in accordance with §22.231 of this title, a student's eligibility ends four years from the date of the semester or term in

Commented [CC50]: CLARITY: Clarifying the language to acknowledge this reflects all coursework taken at both public and private institutions.

Commented [PC51]: CONSISTENCY and SUMMER: Aligning with the defined term of entering undergraduate. Adjusting language to support summer grants.

Commented [PC52]: CLARITY: Inserting reference to General Provisions.

Commented [PC53]: REDUNDENCY: Covered in General Provisions.

Commented [PC54]: MOVE: Moved from student eligibility section.

Commented [PC55]: MOVE and SUMMER: Moved from Hardship Provisions to Non-Eligibility. To support summer grants, clarifying that the enrollment expectation relates solely to the semester in which the student receives TEXAS Grant.

Commented [PC56]: OUTDATED: removed unnecessary language

which the student received his or her first disbursement of an initial TEXAS Grant award if the student's eligibility was based on receiving an associate's degree.

(b) For recipients who were awarded an initial year award through the TEXAS Grant program for the 2005-2006 academic year on or after September 1, 2005, and for recipients who were awarded such an initial year award for a subsequent academic year:]

(c) [(1)] Unless granted a hardship postponement in accordance with §22.231 of this title, eligibility for a TEXAS Grant for a student whose eligibility for an initial year TEXAS Grant was not based on the receipt of an associate [associate's] degree ends:

(1) [(A)] five years from the start of the semester [or term] in which the student received his or her first disbursement of an initial year TEXAS Grant [award], if the student is enrolled in a degree program of four years or less; {56.304(e-1)(1)}

(2) [(B)] six years from the start of the semester [or term] in which the student received his or her first disbursement of an initial year TEXAS Grant [award], if the student is enrolled in a degree program of more than four years. {56.304(e-1)(2)}

(d) [(2)] Unless granted a hardship postponement in accordance with §22.231 of this title, eligibility for a TEXAS Grant for a student whose eligibility was based on receiving an associate [associate's] degree ends:

(1) [(A)] three years from the date of the semester [or term] in which the student received his or her first disbursement of an initial year TEXAS Grant [award] if the student is enrolled in a degree program of four [or fewer] years or less; {56.304(e-1)(1)}

(2) [(B)] four years from the date of the semester [or term] in which the student received his or her first disbursement of an initial year TEXAS Grant [award] if the student is enrolled in a degree program of more than four years. {56.304(e-1)(2)}

(e) [(e)] A student's eligibility ends one year from the date of the semester [or term] in which the student received his or her first disbursement of an initial year TEXAS Grant [award], if the student's eligibility was based on the expectation that the student would complete the initial year award requirements as outlined in §22.228 of this title, but the student failed to do so. However, if such a student later receives an associate [associate's] degree and again qualifies for TEXAS Grants, he or she can receive an additional three years of eligibility if enrolled in a degree program [plan] of four years or less, or an additional four years if enrolled in a degree program [plan] of more [greater] than four years. {56.304(c) & (d)}

(f) [(d)] A [student whose eligibility for a TEXAS Grant is not based on the receipt of an associate's degree may receive a TEXAS Grant for no more than 150 semester credit hours or the equivalent. [Beginning with awards for the 2015-2016 academic year, such a] student's eligibility for a TEXAS Grant ends once he or she has attempted 150 semester credit hours or the equivalent unless the student is granted a hardship extension in accordance with §22.231(d) of this title (relating to Hardship Provisions). For this purpose, "attempted hours" is defined as every course in every semester for which a student has been registered as of the official Census Date, including but not limited to, repeated courses and courses the student drops and from which the student withdraws. For transfer students, transfer hours and hours for optional internship and cooperative education courses are included if they are accepted by

Commented [CC57]: CONSISTENCY: Aligning with pre-defined term

Commented [PC58]: CONSISTENCY: Aligning with pre-defined term

Commented [PC59]: CONSISTENCY: Aligning language with pre-defined terms.

Commented [PC60]: CLARITY: Removed unnecessary language.

Commented [CC61]: CONSISTENCY: Defined in General Provisions.

the receiving institution towards the student's current program of study. The total number of hours paid for, at least in part, with TEXAS Grant funds may not exceed 150 semester credit hours or the equivalent. {56.304(d)}

Commented [CC62]: MOVE: This sentence has been moved to §22.231(d)

(e) A student eligible for a TEXAS Grant based on receiving an associate's degree may receive a TEXAS Grant for no more than 90 semester credit hours. Beginning with awards for the 2015-2016 academic year, such a student's eligibility for a TEXAS Grant ends once he or she has attempted 150 semester credit hours or the equivalent unless the student is granted a hardship extension in accordance with §22.231(d) of this title. For this purpose, "attempted hours" is defined as every course in every semester for which a student has been registered as of the official Census Date, including but not limited to, repeated courses and courses the student drops and from which the student withdraws. For transfer students, transfer hours and hours for optional internship and cooperative education courses are included if they are accepted by the receiving institution towards the student's current program of study. The total number of hours paid for, at least in part, with TEXAS Grant funds may not exceed 90 semester credit hours or the equivalent.}]

Commented [PC63]: REDUNDANCY: Covered in section above.

(g){(f)} A person is not eligible to receive an initial year or continuation award [TEXAS Grant] if the person has been convicted of a felony or an offense under Chapter 481, Health and Safety Code (Texas Controlled Substances Act), or under the law of any other jurisdiction involving a controlled substance as defined by Chapter 481, Health and Safety Code, unless the person has met the other applicable eligibility requirements under this subchapter and has:

Commented [PC64]: CONSISTENCY: Aligning with pre-defined language

(1) received a certificate of discharge by the Texas Department of Criminal Justice or a correctional facility or completed a period of probation ordered by a court, and at least two years have elapsed from the date of the receipt or completion; or

(2) been pardoned, had the record of the offense expunged from the person's record, or otherwise been released from the resulting ineligibility to receive a TEXAS Grant.

(h){(g)} Other than as described in §22.231 of this title, if a person fails to meet any of the requirements for receiving a continuation award as outlined in §22.228(b) of this subchapter [subsection (b) of this section] after completion of any semester [year], the person may not receive a TEXAS Grant until he or she completes a semester [courses] while not receiving a TEXAS Grant and meets all the requirements as outlined in §22.228(b) of this subchapter [of subsection (b) of this section] as of the end of that semester [period of enrollment]. {56.305(c)}

Commented [CC65]: CORRECTION: Aligning with statute, which references semester, not year or courses

Commented [PC66]: CONSISTENCY: Updating rule reference based on changes in numbering.

22.231 Hardship Provisions

(a) In [No student enrolled for fewer than six hours may receive a TEXAS Grant. However, in] the event of a hardship or for other good cause, the Program Officer at an eligible public institution may allow an otherwise eligible person to receive a TEXAS Grant under the following conditions:

Commented [PC67]: CLARITY: Re-structured the SAP standards for easier reading.

Commented [PC68]: MOVE: Moved the first sentence to Non-Eligibility.

(1) while enrolled in less than [for an equivalent of six to] nine semester credit hours; {56.304(h) & 56.305(g)(1)}

(2) [or] if the student's grade point average [or completion rate or number of completed hours] falls below the satisfactory academic progress requirements of §22.229 of this title [(relating to Satisfactory Academic Progress)]; {56.305(g)(2)}

(3) if the student's completion rate falls below the satisfactory academic progress requirements of §22.229 of this title; {56.305(g)(2)}

(4) if the student's number of completed hours falls below the satisfactory academic progress requirements of §22.229 of this title; or {56.305(g)(2)}

(5) if the student requires an extension of the year limits found in §22.230 of this title to complete his or her degree. {56.304(e-2)}

(b) Hardship or other good causes [Such conditions] are not limited to, but include: {56.304(e-2) & 56.304(h) & 56.305(g)}

(1) a showing of a severe illness or other debilitating condition that may affect the student's academic performance;

(2) an indication that the student is responsible for the care of a sick, injured, or needy person and that the student's provision of care may affect his or her academic performance; or

(3) the requirement of fewer than nine hours to complete one's degree plan.

