

SUPPLEMENTAL MATERIALS

Special Called Board Meeting AGENDA ITEM VI-A (9)

Consideration and possible action to adopt on an emergency basis new Board Rules in Chapter 13, Subchapter Q, 13.500 through 13.506 concerning the Financial Aid for Swift Transfer (FAST) program

RECOMMENDATION: Approval

Background Information:

Texas Higher Coordinating Education Board (THECB) staff proposes the adoption of new rules, on an emergency basis, in Texas Administrative Code, Title 19, Part 1, Chapter 13, Subchapter Q, §§13.500 – 13.506, concerning Financial Aid for Swift Transfer (FAST) Program and in relation to House Bill (HB) 8 that reforms community college finance. As authorized by HB 8, this rule is proposed on an emergency basis because all rules necessary for HB 8 implementation must be adopted prior to the start of fiscal year 2024.

Specifically, House Bill 8 established the FAST program that these proposed rules would implement. Subchapter Q would contain rules that establish the authority, purpose, definitions, program requirements, and payment processes for the FAST program. The proposed rules are necessary to implement the FAST program that was established by HB 8.

To summarize the proposed rules, institutions of higher education may participate in the FAST program if they charge tuition to high school students enrolled in eligible dual credit or dual enrollment courses that is not greater than \$55 per semester credit hour. They must also ensure that eligible dual credit/enrollment students, where eligibility is based on educational disadvantage status, are not assessed any costs related to dual credit courses. The Coordinating Board would transfer to participating institutions funds equal to \$55 per semester credit hour generated by eligible dual credit students at each institution upon final certification of data.

Rules 13.500 and 13.501 establish the purpose, authority and definitions of the FAST program. Rules 13.502 and 13.503 establish what institutions are eligible to participate in the program. Rule 13.504 establishes the rate per semester credit hour for which the Coordinating Board would reimburse participating institutions for the delivery of dual credit. Rules 13.505 and 13.505 concern calculation of dual credit semester credit hours, related data reporting, and the delivery of payments.

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

CHAPTER 13 FINANCIAL PLANNING

SUBCHAPTER Q FINANCIAL AID FOR SWIFT TRANSFER (FAST) PROGRAM

SUBCHAPTER Q FINANCIAL AID FOR SWIFT TRANSFER (FAST) PROGRAMSection 13.500. Authority and Purpose.

(a) Unless otherwise noted in a section, the authority for these provisions is provided by Texas Education Code, §§28.0095 and 48.308.

(b) This subchapter establishes rules relating to the administration of the Financial Aid for Swift Transfer (FAST) Program. The program provides institutions with funding to support their ability to allow educationally disadvantaged students to enroll in dual credit coursework at no cost to the student.

Section 13.501. Definitions.

In addition to the words and terms defined in Texas Administrative Code, §13.1 of this chapter (relating to Definitions) the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise. In the event of conflict, the definitions in this subchapter shall control.

(1) Charter School--a public charter school authorized to operate under Texas Education Code, Chapter 12.

(2) Dual Credit Course--a course offered for joint high school and junior college credit under Texas Education Code, §130.008, or another course offered by an institution of higher education, for which a high school student may earn credit toward satisfaction of:

(A) a requirement necessary to obtain an industry-recognized credential or certificate or an associate degree;

(B) a foreign language requirement at an institution of higher education;

(C) a requirement in the core curriculum, as that term is defined by Texas Education Code, §61.821, at an institution of higher education; or

(D) a requirement in a field of study curriculum developed by the coordinating board under Texas Education Code, §61.823.

(3) Educationally disadvantaged--as defined in Texas Education Code, §5.001(4), eligible to participate in the national free or reduced-price lunch program.

(4) Equivalent of a semester credit hour--16 contact hours

(5) Program--the Financial Aid for Swift Transfer (FAST) Program.

Section 13.502. Eligible Institution.

(a) Any institution of higher education, as defined in Texas Education Code, §61.003, is eligible to participate in the Program.

(b) A participating institution may not charge students attending high school in a Texas school district or charter school tuition for dual credit courses in excess of the tuition rate outlined in §13.504 of this subchapter (relating to FAST Tuition).

(c) A participating institution must ensure that an eligible student incurs no cost for their enrollment in any dual credit course at the institution. This includes, but is not limited to, tuition, fees, books, supplies, or other course-related expenses. This subsection does not prohibit a participating institution from charging a school district for course-related expenses, other than tuition, for an eligible student.

(d) Agreement. Each eligible institution must enter into an agreement with the Coordinating Board, the terms of which shall be prescribed by the Commissioner prior to being approved to participate in the program.

Section 13.503. Eligible Students.

(a) A student is eligible to enroll at no cost to the student in a dual credit course under the program if the student:

(1) is enrolled in and eligible for Foundation School Program funding at a high school in a Texas school district or charter school under the rules of the Texas Education Agency;

(2) is enrolled in a dual credit course at a participating institution of higher education; and

(3) was educationally disadvantaged at any time during the four school years preceding the student's enrollment in the dual credit course described by paragraph (2) of this subsection, as certified to the institution by the eligible student's school district or charter school, or other means authorized by rule.

(b) A school district's or charter school's notice to the institution regarding a student's status as educationally disadvantaged shall occur through the school district's or charter school's notice to the Texas Education Agency, unless otherwise provided by rule.

Section 13.504. FAST Tuition.

The maximum tuition rate prescribed for a dual credit course through this program is \$55 per semester credit hour or equivalent of a semester credit hour in the 2023-2024 academic year.

Section 13.505. FAST Funding Formula.

(a) Frequency of Disbursements. The Coordinating Board will provide each participating institution with a disbursement for each fall, spring, and summer semester upon the certification of the institution's eligible enrollments. The Coordinating Board will combine enrollment periods under this subsection when a semester includes more than one enrollment period (for example, a Summer 1 and a Summer 2 session).

(b) Disbursement Calculation. Each disbursement will equal the amount outlined in §13.504 of this subchapter (relating to FAST Tuition) for the relevant semester multiplied by the number of semester credit hours or equivalent in which students who met the eligibility criteria in §13.503 of this subchapter (relating to Eligible Students) were enrolled in dual credit courses at the institution for the relevant semester.

(c) Data Sources. The source of data for the disbursement calculation will be reports collected by Board staff and certified by the institution for the relevant semester which provide an eligible student's dual credit enrollment in semester credit hours or their equivalent and the

student's PEIM identifier, combined with data regarding educationally disadvantaged students, as reported by Texas Education Agency, unless otherwise provided by rule.

(d) Verification of Data. Board staff will share each semester's calculation with the participating institution for comment and verification prior to disbursement. The institution will be given ten business days, beginning the day of the notice's distribution, and excluding State holidays, to confirm that the calculation accurately reflects the data they submitted or to advise Board staff of any inaccuracies.

§13.506. Overallocation.

Funding provided to an institution under this subchapter shall be subject to subchapter R of this chapter (relating to State Public Junior College Finance Program Reporting, Audit, and Overallocation).