

# **TEXAS HIGHER EDUCATION COORDINATING BOARD**

## **COMMITTEE ON INNOVATION, DATA, AND EDUCATIONAL ANALYTICS**

VIA LIVE BROADCAST

October 21, 2020  
9:00 a.m.

### **AGENDA**

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

- I. Welcome and Committee Chair's meeting overview
- II. Consideration of approval of the minutes from the July 22, 2020, meeting of the Committee on Innovation, Data, and Educational Analytics
- III. Consideration of approval of the Consent Calendar
- IV. Public Testimony on Agenda Items Relating to the Committee on Innovation, Data, and Educational Analytics
- V. Matters relating to the Committee on Innovation, Data, and Educational Analytics
  - A. Consideration of approval of the *60x30TX* Progress Report
  - B. *60x30TX* Data Insight: Presentation on Preliminary Headcount for fall 2020
  - C. Update on Data Infrastructure Modernization Project
  - D. Consideration of adopting the Commissioner's recommendation to the Committee relating to the certification of gifts that are fundable through the Texas Research Incentive Program (TRIP) for the Emerging Research Universities
  - E. Consideration of adopting the Evaluation of the Nursing Shortage Reduction Program report (*General Appropriations Act, House Bill 1, Article III, Section 28(g), 86th Texas Legislature*)
  - F. Consideration of adopting the report to the Legislature on High School Individual Graduation Committee (IGC) Graduates (*Texas Education Code, Section 28.02591*)
  - G. Consideration of approval of the Energy Savings Performance Contract for Texas A&M University at Galveston
  - H. Review of facilities projects that were submitted to the Coordinating Board

CHAIR  
S. Javaid Anwar

VICE CHAIR  
Welcome W. Wilson

Ricky A. Raven  
R. Sam Torn  
Donna N. Williams  
Levi D. McClemy  
Student Representative, Ex-Officio  
Stuart W. Stedman,  
Ex-Officio

Note: Highlighted items in gray are on the Consent Calendar.

## *Committee on Innovation, Data, and Educational Analytics*

I. Consideration of adopting the report to the legislature on Student Financial Aid in Texas Higher Education, Fiscal Year 2019 (*General Appropriations Act, House Bill 1, Article III, Section 25, 86th Texas Legislature*)

J. Consideration of adopting the staff recommendation to the Committee relating to the approval of the nominated members of the Financial Aid Advisory Committee

### K. Proposed Rules

(1) Consideration of adopting proposed amendments to Chapter 22, Subchapter A, Section 22.11 of Board rules, concerning General Provisions

(2) Consideration of adopting proposed amendments to Chapter 22, Subchapter B, Section 22.28 of Board rules, concerning Provisions for the Tuition Equalization Grant Program

(3) Consideration of adopting the proposed repeal of Chapter 22, Subchapter L, Sections 22.232, 22.235, 22.238-22.240, and 22.242 of Board Rules, and amendments to Sections 22.225-22.231, 22.233, 22.234, and 22.241 of Board rules, concerning the Toward EXcellence, Access, and Success (TEXAS) Grant Program

(4) Consideration of adopting proposed amendments to Chapter 22, Subchapter M, Section 22.261 of Board rules, concerning the Texas Educational Opportunity Grant Program

(5) Consideration of adopting the proposed repeal of Chapter 22, Subchapter Q, Sections 22.331-22.336 and 22.342-22.344 of Board rules, and amendments to Chapter 22, Subchapter Q, Sections 22.329, 22.330, 22.339, and 22.341, concerning the Texas B-On-Time Loan Program

(6) Consideration of adopting proposed amendments to Chapter 23, Subchapter C, Sections 23.65-23.67 of Board rules, concerning the Physician Education Loan Repayment Program

(7) Consideration of adopting proposed amendments to Chapter 23, Subchapter H, Sections 23.211 and 23.214 of Board rules, concerning the Peace Officer Loan Repayment Assistance Program

## VI. Adjournment

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

*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*

Note: Highlighted items in gray are on the Consent Calendar.

*where a meeting of a governmental entity is held and if the meeting is an open meeting subject to Chapter 551, Government Code, and the entity provided notice as required by that chapter." Thus, no person can carry a handgun and enter the room or rooms where a meeting of the THECB is held if the meeting is an open meeting subject to Chapter 551, Government Code.*

***Please Note** that this governmental meeting is, in the opinion of counsel representing THECB, an open meeting subject to Chapter 551, Government Code and THECB is providing notice of this meeting as required by Chapter 551. In addition, **please note** that the written communication required by Texas Penal Code Sections 30.06 and 30.07, prohibiting both concealed and open carry of handguns by Government Code Chapter 411 licensees, will be posted at the entrances to this governmental meeting.*

Committee on Innovation, Data, and Educational Analytics

AGENDA ITEM I

Welcome and Committee Chair's meeting overview

Mr. S. Javaid Anwar, Chair of the Committee on Innovation, Data, and Educational Analytics, will provide the Committee an overview of the items on the agenda.

Committee on Innovation, Data, and Educational Analytics

AGENDA ITEM II

Consideration of approval of the minutes from the July 22, 2020, meeting of the Committee on Innovation, Data, and Educational Analytics

RECOMMENDATION: Approval

**TEXAS HIGHER EDUCATION COORDINATING BOARD**

**MINUTES**

**Committee on Innovation, Data, and Educational Analytics**

**1200 East Anderson Lane, Room 1.170**

**Austin, Texas**

**July 22, 2020, 9:00 a.m.**

**DRAFT Minutes**

**The Texas Higher Education Coordinating Board *Committee on Innovation, Data, and Educational Analytics* convened via teleconference at 9:00 a.m. on July 22, 2020, with the following members present: S. Javaid Anwar, Chair, Welcome W. Wilson, Vice Chair; R. Sam Torn; Donna N. Williams; Stuart W. Stedman, Ex-Officio, acting chair, presiding. Ricky A. Raven and Levi D. McClenny, Student Representative, Ex-Officio, were not in attendance**

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

<b>AGENDA ITEM</b>	<b>ACTION</b>
I. Welcome and Committee Chair's meeting overview	<p>Due to health and safety concerns related to the COVID-19 pandemic, this meeting was conducted via video conference and telephone call pursuant to Governor Abbott's March 16th, 2020, order permitting public bodies to meet telephonically. Mr. Stuart W. Stedman appointed himself to this committee as chair and voting member due to technical difficulties experienced by Mr. S. Javaid Anwar.</p> <p>Mr. Stedman called the meeting of the Committee on Innovation, Data, and Educational Analytics to order and announced the meeting was being held via video and conference call. Mr. Stedman established that a quorum was met. Ms. Donna N. Williams was not in attendance at the time the meeting was called to order but joined the meeting at 9:35 a.m. and attended the remaining portions of the meeting.</p> <p>Mr. Stedman announced the new student representative, Mr. Levi D. McClenny, and announced his appointment to the Board by Governor Greg Abbott in June 2020. Mr. Stedman noted that Mr. McClenny would be formally introduced at the Board meeting on July 23, 2020.</p>
II. Consideration of approval of the minutes from the April 23, 2020, Committee meeting	<p>On motion by Mr. Welcome W. Wilson, seconded by Mr. R. Sam Torn, the Committee approved this item.</p>

AGENDA ITEM	ACTION
<p>III. Consideration of approval of the Consent Calendar</p>	<p>Mr. Stedman stated agenda items V-E through V-G were on the Consent Calendar for consideration. At this time, Mr. Stedman announced that agenda item V-D was added to the Consent Calendar.</p> <p>On motion by Mr. R. Sam Torn, seconded by Mr. Welcome W. Wilson, the Committee approved the Consent Calendar as amended with all members present voting in favor.</p>
<p>IV. Public Testimony on Agenda Items Relating to the Committee on Innovation, Data, and Educational Analytics</p>	<p>Mr. Stedman stated that we received written public testimony in support of agenda item V-H (1) of proposed rules and would be heard at the appropriate time in the agenda.</p>
<p>V. Matters relating to the Committee on Innovation, Data, and Educational Analytics</p> <p>A. 60x30TX Data Insight: Discussion of COVID-19 impact on summer enrollment</p> <p>B. Update on Data Infrastructure Modernization Project</p> <p>C. Consideration of approving the Commissioner’s recommendation to enter into a services contract for access to student out-of-state data</p> <p>D. Consideration of approving the staff’s recommendation to change Committee on Affordability, Accountability and Planning to the Committee on Innovation, Data, and Educational Analytics wherever it appears in the Board Rules</p> <p>E. Consideration of adopting the staff recommendation to the Committee relating to the approval of the Energy Savings Performance Contract for Texas A&amp;M</p>	<p>Dr. Julie Eklund, Assistant Commissioner for Strategic Planning, provided a presentation and was available for questions.</p> <p>This item was for information only.</p> <p>Ms. Lori Fey, Deputy Commissioner for Innovation and Policy Development, provided a presentation and was available to answer questions.</p> <p>This item was for information only.</p> <p>Dr. Julie Eklund, Assistant Commissioner for Strategic Planning, provided a presentation and was available to answer questions.</p> <p>On motion by Mr. R. Sam Torn, seconded by Mr. Welcome W. Wilson, the Committee approved this item with all members present voting in favor.</p> <p>This item was approved on the Consent Calendar.</p> <p>This item was approved on the Consent Calendar.</p>