[(b) The Program Officer may grant an extension of the year limits found in §22.230 of this title (relating to Discontinuation of Eligibility or Non-Eligibility) in the event of hardship. Documentation justifying the extension must be kept in the student's files, and the institution must identify students granted extensions and the length of their extensions to the Coordinating Board, so that it may appropriately monitor each student's period of eligibility.]

[(c) The Program Officer may allow a student to receive his/her initial year [first] award after more than 16 months have passed since high school graduation if the student and/or the student's family has suffered a hardship that would now make the student rank as one of the institution's neediest. Documentation justifying the exception must be kept in the student's files.

(d) The Program Officer may allow a student to receive a grant after attempting more hours than allowed under §22.230(f) [§22.230(d), (e), (f) or (g)] of this title (relating to Discontinuation of Eligibility or Non-Eligibility) in the event of hardship. However, the total number of hours paid for, at least in part, with TEXAS Grant funds may not exceed 150 semester credit hours or the equivalent. [student may not use the grants to pay for more than the number of hours listed in these subsections. Documentation justifying the extension must be kept in the student's files.]

[(d) Documentation justifying the eligibility granted through the hardship provisions outlined in this rule must be kept in the student's file. Institutions must identify to the Board those students granted eligibility through hardship provisions, so that the Board may appropriately monitor each student's period of eligibility.]

(e) Each participating public institution shall adopt a hardship policy under this section and have the policy available in writing in the financial aid office for public review upon request.

Commented [PC69]: MOVE: Integrated into SAP guidance above.

Commented [CC70]: Investigating why this doesn't also apply to the 12-month limits for the Military and Associate Pathways

Commented [PC71]: CONSISTENCY: Aligning expectations with other subchapters.

22.232 Priorities in Funding

(a) If appropriations for the TEXAS Grant Program are insufficient to allow awards to all eligible students, continuation awards will be given priority.]

Commented [PC72]: MOVE: Combined with priorities below, so that all priorities are together.

22.233 Priority in Awards to Students

(a) If appropriations for the program are insufficient to allow grants to all eligible students, priority shall be given to those students demonstrating continuing TEXAS Grant eligibility pursuant to §22.228(b) of this subchapter.

Commented [PC73]: MOVE: Language being added to this section has been relocated from other sections of this subchapter. Refer to March 6 FAAC Meeting Agenda Item R handout.

(b) In determining student eligibility for who should receive an initial-year TEXAS Grant pursuant to §22.228(a) of this subchapter, [an institution shall give highest] priority shall be given to those students who demonstrate the greatest financial need at the time the award is made. {56.303(e)}

(c) In determining initial student eligibility for TEXAS Grant pursuant to §22.228(a) of this subchapter subsections (a), (b) and (c) of this section, priority shall be given to those students who have an expected family contribution that does not exceed the lesser of the limit set by the Board for the relevant fiscal year or 60 percent of the average statewide amount of tuition and required fees for general academic teaching institutions for the relevant academic year. {56.303(e)}

(d) In determining initial student eligibility for TEXAS Grant pursuant to §22.228(a) of this subchapter, priority shall be given to those students who graduate or are on track to graduate from a public or accredited private high school in Texas on or after May 1, 2013, and complete or are on track to complete the Foundation High School program, or its equivalent as amended in keeping with Texas Education Code, §56.009. An otherwise eligible student graduating before September 1, 2020, must complete or be on track to complete the Foundation, recommended, or advanced High School program. The person must also be on track to have accomplished any two or more of the following at the time the TEXAS grant was awarded: {56.3041(a)(2)(A)}

Commented [CC74]: REDUNDENCY: Duplicates language in last sentence about Foundation or its equivalent.

(1) successful completion of the course requirements of the recommended or advanced high school program established under Texas Education Code, §28.025 or its equivalent or the international baccalaureate diploma program, or earning of the equivalent of at least 12 semester credit hours of college credit in high school through courses described in Texas Education Code, §28.009(a)(1), (2), and (3), or if graduating prior to September 1, 2020, graduate under the Recommended or Advanced high school curriculum specified in the Texas Education Code, §28.025 as it existed as of January 1, 2013, and the rules promulgated thereunder by the State Board of Education; {56.3041(a)(2)(A)(i) & 56.3041(b)}

Commented [CC75]: REDUNDENCY: Duplicates language at end of paragraph.

(2) satisfaction of the Texas Success Initiative (TSI) college readiness benchmarks prescribed by the Board under Texas Education Code, §51.3062(f) on any assessment instrument designated by the Board under Texas Education Code,

§51.3062(c) or qualification for an exemption as described by Texas Education Code, §51.3062(p), (q), or (q-1); {56.3041(a)(2)(A)(ii)}

(3) graduation in the top one-third of the person's high school graduating class or graduation from high school with a grade point average of at least 3.0 on a four-point scale or the equivalent; or {56.3041(a)(2)(A)(iii)}

(4) completion for high school credit of at least one advanced mathematics course following the successful completion of an Algebra II course, or at least one advanced career and technical or technical applications course; {56.3041(a)(2)(A)(iv)}

(e) If funds remain after TEXAS Grants are awarded to all students meeting the criteria in subparagraph (d) {A} of this paragraph, remaining funds may be awarded to persons who are otherwise eligible for TEXAS Grants.

22.234 Award Amounts and Adjustments

{(a) Funding. Funds awarded through this program may not exceed the amount of appropriations, gifts, grants and other funds that are available for this use. {56.303(c)}

Commented [PC76]: MOVE: Moved to General Provisions.

{(b) Award Amounts:}

{(a) [(4)] The amount of a TEXAS Grant awarded through an eligible public institution may not be reduced by any gift aid for which the person receiving the grant is eligible, unless the total amount of a person's grant plus any aid other than loans received equals or exceeds the student's financial need [tuition and required fees]. {56.307(f) & 56.307(i-1)}

Commented [PC77]: CORRECTION: Grant cannot exceed financial need. Aligning rule with statutory language.

{(b) [(2)] The Board shall determine and announce the maximum amount of a TEXAS Grant [award] not later than the final day of January prior to the start of each fiscal year. The calculation of the maximum amount per semester will be based on the mandates contained in Texas Education Code, §56.307. However, no student's TEXAS Grant [award] shall be greater than the amount of the student's financial need. {56.307(g) & (a)}

Commented [PC78]: CLARITY and SUMMER: Adding statutory requirement. Clarifying language to support summer grants.

{(c) [(3)] An eligible public institution may not charge a person receiving a TEXAS Grant through that institution, an amount of tuition and required fees in excess of the amount of the TEXAS Grant received by the person in that semester unless it also provides the student sufficient aid other than loans to meet his or her full tuition and required fees for that semester. Nor may it deny admission to or enrollment in the institution based on a person's eligibility to receive or actual receipt of a TEXAS Grant. {56.307(i) & (j)}

Commented [PC79]: SUMMER; Clarifying language to support summer grants.

{(d) [(4)] The eligible public institution may require a student to forgo or repay the amount of an initial year award [TEXAS Grant awarded to the student] [as described in §22.228(a)(6)(B) of this title (relating to Eligible Students)] if the student is determined to have failed to complete the necessary Recommended or Advanced or Foundation High School Program or Associate Degree [or its equivalent], upon which eligibility for the program was determined, as evidenced by the final high school or college transcript. {56.3042(b)}

Commented [PC80]: CLARITY: Aligning language with statutory language, which references high school program or associate degree.

{(5) If the money available for TEXAS Grants is sufficient to provide grants to all eligible applicants in the amounts specified in paragraphs (1) – (3) of this subsection, the Board may use any excess money to award a grant in an amount not more than three

Commented [PC81]: CLARITY: Removing confusing language, since program has never been funded at a level to allow this to occur. If it ever is funded that high, language can be added accordingly at that time.

times the amount that may be awarded under paragraphs (1)–(3) of this subsection, to a student who:

(A) is enrolled in a program that fulfills the educational requirements for licensure or certification by the state in a health care profession that the Board, in consultation with the Texas Workforce Commission and the Statewide Health Coordinating Council, has identified as having a critical shortage in the number of license holders needed in this state;

(B) has completed at least one-half of the work toward a degree or certificate that fulfills the educational requirement for licensure or certification; and

(C) meets all the requirements to receive a grant award under §22.228 of this title.]

~~(6) No person enrolled for fewer than six semester credit hours may receive a TEXAS Grant. In addition, an award to an otherwise eligible student enrolled for less than a three-quarter time load due to hardship is to be prorated. The amount he/she can be awarded is equal to the semester's maximum award for the relevant type of institution, divided by twelve hours and multiplied by the actual number of hours for which the student enrolled.~~

Commented [PC82]: REDUNDANCY: Removes duplicative language.

(e) Award calculations and disbursements are to be completed in accordance with the General Provisions outlined in Subchapter A of this Chapter.

~~[(c) Uses. A person receiving a TEXAS Grant may only use the money to pay any usual and customary cost of attendance at an institution of higher education incurred by the student. {56.306}]~~

Commented [PC83]: REDUNDANCY: Covered in General Provisions.

~~[(d) Over Awards. If, at a time after an award has been disbursed by the institution to the student, the student receives assistance that was not taken into account in the student's estimate of financial need, so that the resulting sum of assistance exceeds the student's financial need, the institution is not required to adjust the award under this program unless the sum of the excess resources is greater than \$300.]~~

Commented [PC84]: REDUNDANCY: Covered in General Provisions.

~~[(e) Prorated Awards. If the student's balance of eligible hours is less than the number of hours he or she is taking in a given term or semester, the student's award amount for that term or semester should be prorated using the following schedule:~~

Commented [PC85]: Refer to March 6 FAAC Meeting Agenda Item K handout

~~(1) If balance of hours = 12 or more hours—100% of the maximum award;~~

~~(2) If balance of hours = 9–11 hours—100% of the maximum award;~~

~~(3) If balance of hours = 6–8 hours—50% of the maximum award; and~~

~~(4) If balance of hours = fewer than 6 hours and student is enrolled for at least 6 hours—25% of the maximum award.]~~

~~[(f) Prorated Awards, beginning with Awards for the 2015–2016 Academic Year. If the student's balance of eligible attempted hours is less than the number of hours he or she is taking in a given term or semester, the student's award amount for that term or semester~~

should be prorated. Beginning no later than Fiscal Year 2012, prorated amounts shall be calculated using the following schedule: ~~{56.307(e)}~~

- (1) If balance of attempted hours = 12 or more hours—100% of the maximum award;
- (2) If balance of attempted hours = 9-11 hours—100% of the maximum award;
- (3) If balance of attempted hours = 6-8 hours—50% of the maximum award;
- and
- (4) If balance of attempted hours = fewer than 6 hours and student is enrolled for at least 6 hours—25% of the maximum award.]

[22.235 Late Disbursements

(a) A student may receive a disbursement after the end of his/her period of enrollment if the student:

- (1) owes funds to the institution for the period of enrollment for which the award is being made; or
- (2) received a student loan that is still outstanding for the period of enrollment.

(b) Funds that are disbursed after the end of a student's period of enrollment must either be used to pay the student's outstanding balance from his/her period of enrollment at the institution or to make a payment against an outstanding loan received during that period of enrollment. Under no circumstances are funds to be released to the student.]

Commented [PC86]: REDUNDENCY: Covered in General Provisions.

22.236 Allocation and Reallocation of Funds

~~[(a) Allocations for Fiscal Year 2016. Each institution's share of funds will equal the sum of:~~

~~(1) Renewal Allocation: the institution's number of Initial Year (IY) TEXAS Grant recipients in the prior prior year, multiplied by the most recent 3-year rolling average of its Renewal Year (RY) recipients as a percent of its previous year IY recipients, multiplied by the target award amount; plus~~

~~(2) Initial Allocation: the annual appropriation less the sum of all institutions' funds calculated in accordance with paragraph (1) of this subsection, multiplied by each institution's percentage share of:~~

~~(A) entering students in the prior academic year who met the following criteria:~~

- ~~(i) were identified as Texas residents; and~~
- ~~(ii) enrolled at least 3/4 time; and~~

Commented [CC87]: OUTDATED

(iii) have 9 month Expected Family Contributions that are less than or equal to the cap established for the academic year for which the funds will be awarded; plus

(B) first time grant recipients in the prior year who received IY TEXAS Grant awards based on:

(i) enrollment in an upper level institution within 12 months of the receipt of an associate's degree; or

(ii) enrollment in an upper level institution after receiving an Initial Year award through the Texas Educational Opportunity Grant (TEOG) Program in fall 2014 or later.

(3) The TEXAS Grant allocation spreadsheet will be provided to the institutions for review and the institutions will be given 10 working days, beginning the day of the notice's distribution and excluding State holidays, to confirm that the spreadsheet accurately reflects the data they submitted or to advise Board staff of any inaccuracies.]

(a) [(b)] Allocations for Fiscal Year 2017 and Later.

(1) The share of funds for each institution eligible to make both initial and continuation awards will equal:

(A) The number of Initial Award TEXAS Grant recipients at the institution in the Prior-Prior Year multiplied by the percentage of Initial Award TEXAS Grant recipients in the year prior to the Prior-Prior Year who received a Renewal Award in the Prior-Prior Year; plus the number of Renewal Award TEXAS Grant recipients at the institution in the Prior-Prior Year multiplied by the percentage of Renewal Award TEXAS Grant recipients in the year prior to the Prior-Prior Year who received a Renewal Award in the Prior-Prior Year, multiplied by the institution's average TEXAS Grant [award] in the Prior-Prior Year, up to the amount of the Target Award for the fiscal year for which allocations are occurring, plus

(B) The institution's proportions of the remaining appropriation is based on the sum of the number of students who were reported as a first time enrolling freshman; or an entering undergraduate transfer student who completed an associate's degree within the prior 12 months to enrolling; or an entering undergraduate transfer student who received an Initial TEOG award for the Fall 2014 semester or later, has completed at least 24 semester credit hours, and has earned an overall GPA of at least 2.5 on a four-point scale on all course work previously attempted; and

(i) were enrolled as undergraduate students and had not yet received a Bachelor's degree;

(ii) were identified as Texas residents;

(iii) were enrolled at least 3/4-time;

(iv) filed a FAFSA or TASFA; and

(v) had a 9-month Expected Family Contribution that was less than or equal to the cap established for TEXAS Grant in the Prior-Prior Year.