AGENDA ITEM	ACTION
<p>University-Corpus Christi</p> <p>F. Review of facilities projects that were submitted to the Coordinating Board</p> <p>G. Consideration of adopting the staff recommendation to the Committee relating to the report on the TEXAS Grant Program (<i>Texas Education Code, Section 56.311(c-1)</i>)</p> <p>H. Proposed Rules</p> <p>(1) Consideration of adopting the Commissioner's recommendation to the Committee relating to the proposed amendments to Chapter 1, Subchapter A, Section 1.18 of Board rules, concerning the Operation of Education Research Centers</p>	<p>This item was approved on the Consent Calendar.</p> <p>This item was approved on the Consent Calendar.</p> <p>Dr. Julie Eklund, Assistant Commissioner for Strategic Planning, presented this item and was available to answer questions.</p> <p>On motion by Ms. Donna N. Williams, seconded by Mr. R. Sam Torn, the Committee approved this item with all members present voting in favor.</p>
<p>VII. Adjournment</p>	<p>On motion by Mr. R. Sam Torn, seconded by Ms. Donna N. Williams, the Committee approved this item with all members present voting in favor.</p> <p>The meeting adjourned at 10:11 a.m.</p>



Committee on Innovation, Data and Educational Analytics

AGENDA ITEM III

Consideration of approval of the Consent Calendar

RECOMMENDATION: Approval

Background Information:

In order to save institutions time and travel costs to attend the Committee on Innovation, Data and Educational Analytics meetings in Austin, the Committee has a Consent Calendar for items that are noncontroversial. Any item can be removed from the Consent Calendar by a Committee member.

## Consent Calendar

## V. Matters relating to the Committee on Innovation, Data, and Educational Analytics

- F. Consideration of adopting the report to the Legislature on High School Individual Graduation Committee (IGC) Graduates (*Texas Education Code, Section 28.02591*)
- G. Consideration of approval of the Energy Savings Performance Contract for Texas A&M University at Galveston
- H. Review of facilities projects that were submitted to the Coordinating Board
- I. Consideration of adopting the report to the legislature on Student Financial Aid in Texas Higher Education, Fiscal Year 2019 (*General Appropriations Act, House Bill 1, Article III, Section 25, 86th Texas Legislature*)
- J. Consideration of adopting the staff recommendation to the Committee relating to the approval of the nominated members of the Financial Aid Advisory Committee
- K. Proposed Rules:
  - (1) Consideration of adopting proposed amendments to Chapter 22, Subchapter A, Section 22.11 of Board rules, concerning General Provisions
  - (2) Consideration of adopting proposed amendments to Chapter 22, Subchapter B, Section 22.28 of Board rules, concerning Provisions for the Tuition Equalization Grant Program
  - (3) Consideration of adopting the proposed repeal of Chapter 22, Subchapter L, Sections 22.232, 22.235, 22.238-22.240, and 22.242 of Board Rules, and amendments to Sections 22.225-22.231, 22.233, 22.234, and 22.241 of Board rules, concerning the Toward EXcellence, Access, and Success (TEXAS) Grant Program
  - (4) Consideration of adopting proposed amendments to Chapter 22, Subchapter M, Section 22.261 of Board rules, concerning the Texas Educational Opportunity Grant Program
  - (5) Consideration of adopting the proposed repeal of Chapter 22, Subchapter Q, Sections 22.331-22.336 and 22.342-22.344 of Board rules, and amendments to Chapter 22, Subchapter Q, Sections 22.329, 22.330, 22.339, and 22.341, concerning the Texas B-On-Time Loan Program
  - (6) Consideration of adopting proposed amendments to Chapter 23, Subchapter C, Sections 23.65-23.67 of Board rules, concerning the Physician Education Loan Repayment Program
  - (7) Consideration of adopting proposed amendments to Chapter 23, Subchapter H, Sections 23.211 and 23.214 of Board rules, concerning the Peace Officer Loan Repayment Assistance Program

Committee on Innovation, Data, and Educational Analytics

AGENDA ITEM IV

Public Testimony on Agenda Items Relating to the Committee on Innovation, Data, and Educational Analytics

RECOMMENDATION: No action required

Background Information:

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

Committee on Innovation, Data, and Educational Analytics

AGENDA ITEM V-A

Consideration of approval of the *60x30TX* progress report

RECOMMENDATION: Approval

Background Information:

Biennially, as required by Texas Education Code, Section 61.051 (a-3), the Texas Higher Education Coordinating Board must prepare a report that assesses the state's progress in meeting the goals established in the state's long-range master plan, *60x30TX*. To monitor progress toward the goals and keep a timely focus on areas that may need additional attention, the agency prepares the progress report on an annual basis for presentation to the Board; this year's report is due to the legislature on November 1, 2020.

The fifth progress report on *60x30TX* includes progress to date on the goals and targets in the plan since the 2015 baseline year, with emphasis on changes observed in the most recent year of data available (fiscal year 2019 for most plan metrics).

Dr. Julie Eklund, Assistant Commissioner for Strategic Planning, will present an overview of the report and will be available to answer questions.

AGENDA ITEM V-B

60x30TX Data Insight: Presentation on the Preliminary Headcount for fall 2020

RECOMMENDATION: No action required

Background Information:

Information about enrollment trends is fundamental to higher education planning and is particularly important during times of change or disruption. The fall 2020 data will inform the Board of the Texas Higher Education Coordinating Board (THECB) on how current public health, economic, and other developments tied to the COVID 19 pandemic may have impacted fall higher education enrollments. The data also provide information about a key factor related to *60x30TX*—the number of potential completers institutions are currently serving. In addition, preliminary enrollment data may provide insight into the impact of legislative or policy-based actions.

Each fall, institutions submit preliminary enrollment data to the THECB based on the 12th class day enrollment. In the past, the data have varied from 0-6% when final enrollment data are certified.

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

AGENDA ITEM V-C

Update on Data Infrastructure Modernization Project

RECOMMENDATION: No action required

Background Information:

At the July 2020 meeting, Texas Higher Education Coordinating Board (THECB) staff reviewed a planning effort to inform the design of a modern data infrastructure to facilitate improved insight and actionable data for THECB stakeholders. The internal THECB team has worked with the consulting firm Alvarez & Marsal to complete the following:

- Hold stakeholder interviews with 22 higher education institutions and other partners to solicit input and identify priority needs;
- Document the current state of technology and data systems and processes at the THECB;
- Conduct an external scan of relevant solutions and recommended technologies, capabilities, and best practices to incorporate into the solution design; and
- Develop a conceptual solution design and high-level implementation plan.

In addition to this technical design work, the THECB team launched two supporting work streams:

- A review and assessment of data governance practices; and
- An evaluation, streamlining, and updating of THECB websites with a focus on those websites providing data.

Ms. Lori Fey, Deputy Commissioner for Data Analytics and Innovation, will provide a presentation and be available to answer questions.

AGENDA ITEM V-D

Consideration of adopting the Commissioner's recommendation to the Committee relating to the certification of gifts that are fundable through the Texas Research Incentive Program (TRIP) for the Emerging Research Universities

RECOMMENDATION: Approval

Background Information:

The 81st Texas Legislature created the Texas Research Incentive Program (TRIP). TRIP provides matching funds for the emerging research universities to assist the institutions in leveraging private gifts for the enhancement of research productivity and faculty recruitment.

The emerging research universities that are currently eligible to receive funding are the following: Texas Tech University, The University of Texas at Arlington, The University of Texas at Dallas, The University of Texas at El Paso, The University of Texas at San Antonio, University of Houston, University of North Texas, and Texas State University.

Texas Education Code Chapter 62, Subchapter F, requires the Board to certify that the gifts or endowments received by each emerging research university were donated for the purpose of enhancing research activities at the institution, such as endowed chairs, professorships, research facilities, research equipment, program costs, graduate research stipends or fellowships, or undergraduate research.

A certified eligible gift or endowment may receive state funding as a match. Statute provides a mandated match rate based on the amount of the gift or endowment. The timing for an institution to receive the match is subject to the amount appropriated by the Texas Legislature and the number and amounts of gifts available to receive state funding. Per statute, matching funds are provided in the order of their certification date.

There are 103 submissions of gifts or endowments recommended for certification for a total gift amount of \$61,652,183.41 and a match amount of \$50,265,980.13.

Ms. Emily Cormier, Assistant Commissioner for Funding, will provide a presentation and be available to answer questions.

## Texas Research Incentive Program Summary

The table below displays the gifts recommended for certification, as well as previously certified TRIP gifts available to receive state funding. State matches are subject to the availability of funds appropriated for this purpose by the Texas Legislature.