(2) No institution's annual allocations will be reduced by more than 7.5 percent of the prior year's annual allocation not including any reallocations that occurred in that prior year. This provision will apply to FY2017 and FY2018 allocations after which it will expire. Provisions of this subsection do not apply to allocation reductions resulting from reductions in state appropriations.

(3) Institutions who are only eligible to make continuation awards will not receive a specific allocation. Those schools will have until February 20, or the first working day thereafter if it falls on a weekend or holiday, to submit for reimbursement any award for a student who is identified as eligible and is awarded a TEXAS Grant. Those awards will be funded through any unencumbered program funds.

(4) The TEXAS Grant allocation spreadsheet will be provided to the institutions for review and the institutions will be given 10 working days, beginning the day of the notice's distribution and excluding State holidays, to confirm that the spreadsheet accurately reflects the data they submitted or to advise Board staff of any inaccuracies.

(c) Reallocations. Institutions will have until February 20 or the first working day thereafter if it falls on a weekend or holiday to encumber the program funds that have been allocated to them. On that date, institutions lose claim to any funds not yet drawn down from the Board for immediate disbursement to students, and the funds released in this manner are available to the Board for reallocation to other institutions. Reallocated funds will be distributed among institutions requesting funds using the same basis as was used for the allocation of funds, but no institution will receive more funds than it requested. If necessary for ensuring the full use of funds, subsequent reallocations may be scheduled until all funds are awarded and disbursed.

(d) Disbursement of Funds to Institutions. As requested by institutions throughout the academic year, the Board shall forward to each participating institution a portion of its annual allocations of funds for immediate release to students or immediate application to student accounts at the institution.

(e) Release of Funds to Students. The institution may release all or part of the proceeds of a TEXAS Grant to an eligible person only if the tuition and required fees incurred by the person at the institution have been paid.

22.237 Funds Provided from Student Deposit Fees

Excess student deposit funds remitted to the Coordinating Board pursuant to Texas Education Code, §54.5021(c), may only be used to make TEXAS Grants. If the year-end unobligated and unexpended balance of student deposit funds at an institution exceeds 150 percent of the total deposits to that fund during that year, the excess funds shall be forwarded to the Coordinating Board for disbursement through the TEXAS Grant Program. If an institution established an endowment fund from excess funds prior to the end of state Fiscal Year 2001, no additional excess funds may be added to the endowment corpus. All excess funds and their earnings

(including the earnings of the endowment fund) must be used in calculating the year-end balance subject to the 150 percent limit.

[22.238 Funds Provided through Gifts and Donations]

~~The Board may develop and implement an appropriate process for the naming and sponsoring of specialty TEXAS Grant awards funded through gifts and donations to the program.]~~

Commented [PC88]: REDUNDANCY: A generic rule outlining this requirement is unnecessary. We can create a detailed rule at a later time if we ever choose to pursue this statutory provision.

22.239 Authority to Transfer Funds

Institutions participating in a combination of the Toward EXcellence, Access and Success Grant, and Texas College Work-Study Programs, in accordance with instructions from the Board, may transfer in a given fiscal year up to the lesser of 10 percent or \$20,000 between these programs. {GAA III-53 #18}

[22.240 Dissemination of Information and Rules]

~~The Board and its advisory committee is responsible for publishing and disseminating general information and program rules for the program described in this subchapter. The Board shall distribute to each eligible institution and to each school district a copy of the rules adopted under this subchapter.]~~

Commented [PC89]: REDUNDANCY: Covered in General Provisions

22.241 Tolling of Eligibility for Initial Year Award

~~(a) A person is eligible for consideration for an Initial Year [TEXAS Grant] award under this subsection if the person was eligible for an initial year award under §22.228 of this title (relating to Eligible Students) in an academic year for which the Texas Legislature failed to appropriate sufficient funds to make initial year awards to at least 10 percent of the eligible student population, and: {56.3045(a)(1)}~~

Commented [PC90]: CONSISTENCY: Aligning with pre-defined terms.

~~(1) has not received a TEXAS Grant [an award under this subchapter] in the past; {56.3045(a)(2)}~~

~~(2) has not received a baccalaureate degree; and {56.3045(a)(3)}~~

~~(3) meets the eligibility requirements for a continuation award as described in §22.228(d) of this title. {56.3045(b)}~~

~~(b) A person who meets the requirements outlined in subsection (a) of this section:~~

~~(1) cannot be disqualified for a TEXAS Grant by changes in program requirements since the time he or she was originally eligible or by the amount of time that has passed since he or she was originally eligible; {56.3045(b)(2)}~~

(2) is to receive highest priority in the selection of recipients if he or she met the priority model requirements of ~~§22.233(d)~~ [§22.228(b)(5) or (c)(6)] of this title, when originally determined to be eligible; {56.3045(c)}

Commented [CC91]: CLARITY: Correcting the reference

(3) may continue receiving awards as long as he or she meets the requirements for such continuation awards; and {56.3045(d)(1)}

(4) may not receive TEXAS Grants [awards] for prior academic years [terms]. {56.3045(d)(2)}

Commented [CC92]: CORRECTION: Correcting reference from "term" to "academic year"

~~[22.242 Reports to the TEXAS Grant Oversight Committee]~~

~~No later than September 1 of each year, and beginning with awards made for the fall 2013 semester, the Board shall provide a report to the committee that will include the following information about the TEXAS Grant awards for the three preceding state fiscal years:~~

Commented [PC93]: REDUNDANCY: Verified with General Counsel that a rule outlining the statutory report requirement is unnecessary. We can produce the report without having a rule that indicates we will be producing the report.

~~(1) allocations, by institution, separately for initial and continuation awards;~~

~~(2) number of awards received, by race, ethnicity and family contribution;~~

~~(3) number of awards received by race, ethnicity and family contribution, separately for persons who received awards on the basis of program requirements outlined in §22.228 of this title (relating to Eligible Students); and~~

~~(4) the persistence, retention, and graduation rates for award recipients.]~~

Agenda Item J: Proposed Addition of a Definition for Academic Year in the Rule §22.1 Definitions

In Chapter 22, Student Financial Aid Programs, the term "academic year" is not defined in any of the subchapters.

While, the term "period of enrollment" is defined, it is tied directly to the state's fiscal year and is not a synonym for "academic year." For example, using the term "period of enrollment" would be ineffective for activities such as satisfactory academic progress (SAP), since those activities are tied to the institution's academic calendar, rather than to the state's fiscal year. Where the term "period of enrollment" does appear in Chapter 22, it has been used inaccurately. Changes are proposed to replace these instances with either "semester" or "academic year," as appropriate.

The term "academic year" appears 33 times in Chapter 22:

- Thirteen times in relation to SAP
- Six times in relation to determining the award amount
- Twice in relation to the priority deadline (designating the academic year when the date changed)
- Twice in relation to establishing the priority EFC
- Twice in relation to tolling eligibility for TEXAS Grant
- Once in relation to award uses
- Once in relation to TASSP nominations
- Once in relation to loss of TASSP eligibility
- Once in relation to the work-study limitation to fall and spring semesters
- Four times in relation to disbursing funds to the institution, which are likely inaccurate uses of the term.

Defining "academic year" for Chapter 22 seems appropriate, given the extent of its use. Currently, "semester" is defined in the General Provisions as "A payment period, as defined by 34 CFR 668.4(a) or 34 CFR 668.4(b)(1)."

Would a similar approach work for academic year? For example, defining academic year as "the combination of semesters used by an institution to fulfill the academic year requirement as defined by 34 CFR 668.3."

Agenda Item K: Proposed Repeal of Grant Pro-Ration Requirements

The current treatment of state grant levels for students enrolled less than full-time is inconsistent across the state grant programs. Statute authorizes the coordinating board to regulate, though it does not require pro-ration. (Specific statutory references are provided at the end of this document.)

The pro-ration requirements may introduce an unnecessary level of complexity in the administration and understanding of state grant programs. It may also limit an institution's flexibility in utilizing the decentralized allocation in a manner that best meets the needs of its student population. In comparison, the federal government's decentralized grant program, Federal Supplemental Education Opportunity Grant, has no pro-ration requirements, thus providing greater flexibility to the institution. Furthermore, for TEXAS grants, pro-ration calculations still allow for a grant at the Target Award level to students enrolled half-time.

Agency rules provide varying degrees of specificity regarding grant pro-ration:

- TEG requires pro-ration in one instance:
 - Rule §22.28(c), requires pro-ration if the student is enrolled less than three-quarter-time at census, in which case the grant may not exceed 50% of the maximum award.
- TEXAS grant requires pro-ration in two instances:
 - Rule §22.234(b)(6) requires pro-ration of an award made based on hardship to a student enrolled less than three-quarter-time. The calculation is (maximum award/12) x # of credits.
 - Rule §22.234(f) requires pro-ration in cases where a student's remaining eligible attempted hours are less than the hours he or she is taking that semester. If the student's balance of attempted hours is 6-8 hours, the pro-ration is 50% of the maximum award, and if the student's balance is fewer than six hours, the pro-ration is 25% of the maximum award.
- TEOG requires pro-ration in three instances:
 - Rule 22.260(b)(2) requires pro-ration of an award made based on hardship to a student enrolled less than three-quarter-time. The calculation is (maximum award/12) x # of credits.
 - Rule 22.260(e) requires pro-ration in cases where a student's remaining eligible attempted hours are less than the hours he or she is taking that semester. If the student's balance of attempted hours is 9-11 hours, the pro-ration is 75% of the maximum award. If the balance is 6-8 hours, the pro-ration is 50% of the maximum award. If the balance is fewer than six hours, the pro-ration is 25% of the maximum award.
 - Rule 22.260(b)(3) requires pro-ration of every recipient's award if enrolled less than full-time as of the census date. Enrollment of 9 to <12 hours is pro-rated at 75% of the maximum award. Enrollment of 6 to <9 hours is pro-rated at 50% of the maximum award. Grants for enrollment below six hours are not allowed, except in instances of hardship.

Would eliminating the pro-ration rules improve institutional ability to address students' need?

At the statutory level, language regarding pro-ration of TEXAS grants occurs in §56.307(e):

The coordinating board may adopt rules that allow the coordinating board to increase or decrease, in proportion to the number of semester credit hours in which a student is enrolled, the amount of a TEXAS grant award under this section to a student who is enrolled in a number of semester credit hours in excess of or below the number of semester credit hours described in Section 56.304(a)(5) or 56.305(a)(3).

Language regarding pro-ration of TEOG occurs in §56.407(b):

The coordinating board may adopt rules that allow the coordinating board to increase or decrease, in proportion to the number of semester credit hours in which a student is enrolled, the amount of a grant award under this section to a student who is enrolled in a number of semester credit hours in excess of or below the number of semester credit hours described in Section 56.404(a)(4) or 56.405(a)(3).

No specific statutory reference to pro-ration is made for TEG. Instead, the rule-making authority is derived from §61.229(a):

The coordinating board may make reasonable regulations, consistent with the purposes and policies of this subchapter, to enforce the requirements, conditions, and limitations expressed in this subchapter.

Agenda Item L: Proposed Negotiated Rule-Making Committee on Texas College Work-Study

Negotiated rule-making activities occurred with TEXAS Grant, TEOG, and TEG to provide greater flexibility for institutions, and a similar approach is proposed for Texas College Work-Study.

Rule §22.133(d) requires institutions to forfeit Work-Study funding that has not been encumbered by February 20, and §22.133(e) prevents the use of funding for summer awards, except in cases where the institution received reallocated funds.

Elimination of these two sections could create greater flexibility in several ways:

- It could allow institutions to retain funds for use during the summer semester.
- It could allow for a "carry-over" process, where institutions could retain unused funds from the first year of a biennium for use in the second year.
- It could allow the allocations for both years of the biennium to be completed in June of odd years.

Furthermore, the agency is pursuing changing the disbursement process of Texas College Work-Study funds from a lump disbursement at the start of the academic year to an "as-needed" process, similar to the grant programs. Without a corresponding change to the above sections of the allocation rule, institutions may forfeit greater levels of funding on February 20 than they had in the past.

Would institutions be interested in seeing the agency pursue negotiated rule-making for Texas College Work-Study to remove aspects of the allocation rule that limit flexibility?

FAAC Legislative Issues Sub-Committee Activity Report
March 5, 2020

Purpose: Explore legislative recommendations for the 87th Legislative session representative of the various sectors.

Finalize Recommendations: Prior to March 2020. Present to FAAC at the March 2020 meeting.

Sub-Committee Members:

FAAC Legislative Sub-Committee 2019-20 Members

Name	Affiliation	Email Address
Shannon Crossland, Chair	Texas Tech University	shannon.crossland@ttu.edu
Robert Merino	FAAC Chair	robert.merino@sjcd.edu
Cynthia Butler	DCCCD	cbutler@dccd.edu
Victoria Chen	TCU	v.chen@tcu.edu
Delisa Falks	Texas A&M University	delisa.f@tamu.edu
Fred Pena	Texas State Technical College	fred.pena@tstc.edu
Diane Todd Sprague	University of Texas at Austin	DTsprague@austin.utexas.edu
Kara Tappendorf	Pflugerville ISD	Kara.Tappendorf@pfisd.net
Harold Whitis	Alamo Colleges District	hwhitis2@alamo.edu

Activity to Date:

- October 17 – initial conference call with members. Purpose and timeline were discussed as well as potential topics for recommendation.
- October 31 – conference call with members. Discussed topics for recommendation and grouped topics into categories. Draft sent to members to work on context.
- November – added Cynthia Butler and Diane Todd Sprague to the committee.
- Mid-December - formalize version of recommendations document for group to review.
- Mid-February - edited document for presentation of final recommendations for presentation at the March 2020 FAAC meeting.

Pending Activity

- Incorporate recommendations and feedback from FAAC March 2020 meeting.

Respectfully submitted,

Shannon Crossland
Chair, FAAC Legislative Issues Sub-Committee

Financial Aid Advisory Committee (FAAC) Legislative Issues Sub-Committee
Working Document and Commentary
Potential Discussion Topics for the 87th Legislative Session
March 5, 2020

In response to the Potential Discussion Topics for the 87th Legislative Session assembled based on prior FAAC discussion, financial aid studies, recommendations from higher education organizations, and a general review of state financial aid statute, the members of the FAAC Legislative Issues Sub-Committee discussed suggested recommendations. The following highlights the sub-committee's commentary and priority recommendations for consideration in alignment with 60C30TX, the Principles of State Financial Aid Redesign and Senate Higher Education Committee Interim Charges:

1. Federal/State Alignment Opportunities

- a. Align State aid program's Selective Service requirements, controlled substance requirements, and satisfactory academic progress (SAP) criteria with corresponding Federal aid requirements. Alignment of Selective Service, controlled substance and SAP guidelines for state programs with Federal guidelines supports the completion goals in 60X30TX and aligns with principles of flexibility and student-centered programs. This approach, by aligning the federal and state program rules, will reduce related confusion among students by increasing their access, providing an educational pathway and enhancing completion of higher education.
- b. Align the Texas Educational Opportunity Grant (TEOG) Program matching requirement to that of the Federal Supplemental Educational Opportunity Grant (FSEOG) and/or TEXAS Grant Program matching requirements. This would allow the Federal Pell Grant to be used to match the TEOG grant in covering tuition and required fees. Community Colleges are dependent on this grant in order to increase enrollment and retention rates. The current TEOG matching requirement is an administrative burden due to the timing late in the semester which in turn impacts students. In addition, consideration for TEOG recipients not receiving a TEXAS Grant when transferring to a 4-year school. This approach supports 60X30TX goals in educating students and completion of higher education by students as well as providing and responding to the diverse enrollment options available for students' educational pathways.
- c. Overall, the federal/state alignment opportunity would remove barriers for students, mirror federal programs and align for TASFA application. The opportunity would also facilitate the Senate Higher Education Committee Interim Charges by expanding programs for adult learner students.