Institution	Gifts Recommended for Certification - Cycles 19-3 & 20-1	Gifts Available for State Funding and Previously Certified	Total Gifts Available for State Funding <sup>1</sup>
<b>Certified Gifts</b>			
The University of Texas at Arlington	\$ 5,405,889.00	\$ 9,799,604.59	\$ 15,205,493.59
The University of Texas at Dallas	6,530,572.73	71,452,969.93	77,983,542.66
The University of Texas at El Paso	625,000.00	4,087,271.50	4,712,271.50
The University of Texas at San Antonio	14,070,134.00	13,757,323.86	27,827,457.86
University of Houston	14,031,731.98	51,307,907.83	65,339,639.81
University of North Texas	11,443,357.33	15,118,919.16	26,562,276.49
Texas Tech University	8,587,445.00	40,526,276.54	49,113,721.54
Texas State University	958,053.37	14,717,758.62	15,675,811.99
<b>Total Certified Gifts</b>	<b>\$ 61,652,183.41</b>	<b>\$ 220,768,032.03</b>	<b>\$ 282,420,215.44</b>
<b>State Match</b>			
The University of Texas at Arlington	\$ 5,268,389.00	\$ 6,170,439.42	\$ 11,438,828.42
The University of Texas at Dallas	5,280,286.37	43,880,464.06	49,160,750.43
The University of Texas at El Paso	312,500.00	2,293,635.75	2,606,135.75
The University of Texas at San Antonio	12,035,067.00	8,050,999.43	20,086,066.43
University of Houston	10,507,603.24	43,737,052.09	54,244,655.33
University of North Texas	10,839,385.33	9,882,852.02	20,722,237.35
Texas Tech University	5,543,722.50	33,368,055.02	38,911,777.52
Texas State University	479,026.69	11,451,379.32	11,930,406.01
<b>Totals</b>	<b>\$ 50,265,980.13</b>	<b>\$ 158,834,877.11</b>	<b>\$ 209,100,857.24</b>

### Footnotes

- Total gifts available for state funding does not include gifts that have been submitted by the eligible institutions since the end of cycle 20-1 in December 2019. As of 9/18/2020, the total amount of gifts received, but not yet reviewed, since that time is \$34.5 million and a state match of \$25.7 million. If all of these are certified, the total amount will be \$234.8 million.
- One gift previously approved and waiting for funding (TRIP Control Number 2018-144 in Challenge Cycle 18-2) is recommended to be rescinded. This is due to a recommended denial in the current cycle for a donation for the same purpose from a prior cycle.



AGENDA ITEM V-E

Consideration of adopting the Evaluation of the Nursing Shortage Reduction Program report  
(General Appropriations Act, House Bill 1, Article III, Section 28(g), 86th Texas Legislature)

RECOMMENDATION: Approval

Background Information:

General Appropriations Act, House Bill 1, Article III, Section 28(g), 86th Texas Legislature ("Rider 28") calls for a review of the Nursing Shortage Reduction Program (NSRP). The Texas Higher Education Coordinating Board (THECB) is charged with examining the structure and efficiency of the program, as well as considering other state funding strategies to address the nursing shortage. Results of this study, as well as any recommendations to improve the state's efforts to address the nursing shortage, are due to the Legislature by November 1, 2020.

As required by Rider 28, the THECB convened an NSRP work group, consisting of representative nursing deans from all institutional sectors, representatives from nursing associations, THECB staff, and other stakeholders. The group met six times between October 2019 and October 2020, outlined challenges with the current program, and recommended program improvements and other possible approaches to address the nursing shortage. The group set the following priorities related to a possible program redesign: (1) increasing the number of initial licensure nurses graduating from nursing programs in the state; (2) increasing the number of individuals with credentials that would qualify them to provide instruction in a nursing program; and (3) improving the quality of nursing programs.

Suggestions for other approaches to address the nursing shortage also were considered, with subcommittees of the workgroup exploring initiatives in place in other states. These efforts were supported by the work of an outside consultant hired to do a landscape analysis of endeavors occurring outside Texas.

Dr. Julie Eklund, Assistant Commissioner for Strategic Planning, will present the report and be available for questions.

AGENDA ITEM V-F

Consideration of adopting the report to the Legislature on High School Individual Graduation Committee (IGC) Graduates (Texas Education Code, Section 28.02591)

RECOMMENDATION: Approval

Background Information:

As per Texas Education Code (TEC), Section 28.02591, enacted in 2017 by the 85th Texas Legislature, the Texas Higher Education Coordinating Board (THECB) is required to provide a report to the Legislature that includes a summary compilation of data on the higher education and workforce outcomes of students who graduated from Texas public high schools based on the individual graduation committee (IGC) review process allowable under Texas Education Code, Section 28.0258. The summary data are due to the Legislature no later than December 1 of even numbered years.

The report must include whether a student (1) enters the workforce; (2) enrolls in an associate degree or certificate program at a public or private institution of higher education; (3) enrolls in a bachelor's degree program at a public or private institution of higher education; or (4) enlists in the armed forces of the United States or the Texas National Guard.

With the exception of data on military enlistments, which are not available to the THECB at this time, the required elements are included in the summary statistics report. The data show that 22.9% of IGC students who graduated from a Texas public high school in 2019 (3,377 of 14,761 IGC graduates) enrolled in higher education directly after high school, with a large majority of those students choosing to attend two-year public community, state, and technical colleges (3,035 students). Past trends are also provided, which show a slight increase in higher education enrollments and workforce involvement for this population of graduates since the program began.

Dr. Julie Eklund, Assistant Commissioner for Strategic Planning, will be available to answer questions regarding the review process.

AGENDA ITEM V-G

Consideration of approval of the Energy Savings Performance Contract for Texas A&M University at Galveston

RECOMMENDATION: Approval

Background Information:

Texas A&M University at Galveston requests approval for an Energy Savings Performance Contract with a total project cost of \$8,000,000 and a contract term of 20 years. This project meets all standards pertaining to Energy Savings Performance Contracts.

The Texas Higher Education Coordinating Board (THECB) has the authority to review capital development projects and improved real property purchases but does not have approval authority for those projects. The THECB is, however, responsible for approving Energy Savings Performance Contracts. Board rules delegate the approval authority for these contracts to either the Assistant Commissioner for Strategic Planning and Funding; the Committee on Innovation, Data, and Educational Analytics or the full Board, based on the parameters specified in Chapter 17, Subchapter B, Section 17.12 of Board rules. Given the cost and the term of this project, the Committee on Innovation, Data, and Educational Analytics is the approval authority.

Mr. Grant Shallenberger, Associate Vice President for Administration and Auxiliary Services, Texas A&M University at Galveston, will be available to answer questions pertaining to the project.

Ms. Emily Cormier, Assistant Commissioner for Funding, will be available to answer questions regarding the review process.

**PROJECT BRIEFING SHEET**

Institution: Texas A&M University at Galveston  
 Project: **Renovate Energy Savings Performance Contract ESCO 2021**  
 200 Seawolf Parkway, Galveston, TX 77553  
 Project Number: 010298-20-001  
 Project Cost: **\$8,000,000**  
 Source of Funds: Bonds: Performance Contracting Energy Conservation, Energy Savings

**Project Description:**

Texas A&M University at Galveston (TAMU-Galveston) has engaged Ameresco, Inc. as its energy savings performance contractor to improve operating efficiencies and the environment through upgrading lighting systems; building automation system controls; heating, ventilation, and air conditioning (HVAC); and water fixtures. Energy and water conservation measures are included for 26 buildings on campus. The contract has a 20-year payback.

The implementation of this project is projected to save electric consumption of 8,063,533 kWh per year, reduce electricity demand by 12,328 kWh per year, reduce natural gas consumption by 30,387 MMBtu each year, and reduce water consumption by 2,742,000 gallons per year. According to an independent third-party certified engineer, the project's total cost has a projected first-year utility savings of \$447,314 and escalates each year thereafter for a simple payback of 17.2 years.

The project was listed as 2 of 9 on the institution's Fiscal Year 2020 capital expenditure plan.

<b>Standards</b>	<b>Standard</b>	<b>Project Detail</b>	<b>Meets, Doesn't Meet, or NA</b>
Space Need	Deficit	(30,765)	Meets
Cost: Repair & Renovation, Infrastructure <sup>1</sup>	See Footnote 1 regarding costs and savings requirements		Meets

<sup>1</sup> Per Texas Education Code, Section 51.927, the amount spent on energy and water conservation measures cannot exceed the amount to be saved in energy, water, wastewater, and operating costs. This project meets that standard and has been verified by TAMU-Galveston's Chief Financial Officer and an independent third-party certified engineer. The institution's general counsel has verified contractual protections are in place to guarantee performance.

**Delegation Matrix for Energy Savings Performance Contracts  
(as outlined in Board Rule 17.12)**

		Payback Period		
		10 years or less	Greater than 10 to 15 years	Greater than 15 to 20 years <sup>1</sup>
Cost	\$10 million or less	Asst. Commissioner for Strategic Planning and Funding	Asst. Commissioner for Strategic Planning and Funding	<b>Committee on Innovation, Data, and Educational Analytics</b>
	Greater than \$10 million to \$20 million	Asst. Commissioner for Strategic Planning and Funding	Committee on Innovation, Data, and Educational Analytics	Committee on Innovation, Data, and Educational Analytics
	Greater than \$20 million	Committee on Innovation, Data, and Educational Analytics	Committee on Innovation, Data, and Educational Analytics	Board of the THECB

Note 1 – ESPC may not exceed 20 years (TEC 51.927).