2. Work as a Resource

- a. Propose aligning the Texas Work-Study Mentorship to Texas College Work-Study reinforcing goals of 60X30TX. Currently, the Texas Work-Study Mentorship is not a financial aid function and as a result, it is burdensome to get data to assess the impact to students. In addition, recommend bringing program under Financial Aid Services to align with other state aid programs due to FAD report inclusion.
- b. Encompassing the Texas Work-Study Mentorship as a financial aid function enhances and supports 60X30TX goals in marketable skills and provides an opportunity for manageable student debt while maintaining students' educational pathways.

3. Priority Financial Aid Deadline

- a. Propose assessment of need and purpose of priority financial aid deadline. The priority financial aid deadline guarantees flexibility for schools based on funding and is used as a mechanism for institutions that do not have funding. For some institutions, awarding continues as long as funding is available.
- b. The priority financial aid deadline galvanizes students, on a state-wide basis, to apply early in order to maximize their aid potential. However, the priority financial aid deadline may pose a negative impact for students or restrict student eligibility in terms of enrollment patterns for high school seniors, transfer students and adult learners.

- c. Propose a data informed study on the impact of the priority financial aid deadline and enrollment and application cycles and the impact to eligibility criteria to better address the discussion.
- 4. Increasing TEXAS Grant from the \$5,000**
 - a. Overall percentage increase in funding for the TEXAS Grant Program to allow the recommended (target) award amount to increase from \$5,000 per year to an amount equitable of the average tuition and fees. The increase would further assist students with financial need. These recommendations are pertinent to 60X30TX goal-Student Loan Debt, increasing the ability for other funding at universities for other non-Texas Grant eligible financially needy students; enabling universities to meet more of their financial need.

Other items of discussion within the sub-committee:

- 1. CAL Program**
 - a. Delinquent borrowers-removal of transcript hold lifted a roadblock for students. However, the continuation of monthly reports on delinquent borrowers would be beneficial for institutions to assist in follow-up and counseling of students.
 - b. A case/issue number should be assigned to all inquiries to allow for tracking/updates.
 - c. THECB year-end closeout and system outages occur during peak processing time-minimize down-time.
- 2. Federal/State Alignment Opportunities for Consideration**
 - a. Course Program of Study (CPOS)
- 3. THECB Leadership**
 - a. Direction of new leadership
- 4. Net Price Calculator**
 - a. Recommend a revamp of current platform
 - b. Third-party servicer
- 5. Promise Programs –**
 - a. Consider possible mandate or implementation
- 6. Work-Study Allocation Concerns**
 - a. Schools that do not use allocation – returning program funds or authority to transfer funds.
- 7. Populations Not Being Served**
 - a. Community Colleges and perhaps 4-year institutions are utilizing ATB to help serve adult learners in order to assist with adequacy of FA programs.
- 8. Grad TX-**
 - a. Encourage more students to complete a 2yrs/4yrs degree include more partners into this program (state and private institutions).



TASFAA

encourage • promote • facilitate • inspire • motivate

TASFAA Hill Visit Schedule
NASFAA Leadership Conference
Feb 2020

Texas Association of Student Financial Aid Administrators (TASFAA)

The Texas Association of Student Financial Aid Administrators (TASFAA) advances student access to higher education by providing professional development for its diverse members, advocating for informed public policies, and facilitating forums on financial aid topics. TASFAA represents over 133 colleges and universities and has over 2,200 members that support students working to achieve their dream of postsecondary education. TASFAA members are at the front lines of access and success for students across Texas and work to act as strong fiduciaries of the federal government's investment in Title IV financial aid programs.

TASFAA has three continued priorities as Congress evaluates the reauthorization of the Higher Education Act. They are:

- **FAFSA Simplification**

TASFAA commends Congress for their recent action in passing the FUTURE Act. The simplification included in this legislation will ease the burden of students and families around the country. TASFAA supports further simplification through the codification of Prior-Prior Year, continued efforts to expand inter-agency data sharing and the development of customized paths to reduce the number of unneeded questions based on individual circumstances.

- **Pell for Short Term Programs**

The way that higher education is delivered is rapidly changing. In order to effectively meet workforce needs and provide flexible learning opportunities there has been increased support to allow Pell Grants to be utilized for short-term and non-credit bearing courses. TASFAA supports the increased flexibility of the Pell Grant and urges Congress to consider new uses while exploring data that measures the effectiveness of these programs.

- **Eliminate Student Loan Origination Fees**

Student loan origination fees serve as a leftover artifact of the Family Federal Education Loan (FFEL) Program under which loans have not been originated since 2010. These fees, labeled as a "student loan tax" by advocacy groups, reduce the individuals loan amount and require repayment with associated interest. According to NASFAA, the average undergraduate borrower will pay an estimated \$294 in origination fees and associated interest and the average graduate student will pay about \$1,174 (assuming standard repayment plans).

If you have any questions or would like more information, please contact TASFAA President Lyn Kinyon at lyn.wheelerkinyon@uta.edu.



Texas Association of Student Financial Aid Administrators (TASFAA)

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Christina Pikla

Trinity University

Texas Higher Education Coordinating Board Financial Aid Advisory Committee Meeting TASFAA – Lyn W. Kinyon, 2019/2020 President March 5, 2020

NASFAA Leadership and Legislative Conference

TASFAA sent Taryn Anderson, President-Elect, and D. Ingram, Trailblazer Award Recipient to the conference to attend the Association Leadership Pathway. A coalition of TASFAA attendees participated in the Capitol Hill Visits on the last day with the assistance and planning of Cynthia Butler, TASFAA Legislative Issues Chair, and Bryan Ashton, Trellis. Group 1 (4 individuals) visited with senators and/or aides. Group 2 (3 individuals) and Group 3 (3 individuals) visited with representatives and/or aides. All shared TASFAA's one pager regarding HEA support – see attached.

TASFAA Spring Regional Training Workshops

Spring Regional Training will be held during the months of March and April and will include federal (ED) and state (THECB) updates as well as an opportunity for participants to receive NASFAA Credentialing in Professional Judgment:

- March 23, 2020 El Paso, El Paso Community College
- March 26, 2020 Houston, University of Houston at Sugarland
- March 30, 2020 San Antonio, St. Mary's University
- April 8, 2020 DFW, Colin County College
- April 15, 2020 Lubbock, Texas Tech University

TASFAA New Aid Officers Workshop

The Annual New Aid Officers Workshop will be held in Grapevine at Great Wolf Lodge, April 22 – 24. This training provides an overview of the financial aid world to new aid officers and can provide a refresher to more seasoned aid officers.

TASFAA Annual Fall Conference

The Annual Fall Conference will be held in San Antonio at the Wyndham Riverwalk, October 7 – 9. The ABC's Workshop will be held prior to the conference.