Committee on Innovation, Data, and Educational Analytics

AGENDA ITEM V-H

Review of facilities projects that were submitted to the Coordinating Board

RECOMMENDATION: No action required

Background Information:

Senate Bill 215, 83rd Texas Legislature, Regular Session, 2013, shifted the authority to approve capital projects from the Texas Higher Education Coordinating Board (THECB) to the Boards of Regents. However, it grants the THECB the authority to require that institutions continue to report projects to the Board, and THECB staff continue to review facilities projects. Additional information can be provided upon request for projects that do not meet one or more standards. The Board must notify the governor, lieutenant governor, speaker of the house, and Legislative Budget Board on all projects that do not meet standards. These materials serve as that notification.

Ms. Emily Cormier, Assistant Commissioner for Funding, will be available to answer questions.

**Reviewed Projects**

Institution Project Name	Project Cost	Standard Met - Yes/No			
		Space Usage	Space Need	Cost	Building Efficiency
Texas Tech University Health Sciences Center – El Paso <i>Purchase 5304, 5308, 5310 El Paso Drive - El Paso, TX</i>	\$2,459,695	NA <sup>1</sup>	No	Yes <sup>4</sup>	Yes <sup>2</sup>
Texas Tech University Health Sciences Center <i>Real Property Purchase - Dallas</i>	\$11,782,258	NA <sup>1</sup>	Yes	Yes <sup>5</sup>	NA <sup>1</sup>
The University of Texas Health Science Center at Houston <i>Renovate Academic Extension Building</i>	\$29,500,000	NA <sup>3</sup>	Yes	Yes	Yes
The University of Texas at Austin <i>Renovate George I. Sánchez Building Floors Two Through Five</i>	\$18,200,000	NA <sup>3</sup>	Yes	Yes	Yes
The University of Texas at Austin <i>Renovate Anna Hiss Gymnasium</i>	\$26,500,000	NA <sup>3</sup>	Yes	Yes	Yes
Sam Houston State University <i>Newton Gresham Library Renovation</i>	\$15,200,000	NA <sup>3</sup>	Yes	Yes	Yes

<sup>1</sup> The standard for Space Usage Efficiency (SUE) and Building Efficiency are not applicable to property purchases.

<sup>2</sup> Property purchases that include renovation as part of the project must meet the standard for building efficiency.

<sup>3</sup> Space Usage Efficiency (SUE) is not applicable to repair and renovation projects.

<sup>4</sup> While the purchase price does not exceed the highest of 2 appraised value, TAC Rule §17.51(2) states that "Appraisals shall be considered current if the appraisal was completed no more than one year prior to the date the project application is submitted to the Coordinating Board for review." The application was submitted to the Board in August 2020 and the appraisals were completed in April and May of 2019. TTUS reports that initially, the institution considered demolition of all three structures to retain the site for parking. After purchase, the institution decided to retain the building located at 5310 El Paso Drive for storage or possible lease space, and now, the institution intends to use the office suite within the facility for E&G purposes, requiring the submission of this project to the Coordinating Board.

<sup>5</sup> While the purchase price does not exceed the highest of 2 appraised value, TAC Rule §17.51(2) states that "Appraisals shall be considered current if the appraisal was completed no more than one year prior to the date the project application is submitted to the Coordinating Board for review." The application was submitted to the Board in August 2020 and the appraisals were completed in June and August of 2019. In February 2019, the TTUS Board of Regents authorized the president to execute documents for the purchase, however, the purchase was not finalized until March 2020.

**Guidelines Used for Capital Project Reviews**

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



AGENDA ITEM V-I

Consideration of adopting the report to the legislature on Student Financial Aid in Texas Higher Education, Fiscal Year 2019 (*General Appropriations Act, House Bill 1, Article III, Section 25, 86th Texas Legislature, Regular Session*)

RECOMMENDATION: Approval

Background Information:

General Appropriations Act, House Bill 1, Article III, Section 25, 86th Texas Legislature, directs the Texas Higher Education Coordinating Board (THECB) to prepare an annual report concerning student financial aid at Texas public and independent institutions of higher education. Following Board adoption, the report will be forwarded to the Legislative Budget Board no later than November 1, 2020. The report provides a comprehensive analysis of the financial aid awarded to students in Texas.

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

Committee on Innovation, Data, and Educational Analytics

AGENDA ITEM V-J

Consideration of adopting the staff recommendation to the Committee relating to the approval of the nominated members of the Financial Aid Advisory Committee

RECOMMENDATION: Appoint Members

Background Information:

Coordinating Board staff are requesting new member appointments for the Financial Aid Advisory Committee (FAAC). Board staff will seek confirmation of these appointments at the October 2020 Board meeting.

In accordance with Texas Education Code, Section 61.0776, and Texas Government Code, Section 2110.0012, the FAAC was created to make recommendations regarding the development, implementation, and evaluation of state financial aid programs for college students. To strengthen student access to higher education, the committee also advises the Board regarding strategies for communicating financial aid information to students, parents, secondary school counselors, and others.

The FAAC consists of individuals representing public and private institutions of higher education, public school counselors, and other stakeholders. All members of the advisory committee have student financial aid, admissions, or enrollment background experience. The FAAC meets quarterly, and most members serve for a term of three years.

The appointments are needed to replace outgoing members whose terms have expired and to expand representation within certain institutional sectors and geographic regions. Agency staff and the FAAC Chair, Vice Chair, and Past Chair reviewed the nominations submitted by institutional chancellors and presidents and other stakeholders. A list of the candidates recommended for appointment to the FAAC appears on the following page.

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

**Recommended new Financial Aid Advisory Committee members:**

Taryn Anderson  
Director of Financial Aid  
University of Dallas  
**(Nominated for a one-year term as the representative for the Texas Association of Student Financial Aid Administrators.)**

Johanna Boley  
Senior Associate Vice Chancellor, Financial Aid  
Lone Star College  
**(Term ending 2023)**

Victoria Chen  
Director of Scholarships and Student Financial Aid  
Texas Christian University  
**(Term ending 2023)**

Dede Gonzales  
Associate Director of Financial Aid and Scholarships  
Texas State University  
**(Term ending 2023)**

Bridgette Ingram  
Director  
Texas A&M University  
**(Term ending 2023)**

Holly Nolan  
Executive Director of Financial Aid  
University of Houston - Clear Lake  
**(Term ending 2023)**

Shonna Norton  
Director of Social and Emotional Services  
Wichita Falls ISD  
**(Term ending 2023)**

Steven Peterson  
Director of Financial Aid and Scholarships  
Blinn College  
**(Term ending 2023)**

Arnold Trejo  
Executive Director of Financial Aid and Scholarships  
University of Texas at San Antonio  
**(Term ending 2023)**

AGENDA ITEM V-K (1)

Consideration of adopting proposed amendments to Chapter 22, Subchapter A, Section 22.11 of Board rules, concerning General Provisions

RECOMMENDATION: Approval

Background Information:

Section 22.11(b) is amended to provide clarity on the flexibility institutions have regarding funding in the Texas College Work-Study and Work-Study Student Mentorship Programs. Section 22.11(b)(1) reflects the authority provided in General Appropriations Act, House Bill 1, Article III, Section 18, 86th Texas Legislature. Section 22.11(b)(2) is proposed to provide institutions with guidance on transferring funds between the two programs funded by the Texas College Work-Study appropriation. The agency proposes a transfer limit in line with what financial aid practitioners are familiar with for Federal Work-Study and Federal Supplemental Educational Opportunity Grant Programs. Some instances of the word "award" throughout the amended rule have been replaced with either "grant" or "offer," depending on the meaning and use of the phrase, to reflect current financial aid terminology.

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

Date Published in the *Texas Register*: August 21, 2020.

The 30-day comment period with the *Texas Register* ends on: September 20, 2020.

No comments were received during the public comment period.

The amendments have been prepared in the following format:

- New language is in lowercase, underlined, and shaded.
- Deleted language is bracketed and struck through.
- When new language replaces deleted language, the new language precedes the deleted language.

## CHAPTER 22 STUDENT FINANCIAL AID PROGRAMS

## SUBCHAPTER A GENERAL PROVISIONS

## Sections

- §22.1. Definitions
- §22.2. Timely Distribution of Funds
- §22.3. Student Compliance with Selective Service Registration
- §22.4. Records Retention
- §22.5. Exclusion of Certain Resources in Determining Need for State Aid
- §22.6. Priority Deadline for Applying for State Aid
- §22.7. Dissemination of Information and Rules
- §22.9. Institutional Responsibilities
- §22.10. Grade Point Average Calculations for Satisfactory Academic Progress
- §22.11. Provisions Specific [~~specific~~] to the TEXAS Grant, TEOG, TEG, and Texas Work-Study Programs

§§22.1. – 22.10. No Change.

§22.11 Provisions Specific [~~specific~~] to the TEXAS Grant, TEOG, TEG, and Texas Work-Study Programs

(a) Funding. Funds offered [~~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) and 56.403(c)) Texas Education Code).

(b) Authority to Transfer Funds. [~~Institutions participating in a combination of the Toward EXcellence, Access and Success Grant, Texas Educational Opportunity Grant, Tuition Equalization Grant, and Texas College Work-Study Programs, in accordance with instructions from the Board, may transfer current fiscal year funds up to the lesser of 10 percent or \$20,000 between these programs. This threshold applies to the program from which the funds are transferred. Such transfers must occur by July 1 of the current fiscal year.~~]

(1) Institutions participating in a combination of the Toward EXcellence, Access and Success Grant, Texas Educational Opportunity Grant, Tuition Equalization Grant, and Texas College Work-Study Programs, in accordance with instructions from the Board, may transfer current fiscal year funds up to the lesser of 10 percent or \$20,000 between these programs. This threshold applies to the program from which the funds are transferred. Such transfers must occur by July 1 of the current fiscal year.