TASFAA High School Counselor Workshops

Various participating institutions around the state are hosting high school counselor workshops coordinated by the Early Awareness Committee to educate and inform high school counselors about the FAFSA, TASFA, aid programs, processes, etc.

Nominations for TASFAA Board Positions

Nominations for Board positions are currently being accepted through March 23, 2020 for President-Elect and Members-at-Large (4 position).

2019-2020 TASFAA Task Forces Established

- Disaster Recovery Plan
- Membership Dues and Structure
- Diversity and Inclusiveness
- Sponsorship Opportunities

Agenda Item R: Interaction of Priorities Impacting State Financial Aid

Based on questions from institutions, Financial Aid Services and the agency's Office of General Counsel discussed how the four different priorities interact in the awarding of TEXAS Grant funds. The four priorities are: priority to continuing students, priority to students below a certain EFC, priority to students who demonstrate certain academic achievement, and priority to students based on the FAFSA filing date. While the discussion focused on TEXAS Grants, the concepts would be similar for any program with more than one priority.

Based on our discussion, we propose that continuing students are somewhat analogous to a "pre-qualified" status. The idea being that, having already been selected for TEXAS Grant, their eligibility for the grant continues if they continue to meet the eligibility requirements (19 TAC §22.232). The other priority indicators, since they are priorities and not eligibility criteria, would not take precedence in awarding funds to continuing students. This aligns with our understanding of current institutional practices where continuing students are given precedence over initial-year students, regardless of the continuing student's EFC, academic qualifications (other than SAP), or FAFSA completion date.

For students eligible for initial-year TEXAS Grants, the legislature established specific priorities for the TEXAS Grant program {the priority EFC (§56.303(e)) and the priority academic model (§56.303(f))}, and thus, we believe those take precedent. On the other hand, the priority deadline (§56.008), which applies across all state financial assistance, is utilized as a mechanism to prioritize similarly situated applicants.

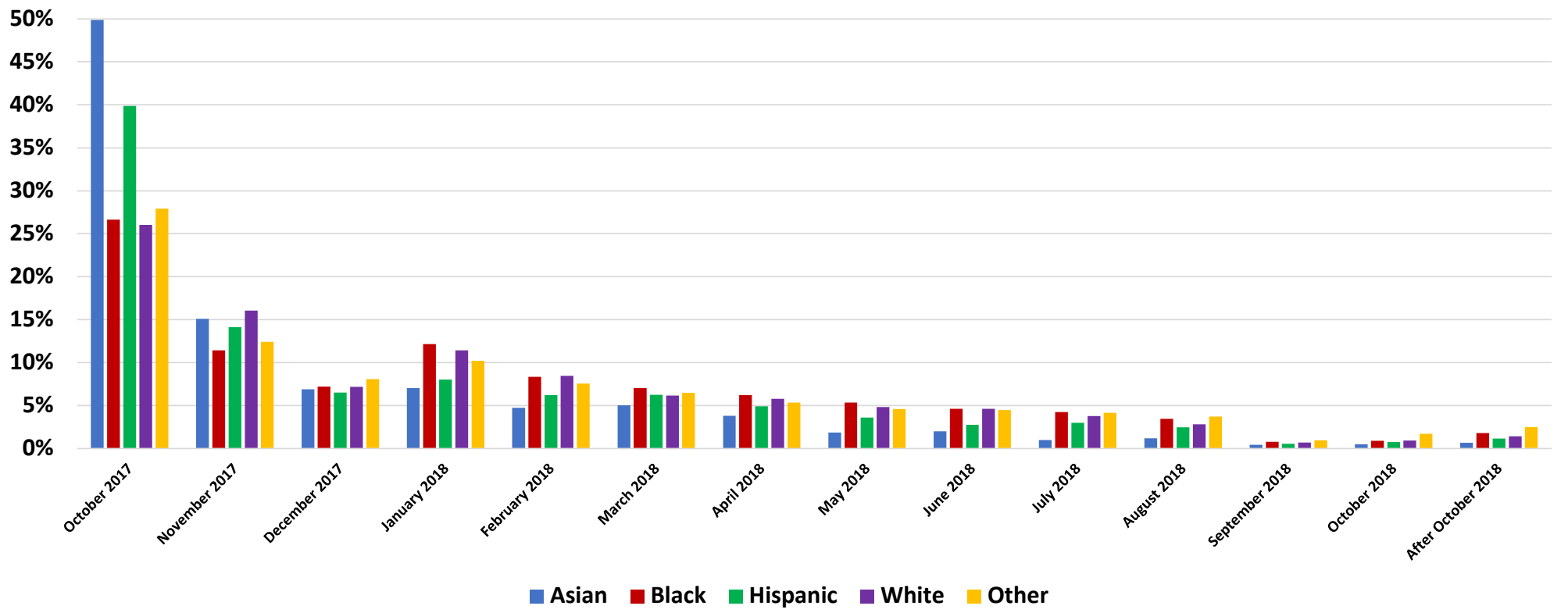
For example, given two students who met both the priority EFC and the priority model, the student who met the priority deadline would be given priority consideration over the student who did not meet the priority deadline.

Conversely, consider a situation where one student met the priority EFC and the priority model, but did not meet the priority deadline, while another student met the priority deadline, but met neither the priority EFC nor the priority model. These two students are not similarly situated. The first has met the priorities that the legislature set out specifically for the TEXAS Grant program, and thus, an institution could validly choose to give priority in awarding to the first student, rather than the second student.

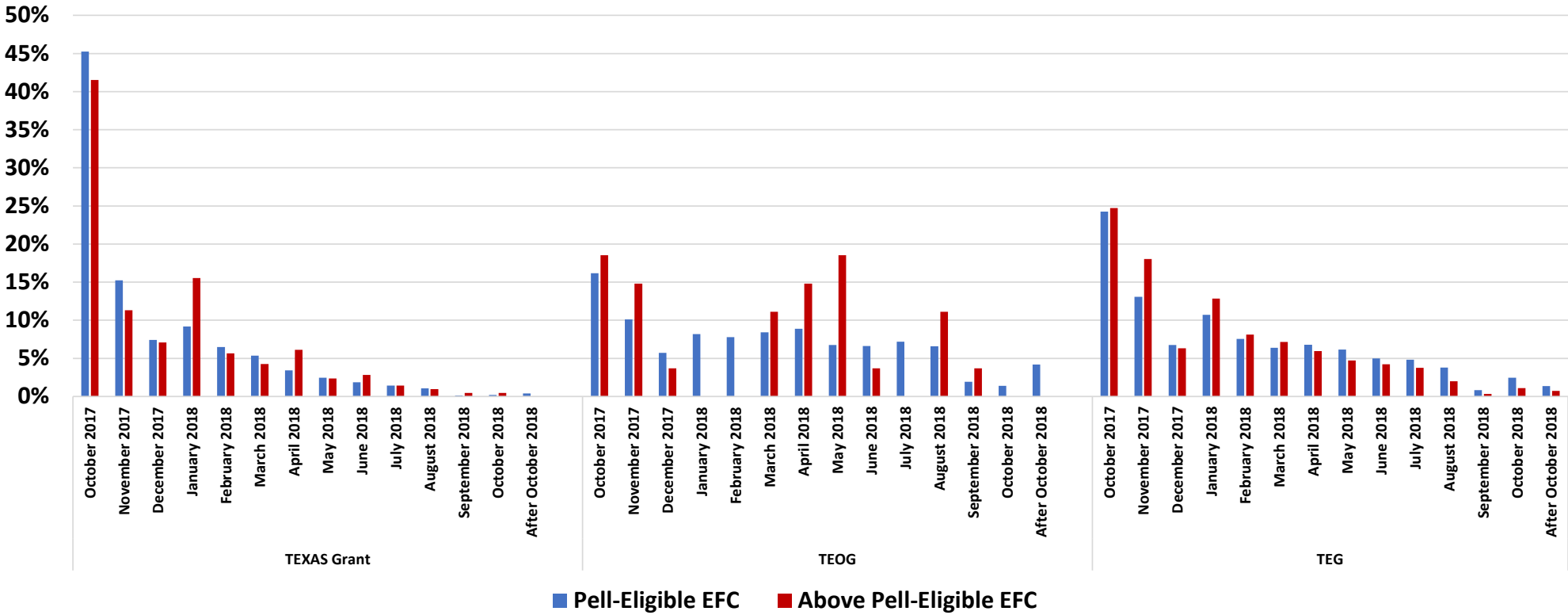
Since there are multiple combinations of how the priority EFC, model, and deadline may or may not be achieved by each student eligible for a first-year grant, an institution must make decisions that acknowledge the legislature's statutory indication that the priorities specific to the TEXAS Grant are the priority EFC and the priority model.