(2) Institutions participating in both the Texas College Work-Study Program and the Work-Study Student Mentorship Program, in accordance with instructions from the Board, may transfer current fiscal year funds up to 25 percent between the two programs. This threshold applies to the program from

which the funds are transferred. Such transfers must occur by July 1 of the current fiscal year.

(c) Grant [~~Award~~] Uses. No state grant or work-study funding may be used for any purpose other than paying for any usual and customary cost of attendance incurred by the student related to enrollment at a participating institution of higher education for the academic year for which funding was offered [~~awarded~~].

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

(e) Grant [~~Award~~] adjustments. If a student officially withdraws from enrollment, the institution shall follow its general institutional refund policy in determining the amount by which the financial aid is to be reduced. If the student withdraws or drops classes after the end of the institution's refund period, no refunds are due to the program. If for some other reason the amount of a student's disbursement exceeds the amount the student is eligible to receive, the financial aid should be recalculated accordingly.

(f) Re-offering [~~Re-awarding~~] of funds. Funds made available from grant [~~award~~] adjustments may be re-offered [~~re-awarded~~] to other eligible students attending the institution. If funds cannot be re-offered [~~re-awarded~~], they should be returned to the Board in accordance with §22.2 of this subchapter (relating to Timely Distribution of Funds).

(g) Late Disbursements.

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

(A) Owes funds to the institution for the period of enrollment for which the grant [~~award~~] is being made; or

(B) Received a student loan that is still outstanding for the period of enrollment.

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

(3) Documentation must be retained by the institution, proving the late-disbursed funds were used to make a payment against an outstanding balance at

the institution from the relevant period of enrollment and/or to make a payment against an outstanding loan taken out for the period of enrollment.

(4) Unless granted an extension by the staff of the Coordinating Board, late disbursements must be processed prior to the end of the state fiscal year for which the funds were allocated to the institution.

AGENDA ITEM V-K (2)

Consideration of adopting proposed amendments to Chapter 22, Subchapter B, Section 22.28 of Board rules, concerning Provisions for the Tuition Equalization Grant Program

RECOMMENDATION: Approval

Background Information:

Section 22.28 concerning "Award Amounts and Adjustments" is amended to introduce greater flexibility for institutions in efforts to address the needs of their student population and to eliminate an unnecessary level of complexity in the administration and understanding of the grant program.

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

Date Published in the *Texas Register*: August 21, 2020.

The 30-day comment period with the *Texas Register* ends on: September 20, 2020.

No comments were received during the public comment period.

The amendments have been prepared in the following format:

- New language is in lowercase, underlined, and shaded.
- Deleted language is bracketed and struck through.
- When new language replaces deleted language, the new language precedes the deleted language.



## CHAPTER 22 STUDENT FINANCIAL AID PROGRAMS

## SUBCHAPTER B PROVISIONS FOR THE TUITION EQUALIZATION GRANT PROGRAM

## Sections

- §22.21. Authority and Purpose
- §22.22. Definitions
- §22.23. Eligible Institutions
- §22.24. Eligible Students
- §22.25. Satisfactory Academic Progress
- §22.26. Discontinuation of Eligibility or Non-Eligibility
- §22.27. Hardship Provisions
- §22.28. Award Amounts and Adjustments
- §22.29. Allocation and Disbursement of Funds

§§22.21. – 22.27. No change.

## §22.28 Award Amounts and Adjustments

(a) Award Amount. Each academic year, no TEG award shall exceed the least of:

- (1) the student's financial need;
- (2) the student's tuition differential; or
- (3) the maximum award allowed based on the student's EFC, which is:

(A) 150 percent of the program maximum for undergraduate students demonstrating exceptional TEG need; or

(B) the program maximum for all other eligible students.

(b) Term or Semester Disbursement Limit. The amount of any disbursement in a single term or semester may not exceed the student's financial need or tuition differential for that term or semester or the program maximum for the academic year, whichever is the least.

~~[(c) Prorated Awards. If an eligible student is enrolled less than three-quarter time in a semester, as measured on the census date, the student's award for that semester may not exceed 50% of the maximum award.]~~

(c) [(d)] Award calculations and disbursements are to be completed in accordance with Chapter 22, Subchapter A of this title (relating to General Provisions).

§22.29. No change.

AGENDA ITEM V-K (3)

Consideration of adopting the proposed repeal of Chapter 22, Subchapter L, Sections 22.232, 22.235, 22.238-22.240, and 22.242 of Board Rules, and amendments to Sections 22.225-22.231, 22.233, 22.234, and 22.241 of Board rules, concerning the Toward EXcellence, Access, and Success (TEXAS) Grant Program

RECOMMENDATION: Approval

Background Information:

Section 22.232 is repealed as its contents have been integrated with other priorities in Section 22.233. Sections 22.235, 22.239, and 22.240 are repealed as they are duplicative of rules in Chapter 22, Subchapter A, General Provisions. Section 22.238 is repealed as the provision is not utilized, making the rule unnecessary. Section 22.242 is repealed as it is redundant.

Section 22.225 concerning "Authority and Purpose" is amended to increase consistency in language within Chapter 22 and to clarify both the need-based nature of the program and the limitation to public institutions. Section 22.226 concerning "Definitions" is amended to strike the terms that are not used in the subchapter, are defined in Subchapter A, Section 22.1, or are defined at the time they are used in the subchapter. Section 22.226(1) is amended to remove multiple terms with the same meaning in the subchapter. Section 22.226(2) and (3) are amended to remove the term "certificate," as the program is not available to individuals pursuing certificates, and to clarify the reference to programs of more than four years. Section 22.226(5), (7), and (12) are amended to clarify statutory references. Section 22.226(7) is added to clarify the term "public institution." The terms "institution" or "institution of higher education" have been replaced with "public institution" throughout the subchapter. Section 22.226(10) is added to provide clarity of the term "private institution" within the subchapter. Section 22.226(11) is added to clarify the word "program" as it is used in this subchapter. References throughout the document have been aligned with the defined terms.

Section 22.227(a) concerning "Eligible Institutions" is amended to clarify eligible institutions and to increase consistency in language within Chapter 22. Section 22.227(b) is amended to clarify the approval process. Section 22.227(c) replaces language that is duplicated in Subchapter A with a reference to the subchapter. Section 22.228 concerning "Eligible Students" is amended to remove language that has expired or that has been moved to Section 22.230 regarding "Discontinuation of Eligibility or Non-Eligibility" or Section 22.233 concerning "Priorities in Grants to Students." Section 22.228(a)(6)(D) corrects references regarding students who are eligible to receive TEXAS Grant based on prior receipt of a Texas Educational Opportunity Grant. Section 22.228(b)

is amended to remove redundant language and to add clarifying language to support summer grants. Section 22.228(c) removes language that has been moved to Section 22.233 concerning "Priorities in Grants to Students." Section 22.229 concerning "Satisfactory Academic Progress" is amended to remove expired or unnecessary language, to add clarifying language to support summer grants, and to align with defined terms.

Section 22.230 concerning "Discontinuation of Eligibility or Non-Eligibility" is amended to add language regarding discontinuation of eligibility or non-eligibility that was removed from other sections. Language has been revised to support summer grants, to align with defined terms, and to remove unnecessary or duplicative language. Section 22.230(h) is amended to align the section with the statutory reference to "semester." Section 22.231 concerning "Hardship Provisions" is amended to improve clarity by moving language to Section 22.229 concerning "Satisfactory Academic Progress" and Section 22.230 concerning "Discontinuation of Eligibility or Non-Eligibility," as well as clarifying and aligning expectations with other subchapters. Section 22.231(c) is amended to extend the hardship to all eligibility pathways described in Section 22.228(a)(6).

Section 22.233 concerning "Priority in Awards to Students" is amended adding language from other sections of the subchapter to bring all program priorities under one section. Section 22.234 concerning "Award Amounts" is amended by removing duplicative language, including language that exists in Subchapter A concerning "General Provisions." The section is also amended to add language that aligns the rule with statutory requirements and supports summer grants. The removal of Section 22.234(e) and (f) is proposed to introduce greater flexibility for institutions in their efforts to address the needs of their student population and to eliminate an unnecessary level of complexity in the administration and understanding of the grant program. Section 22.241(b) is amended to correct a statutory reference.

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

Date Published in the *Texas Register*: August 21, 2020.

The 30-day comment period with the *Texas Register* ends on: September 20, 2020.

No comments were received during the public comment period.

The amendments have been prepared in the following format:

- New language is in lowercase, underlined, and shaded.
- Deleted language is bracketed and struck through.
- When new language replaces deleted language, the new language precedes the deleted language.

## CHAPTER 22 STUDENT FINANCIAL AID PROGRAMS

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

## Sections

- §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 Grants [~~Awards~~] to Students
- §22.234. Grant [~~Award~~] Amounts [~~and Adjustments~~]
- ~~§22.235. Late Disbursements]~~
- §22.236. Allocation and Disbursement 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 Grant [~~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.