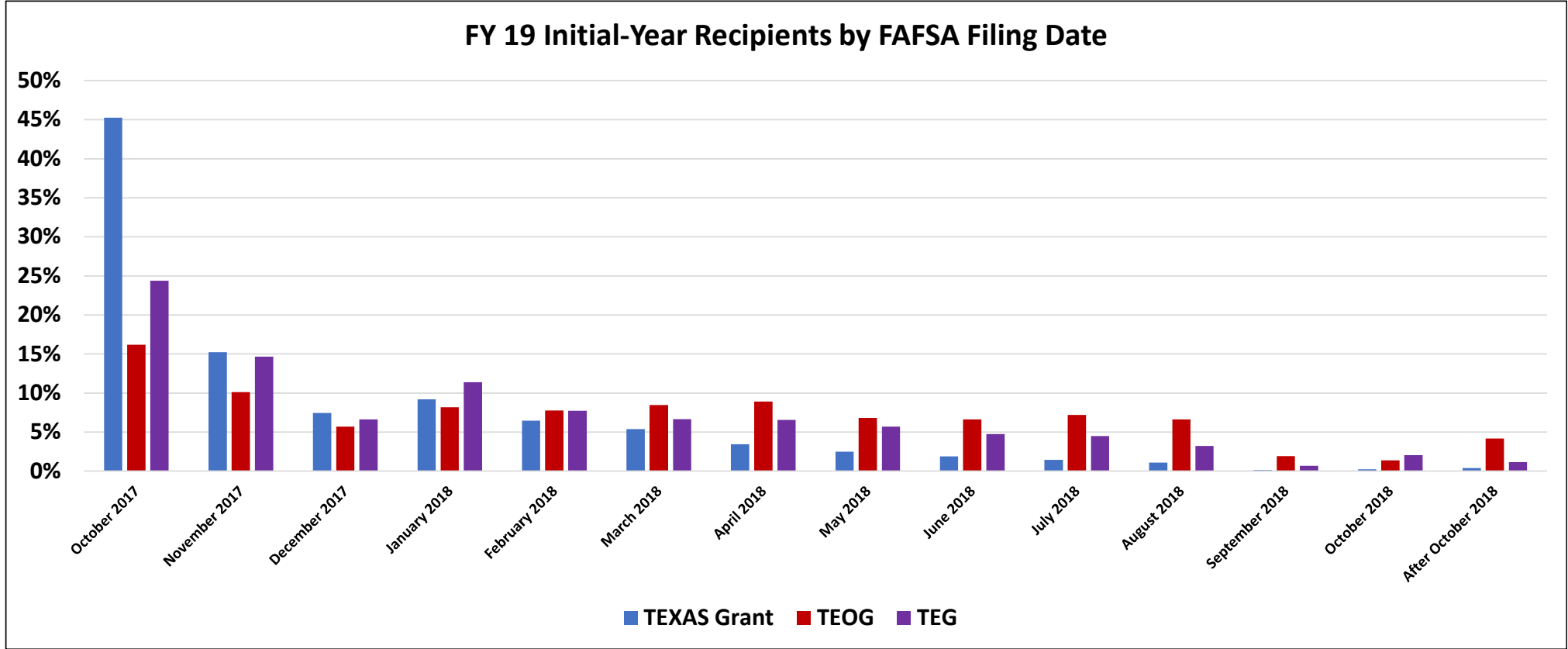
To what extent does the above description align with institutional practice?

FY 19 FAFSA Filing Date for Initial-Year TEXAS Grant TEOG And TEG, by Ethnicity



FY 19 FAFSA Filing Date for Initial-Year TEXAS Grant TEOG And TEG, by EFC







Financial Aid Advisory Committee (FAAC) Nomination and Membership Process

FAAC Authority and Purpose [\(TAC, 1.149\)](#)

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

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 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.

Nomination Timeline

- New member nomination process launches → early April
- New member nominations deadline → late May
- Slate reviewed by FAAC Chairs and agency staff → July
- Slate of nominees finalized → August
 - Slate notified to confirm their continued interest
 - Other nominees notified that they were not selected for the slate
- Slate of nominees reviewed at the FAAC meeting → September
- Slate of nominees presented for approval at the CAAP and Board meetings → October
 - Slate notified of their full approval
- First meeting for new members → December

Question for the FAAC: Due to the challenges collecting nominations during the summer, the timing of the Board meetings, and the historical approach of member terms starting in December, the nomination process starts in early April and selected nominees don't start until December. Is this 9-month delay a problem? Would it be better to shorten the nomination process and have the new term of office start in September, instead of December? This would also allow the Vice Chair to be elected in September, rather than going for three months without a Vice Chair.

Committee Membership Breakdown [\(TAC, 1.151\)](#)

Membership on the committee will include:

- (1) At least two representatives from the following sectors of higher education: four-year public universities, two-year colleges, and private institutions; and at least one representative from a health-related institution;
 - Nomination materials are sent via GovDelivery to the Presidents and Chancellors of all Texas Independent Higher Education institutions, with a cc to Financial Aid Directors and other FAAC partner agencies and professional association contacts, and a TASFAA listserv notice is sent to let the financial aid community know the process has started.
- (2) At least one student representative from a health-related institution or the four-year college sector; and at least one student representative from the two-year college sector, who serve as non-voting members;
 - Nomination process is coordinated through the Commissioner's Office every other year.
- (3) Two representatives of school districts; and
 - Nomination materials are sent via GovDelivery to agency lists of school district staff. Nomination materials are distributed via email directly to the Texas Association of Secondary School Principals and the Texas Association of School Administrators.
- (4) One representative from the Texas Association of Student Financial Aid Administrators (TASFAA), named by the TASFAA Board, who serves as a non-voting member.
 - Nomination materials are distributed directly to the President of TASFAA.

Membership Overview

- Membership consist of financial aid practitioners, public school counselors, and other persons employed in the non-profit sector in roles with responsibility for advising students regarding financial aid.
- Interested persons and legislative and governmental relations staff must be regularly advised of committee meetings.
- The number of committee members cannot exceed twenty-four (24).
- Members serve a three-year term
- Terms for persons who serve as chair of the committee will include the year as chair and the subsequent year as immediate-past chair regardless of the number of years previously on the committee; 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 serve two-year terms.
 - The TASFAA representative serves a one-year term.

Note: Persons who have previously served on the committee are eligible to serve again.