## §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.]~~

~~[(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.]~~

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

~~[(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 a [in architecture, engineering or any other] program determined by the Board to require more than four years [or less] to complete.~~

~~(3) [(8)] Degree [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.~~

~~[(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.]~~

~~(4) [(10)] Encumbered Funds - Funds ready for disbursement to the institution, based on the institution having submitted to the Board the required documentation to request funds.~~

~~[(11) Enrolled on at least a three-quarter basis--Enrolled for the equivalent of nine undergraduate semester credit hours in a regular semester.]~~

~~[(12) 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.]~~

~~[(13) 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.]~~

~~[(14) 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.]~~

~~[(15) 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.]~~

~~[(16) 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.]~~

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

~~[(18) 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.]~~

(6) [(19)] Initial year grant [award]--The TEXAS Grant offered [grant award made] in the student's first year in the TEXAS Grant Program, typically made up of a fall and spring disbursement.

~~(20) 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).]~~

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

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

~~[(22) 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.]~~

(9) ~~[(23)]~~ 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.

~~[(24) 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).]~~

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

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

~~[(25) 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.]~~

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

~~[(27) 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.]~~

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

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

(14) ~~[(30)]~~ Target grant ~~[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 grant ~~[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).

~~(15)~~ [(31)] 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 grants [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 grants [awards], and can make continuation grants [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.

(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 [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.

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

~~[(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:]~~

~~[(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]~~

~~[(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(c) 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 grant [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;~~

~~(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 [not have been granted a baccalaureate degree]; 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 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 (relating to Hardship Provisions), to receive an initial year grant [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:

(A) an entering undergraduate student not later than the end of the 16th month after the calendar month in which the person graduated from 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 [honorably discharged from military service];

(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

(D) a continuing [an entering] undergraduate student who has:

(i) previously attended a public institution [an institution of higher education];

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

(iii) completed at least 24 semester credit hours at any [Texas] public institution(s) or private institution(s) [institution or institutions of higher education];

(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. [and

~~[(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.]~~

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

(1) have previously received an initial year grant [award] through this program;

(2) show financial need in the semester(s) in which a TEXAS Grant is offered;

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

(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;~~

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

~~[(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]~~

~~(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(relating to Satisfactory Academic Progress) [-]~~

~~(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:~~

(A) receive an associate [~~associate's~~] 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 [associate's] degree.

~~(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.]~~

#### §22.229. Satisfactory Academic Progress.

(a) To qualify for a continuation grant [or renewal award] after the academic year in which a person receives an initial year grant [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 grant [award] after he or she receives a continuation grant [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):]~~

~~[(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 (relating to Hardship Provisions):~~

~~(1) [(A)] complete at least 24 semester credit hours in his or her most recent academic year; and[,]~~

~~(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].~~

~~(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 paragraph (1) [~~subparagraph (A)~~] of this subsection [~~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.

~~[(c) 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.

(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 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 ~~(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 ~~[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;

~~(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.

~~(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;

~~(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.

~~(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 grant ~~[award]~~ requirements as outlined in §22.228 of this title ~~(relating to Eligible Students)~~, 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.

~~(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 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.

~~[(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.]~~

~~(g) [(f)] A person is not eligible to receive an initial year or continuation grant [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:~~

~~(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 grant [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].~~

#### §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:

(1) while enrolled in less than [~~for an equivalent of six to~~] nine semester credit hours;

(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);

(3) if the student's completion rate falls below the satisfactory academic progress requirements of §22.229 of this subchapter;

(4) if the student's number of completed hours falls below the satisfactory academic progress requirements of §22.229 of this subchapter; or

(5) if the student requires an extension of the year limits found in §22.230 of this subchapter to complete his or her degree.

(b) Hardship or other good causes [~~Such conditions~~] 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.

~~[(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 grant [~~first award~~] after the time limits described in §22.228(a)(6) (relating to Eligible Students) [~~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].~~

(e) 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.

(f) [(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 Grants ~~[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 a [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 offer [award] is made.

(c) In determining student eligibility for a TEXAS Grant pursuant to §22.228(a) of this subchapter, 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 a 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. The person must also be on track to have accomplished any two or more of the following at the time a TEXAS Grant was offered:

(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 offered to all students meeting the criteria in subsection (d) of this section, remaining funds may be offered to persons who are otherwise eligible for TEXAS Grants.

§22.234. Grant [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.]~~

~~[(b) Award Amounts.]~~

(a) ~~[(1)]~~ The amount of a TEXAS Grant offered [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].~~

(b) ~~[(2)]~~ The Board shall determine and announce the maximum amount of a TEXAS Grant not later than the final day of January ~~[award]~~ 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.

(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.

(d) ~~[(4)]~~ The eligible public institution may require a student to forgo or repay the amount of an initial year grant ~~[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.

~~[(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 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.]~~

(e) Grant 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.]~~

~~[(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.]~~

~~[(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:]~~

~~[(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:]~~

~~[(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.]~~

~~§§22.236. – 22.237. No Change.~~



~~§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.~~

~~§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.~~

~~§22.240. 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.]~~

§22.241. Tolling of Eligibility for Initial Year Grant [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 grant [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 grant [awards] to at least 10 percent of the eligible student population, and:

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

(2) has not received a baccalaureate degree; and

(3) meets the eligibility requirements for a continuation grant [award] as described in §22.228(d) of this title.

(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) [~~§22.228(b)(5) or (c)(6)~~] of this title (relating to Priority in Awards to Students), when originally determined to be eligible;

(3) may continue receiving grants [awards] as long as he or she meets the requirements for such continuation grants [awards]; and

(4) may not receive TEXAS Grants [awards] for prior academic years [terms].

~~§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:~~

~~(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.]~~

Committee on Innovation, Data, and Educational Analytics

AGENDA ITEM V-K (4)

Consideration of adopting proposed amendments to Chapter 22, Subchapter M, Section 22.261 of Board rules, concerning the Texas Educational Opportunity Grant Program

RECOMMENDATION: Approval

Background Information:

Sections 22.261(b)(3), (c), and (f) are amended to introduce greater flexibility for institutions in their efforts to address the needs of their student population and to eliminate an unnecessary level of complexity in the administration and understanding of the grant program.

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

Date Published in the *Texas Register*: August 21, 2020.

The 30-day comment period with the *Texas Register* ends on: September 20, 2020.

No comments were received during the public comment period.

The amendments have been prepared in the following format:

- New language is in lowercase, underlined, and shaded.
- Deleted language is bracketed and struck through.
- When new language replaces deleted language, the new language precedes the deleted language.

## CHAPTER 22 STUDENT FINANCIAL AID PROGRAMS

## SUBCHAPTER M TEXAS EDUCATIONAL OPPORTUNITY GRANT PROGRAM

## Sections

§22.253	Authority and Purpose
§22.254	Definitions
§22.255	Eligible Institutions
§22.256	Eligible Students
§22.257	Satisfactory Academic Progress
§22.258	Discontinuation of Eligibility or Non-Eligibility
§22.259	Hardship Provisions
§22.260	Priorities in Grants to Students
§22.261	Grant Amounts and Adjustments
§22.262	Allocation and Disbursement of Funds - Public Junior Colleges
§22.264	Allocation and Disbursement of Funds - Public Technical and State Colleges
§22.265	Authority to Transfer Funds

§§22.253. – 22.260. No changes.

§22.261. Grant Amounts and Adjustments.

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

(b) Grant Amounts.

(1) The amount of a grant 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 gift aid received exceeds the student's cost of attendance. However, no student's grant shall be greater than the amount of the student's financial need.

(2) The Board shall determine and announce the maximum grant amount in a given state fiscal year by January 31 of the prior fiscal year. The calculation of the maximum amount will be based on the average statewide amount of tuition and required fees at eligible institutions that an in-district resident student enrolled full-time in an associate degree or certificate program would be charged for that semester (Texas Education Code, §56.407). In determining the maximum grant amount, the average amount of tuition and required fees is determined by institution type (public junior colleges, public state colleges, and public technical institutes) for an in-district resident student enrolled full-time in an associate degree or certificate program, utilizing the most recent Integrated Fiscal Reporting System reports to project the value.

~~[(3) The value of an individual's grant in a given semester is to be based on the share of a full-time course load in which the student is enrolled as of the census date of the semester, in accordance with the following table:~~

~~(A) 12 or more semester credit hours—100% of the semester's maximum grant for a full-time student;~~

~~(B) at least 9 but fewer than 12 semester credit hours—75 percent of the semester's maximum grant for a full-time student;~~

~~(C) at least 6 but less than 9 semester credit hours—50 percent of the semester's maximum grant for a full-time student; and~~

~~(D) less than 6 semester credit hours—zero percent of the semester's maximum grant for a full-time student, unless approved for a grant under hardship conditions in accordance with subsection (c) of this section.~~

~~(c) If an otherwise eligible student, due to hardship, enrolls for less than a half-time course load, the grant is to be prorated. The amount that can be awarded is equal to the semester's maximum grant for the relevant type of institution, divided by 12 and multiplied by the actual number of semester credit hours for which the student is enrolled.]~~

**(c)** ~~[(d)]~~ An approved institution may not charge a person receiving a grant through that institution an amount of tuition and required fees in excess of the grant received by the person. Nor may it deny admission to or enrollment in the institution based on a person's eligibility to receive or actual receipt of a grant. If an institution's tuition and fee charges exceed the grant, it may address the shortfall in one of two ways:

(1) it may use other available sources of financial aid, other than a loan or Pell grant to cover any difference in the amount of the grant and the student's actual amount of tuition and required fees at the institution; or

(2) it may waive the excess charges for the student. However, if a waiver is used, the institution may not report the recipient's tuition and fees in a way that would increase the general revenue appropriations to the institution.

**(d)** ~~[(e)]~~ Adjustments to grants and late disbursements are to be completed in accordance with Subchapter A of this chapter (relating to General Provisions).

~~[(f) Prorated Grants in Case of Low Balance of Eligible Semester Credit Hours or Attempted Semester Credit Hours. If the student's balance of eligible semester credit hours or attempted semester credit hours is less than the number of semester credit hours the student is taking in a given semester, the student's grant for that semester should be prorated using the following schedule:~~

~~(1) if balance of hours is 12 or more semester credit hours—100% of the semester's maximum grant for a full-time student;~~

~~(2) if balance of hours is at least 9 but fewer than 12 semester credit hours—75% the semester's maximum grant for a full-time student;~~

~~(3) if balance of hours is at least 6 but fewer than 9 semester credit hours—50% the semester's maximum grant for a full-time student; and~~

~~(4) if balance of hours is fewer than 6 semester credit hours—25% the semester's maximum grant for a full-time student.]~~

§§22.262. – 22.265. No changes.

AGENDA ITEM V-K (5)

Consideration of adopting proposed repeal of Chapter 22, Subchapter Q, Sections 22.331-22.336 and 22.342-22.344 of Board rules, and amendments to Chapter 22, Subchapter Q, Sections 22.329, 22.330, 22.339, and 22.341, concerning the Texas B-On-Time Loan Program

RECOMMENDATION: Approval

Background Information:

Per Texas Education Code, Section 56.0092(c), the Texas Higher Education Coordinating Board may not offer B-On-Time loans after the summer 2020 semester. Therefore, Sections 22.331-22.336, 22.342-22.344 are repealed as these rules are no longer authorized.

Section 22.329(a) is amended to update the legislative reference to reflect the specific citation of the Texas Education Code section regarding the authority for these provisions. Section 22.330 concerning "Definitions" is amended to strike the terms that are either not used in the subchapter or are already defined in Subchapter A, Section 22.1. Section 22.339(d) is amended to remove the word "written" to allow for verbal requests, which aligns the program with the agency's other loan programs. Section 22.341(c) is deleted to eliminate institutional holds on student records and registration for individuals who are delinquent on a Texas B-On-Time loan. These institutional holds create a barrier to student completion of a certificate or degree. Eliminating this barrier supports the agency's *60x30TX* educated population and completion goals.

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

Date Published in the *Texas Register*: August 21, 2020.

The 30-day comment period with the *Texas Register* ends on: September 20, 2020.

No comments were received during the public comment period.

The amendments have been prepared in the following format:

- New language is in lowercase, underlined, and shaded.
- Deleted language is bracketed and struck through.
- When new language replaces deleted language, the new language precedes the deleted language.

## CHAPTER 22 STUDENT FINANCIAL AID PROGRAMS

## SUBCHAPTER Q. TEXAS B-ON-TIME LOAN PROGRAM

## Sections

- §22.329 Authority and Purpose
- §22.330 Definitions
- ~~§22.331 Institutions~~
- ~~§22.332 Initial Eligibility for Loans~~
- ~~§22.333 Continued Eligibility for Loans~~
- ~~§22.334 Disbursement to Students~~
- ~~§22.335 Hardship Provisions~~
- ~~§22.336 Loan Amount]~~
- §22.337 Forgiveness of Loans
- §22.338 Loan Interest
- §22.339 Repayment of Loans
- §22.340 Deceased or Disabled Borrowers
- §22.341 Enforcement of Collection
- ~~§22.342 Allocation and Reallocation of Funds for Private or Independent Institutions of Higher Education~~
- ~~§22.343 Program Support Activities~~
- ~~§22.344 Allocation and Reallocation of Funds for Eligible Public Institutions of Higher Education]~~

## 22.329. Authority and Purpose.

(a) Authority. Unless otherwise noted in a section, the authority for these provisions is provided by the Texas Education Code, §56.0092. [~~§§56.451—56.465.~~]

(b) No change.

## 22.330. 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) Board--The Texas Higher Education Coordinating Board.~~

~~(2) Commissioner--The Commissioner of Higher Education.]~~

(1) ~~[(3)]~~ Degree in Architecture--The completion credential awarded to a student who has completed satisfactorily the curriculum that the Board has approved as a baccalaureate degree program identified as belonging to Category 04.0201 of the Texas CIP Codes.

(2) ~~[(4)]~~ Degree in Engineering--The completion credential awarded to a student who has completed satisfactorily the curriculum that the Board has



approved as a baccalaureate degree program identified as belonging to Category 14 of the Texas CIP Codes.

~~(3) [(5)]~~ Default--The failure of a borrower to make loan installment payments for a total of 180 days.

~~(6) Recommended or Distinguished Achievement Program—Advanced High School Program—The high school curriculum recommended under Texas Education Code, §28.025(a).~~

~~(7) Resident of Texas—A resident of the State of Texas as determined in accordance with Subchapter B of this chapter (relating to Determination of Resident Status). Nonresident students eligible to pay resident tuition rates are not included unless they qualify as eligible nonresidents under §21.124(a)(1) of this title (relating to Initial Eligibility for Loans).]~~

~~(4) [(8)]~~ Texas CIP Codes--Classification codes for degree programs, agreed upon by institutions and approved by the Board, based on curricular content belonging to categories within the federal Classification of Instructional Programs (CIP) published by the National Center for Educational Statistics. Texas CIP Codes are available at <http://www.thecb.state.tx.us/apps/ProgramInventory/>

#### ~~§22.331~~ Institutions

##### ~~Eligible Institutions:~~

~~(1) Institutions whose students are eligible for Texas B On Time loans as of fall 2014 and later are general academic teaching institutions other than public state colleges as defined in Texas Education Code, §61.003(3), medical and dental units as defined in Texas Education Code, §61.003(5) that offer baccalaureate degrees, and private or independent institutions of higher education as defined in Texas Education Code, §61.003(15) that offer baccalaureate degrees.~~

~~(2) As of fall 2014 and later, Lamar State College Orange, Lamar State College Port Arthur, public junior colleges as defined in Texas Education Code, §61.003(2), public technical institutes as defined in Texas Education Code, §61.003(7), medical and dental units as defined in Texas Education Code, §61.003(5) that do not offer baccalaureate degrees, and private or independent institutions of higher education as defined in Texas Education Code, §61.003(15) that do not offer baccalaureate degrees, are eligible to make continuation awards only.~~

#### ~~§22.332~~ Initial Eligibility for Loans

~~(a) The Commissioner may authorize initial awards through the Texas B On Time Loan Program to students at any eligible institution which certifies that the student:~~

~~(1) is a resident of Texas as defined in this subchapter or beginning with the 2005-2006 academic year, or be entitled, as a child of a member of the armed forces of the United States, to pay tuition at the rate provided for residents of this state under Texas Education Code, §54.241; and~~

~~(2) meets one of the following academic requirements:~~

~~(A) graduated not earlier than the 2002-2003 school year under the Recommended or Distinguished Achievement Program—Advanced High School Program (or its equivalent) from a public or private high school in Texas;~~

~~(B) beginning with the 2005-2006 academic year, graduated not earlier than the 2002-2003 school year from a high school operated by the United States Department of Defense and at the time of graduation was a dependent child of a member of the armed forces of the United States; or~~

~~(C) received an associate degree from an institution of higher education or private or independent institution of higher education not earlier than May 1, 2005;~~

~~(3) has not been granted a baccalaureate degree;~~

~~(4) is enrolled for a full-time course load, as determined by the institution, in a baccalaureate degree program at an eligible institution;~~

~~(5) is eligible for federal financial aid, except that the student is not required to meet any financial need requirements applicable to other financial aid programs.~~

~~(b) A student is not required to be 18 years of age at the time that he or she establishes eligibility for participation in the program; for the purpose of any promissory note executed by a borrower, the defense that he or she was a minor at the time he or she executed a note shall not be available to him or her in any action arising on the note.~~

#### ~~§22.333 Continued Eligibility for Loans~~

~~(a) A student who first receives an initial Texas B-On-Time loan for a semester or other academic term before the 2014 fall semester may continue to receive Texas B-On-Time loans under Texas Education Code, Chapter 56, Subchapter Q, as that subchapter existed immediately before the effective date of S.B. 215 of the 83rd Legislative Session, as long as the student remains eligible for a Texas B-On-Time loan under the former law, and is entitled to obtain forgiveness of the loans as permitted by Texas Education Code, §56.462, as that section existed immediately before the May 2013 effective date of S.B. 215 of the 83rd legislative session.~~

(b) After initially qualifying for a Texas B-On-Time loan, a student may continue to receive a Texas B-On-Time loan for each semester or term at an eligible institution if he or she continues to meet all initial eligibility requirements in §21.124 of this title (relating to Initial Eligibility for Loans) and additionally:

(1) as of the end of the person's first academic year he or she meets the satisfactory academic progress requirements as indicated by the financial aid office of his or her institution.

(A) If a student ends his/her first year in the program without meeting the academic progress requirements of his/her institution, he/she may not get back into the program until the institution has determined that the student has met its academic performance requirements.

(B) A loan 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), must calculate an overall grade point average counting all classes and grade points previously earned. If the resulting grade point average exceeds the current institution's academic progress requirement, an otherwise eligible student may receive an award in the following fall term.

(2) As of the end of the second and subsequent years, the student must complete at least 75 percent of the hours attempted in his/her most recent academic year, and 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.

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

(B) Grade point average calculations may be made in keeping with institutional policies except that if a loan recipient's grade point average falls below program requirements and the student transfers to another institution, the receiving institution cannot make a continuation award to the transfer student until he/she provides transcripts of previous coursework to the new institution's financial aid office and that office recalculates an overall grade point average, including hours and grade points for courses taken at the old and new institutions that proves the student's overall grade point average now meets or exceeds program requirements.

(C) A loan 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); must 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.~~

~~(c) A student may not receive a Texas B-On-Time loan for more than 150 semester credit hours or the equivalent. If, in any given academic period, a student drops courses so that he or she is no longer taking a full-time course load as determined by the institution, and the Board does not receive a refund of the Texas B-On-Time loan for that period, the dropped courses will be counted toward the calculation of the 150-hour limit.~~

~~(d) If a person fails to meet any of the requirements for receiving a continuation award as outlined in subsection (b) of this section after completion of any year, the person may not receive a Texas B-On-Time Loan until he or she completes courses while not receiving a Texas B-On-Time Loan and meets all the requirements of subsection (b)(2) of this section as of the end of that period of enrollment.~~

#### ~~§22.334 Disbursement to Students~~

~~(a) No disbursement shall be made to any student until:~~

~~(1) for loans made from the proceeds of tax-exempt bonds, the institution has certified that the amount of the loan does not exceed the difference between the cost of attendance and other forms of student assistance for which the student is eligible, with the exception of Federal Plus loans, whether or not the student actually receives such assistance;~~

~~(2) the student has submitted an application containing the names of two personal references who live at different addresses and who are expected to know the student's whereabouts at all times throughout the life of the loan;~~

~~(3) the student certifies that he or she has read and understands the rights and responsibilities of a borrower of a Texas B-On-Time Loan;~~

~~(4) the student has executed a promissory note payable to the program for the full amount of any loan plus other authorized fees; and~~

~~(5) the Board has received the original of such executed promissory note.~~

~~(b) Electronically transferred funds must be disbursed to the student or returned to the Board on or before the 120th day after the electronic funds transfer date.~~

~~(c) A person receiving a Texas B-On-Time loan may use the money to pay for any usual and customary costs of attendance incurred by the student at an eligible institution, including tuition, fees, books, and room and board.~~

~~(d) Each student borrowing a Texas B-On-Time loan shall pay an origination fee in an amount that is determined from time to time by the Commissioner. The fee is deducted from the loan proceeds at the time of disbursement. The rate of the loan origination fee shall be posted on the Board's web site.~~

#### ~~§22.335 Hardship Provisions~~

~~(a) In the event of a hardship or for other good cause, the Program Officer at an eligible institution may allow an otherwise eligible person to receive a B-On-Time loan while enrolled for an equivalent of less than full-time but at least six semester hours. Such conditions 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.~~

~~(b) If the onset of a condition that constitutes a hardship should occur after a student has enrolled for a full-time course load, and the institution determines that the student is justified by his or her circumstances in dropping to no fewer than six semester hours, the institution may also make a determination that the dropped courses will not count against the 75 percent requirement described in §21.125(a)(2)(A) of this title (relating to Continued Eligibility for Loans), or toward the 150-hour maximum described in §21.125(b) of this title (relating to Continued Eligibility for Loans). Among the circumstances that the institution may take into consideration in making this determination is whether the student has dropped below full-time in other academic periods while receiving loans under this program.~~

~~(c) Each 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.~~

#### ~~§22.336 Loan Amount~~

~~(a) For students at public and private or independent four-year institutions, the maximum amount of loan for a semester or term shall be the amount determined by the Board as the average amount of tuition and required fees for a full-time course load for resident undergraduate students enrolled in baccalaureate-degree programs at general academic teaching institutions.~~

~~(b) In a manner prescribed by the Board for purposes of this subchapter, each eligible institution that is a private or independent institution of higher education is entitled to receive an allocation only from the general revenue appropriations made for that academic year to eligible private or independent institutions of higher education for the purposes of this subchapter.~~

~~(c) In January of each year, the program's annual loan limit for the following academic year shall be posted on the Board's web site.]~~

§§22.337. - 22.338. No change.

§22.339. Repayment of Loans.

(a)-(c) No change.

(d)The Commissioner may grant periods of forbearance in the form of postponed or reduced payments for unusual financial hardship if the Board receives a [written] request stating the circumstances that merit such consideration.

(e)-(g) No change.

§22.340. Deceased or Disabled Borrowers.

No change.

§22.341. Enforcement of Collection.

(a)-(b) No change.

~~[(c) All records of each student who is a borrower under this Subchapter shall be so identified in the Office of the Registrar at each eligible institution. The institution may not release an official certified copy of such records, nor may any student in this program re-register for classes in the institution, until the Texas B-On-Time program officer at the institution certifies to the registrar that the borrower's B-On-Time account is in good condition. The Commissioner must approve exceptions to this section in advance of the institution's release of an official certified copy of the records or of the borrower's re-registration.]~~

(c) ~~[(d)]~~ In accordance with state law, the Board will notify the Comptroller of Public Accounts when a borrower's account has become 90 days or more past due. Until the delinquency is cured, no state warrant other than a wage warrant will be released to the borrower. This prevents the delinquent borrower from receiving further warrants for state student financial aid.

~~[§22.342. Allocation and Reallocation of Funds for Private or Independent Institutions of Higher Education~~

~~(a) Allocation Methodology. Allocations for the B-On-Time Program are to be determined on an annual basis as follows:~~

~~(1) The allocation for each private or independent institution, community college, or health-related institution will be its share of the annual appropriation as determined by the institution's number of B-On-Time recipients who are not scheduled for graduation as compared to all B-On-Time recipients at private or independent institutions, community colleges, or health-related institutions who are not scheduled for graduation.~~

~~(2) The source of the data used for the allocation is the year prior to the allocation year being determined, utilizing the Board's Higher Education Loan Management System (HELMS) as of February 20 of the fiscal year prior to the allocation year being determined.~~

~~(3) Verification of Data. Allocation calculations will be shared with all participating institutions for comment and verification prior to final posting of the allocations on the Board's loan program website. Such institutions will be given ten 10 business days, beginning the day of the notice's distribution and excluding State holidays, to confirm that the calculations accurately reflect data submitted by the institutions.~~

~~(b) Reallocations. Institutions will have until November 20, or the first business 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 unencumbered funds. The funds released in this manner are available to the Board for reallocation to other institutions. For the institutions that request additional funds, reallocations for amounts up to the amount requested per institution will be calculated by the agency staff using the same methodology as was used for the initial allocation for that fiscal year. On February 20, or the first business day thereafter if it falls on a weekend or holiday, institutions lose claim to any unspent funds not yet disbursed to students. The funds released in this manner are available to the Board for reallocation to other institutions. For the institutions that request additional funds, reallocations for amounts up to the amount requested per institution will be calculated by the agency staff using the same methodology as was used for the initial allocation for that fiscal year.~~

~~(c) Reductions in Funding.~~

~~(1) If funding for the program is reduced during the biennium, the Board may choose to forego reallocations to better distribute the reduction across the biennium.~~

~~(2) If necessary the Board may take steps to help distribute the impact of reduced funding across all participating institutions by an across the board percentage decrease in all institutions' allocations.~~

#### ~~§22.343. Program Support Activities~~

~~(a) The Board, in collaboration with eligible institutions and other appropriate entities, shall adopt and implement measures to:~~

~~(1) improve student participation in the Texas B-On-Time loan program, including strategies to better inform students and prospective students about the program; and~~

~~(2) improve the rate of student success in qualifying for Texas B-On-Time loan forgiveness.~~

~~(b) the Board, in collaboration with eligible institutions and appropriate nonprofit or college access organizations, shall:~~

~~(1) educate students regarding the eligibility requirements for forgiveness of Texas B-On-Time loans;~~

~~(2) ensure that students applying for or receiving a Texas B-On-Time loan understand their responsibility to repay any portion of the loan that is not forgiven;~~

~~(3) ensure that students who are required to repay Texas B-On-Time loans receive and understand information regarding loan default prevention strategies; and~~

~~(4) through an in-person or online loan counseling module, provide loan repayment and default prevention counseling to students receiving Texas B-On-Time loans.~~

~~(c) Notwithstanding subsection (b)(4) of this section, the following eligible institutions shall provide the loan repayment and default prevention counseling described by that subdivision to all Texas B-On-Time loan recipients enrolled at those institutions:~~

~~(1) each institution with a Texas B-On-Time loan default rate that exceeds the statewide average default rate for such loans; and~~

~~(2) each institution with a Texas B-On-Time loan forgiveness rate that is less than 50 percent of the statewide average forgiveness rate for such loans.~~

~~(d) The Board, in consultation with all eligible institutions, shall prepare materials designed to inform prospective students, their parents, and high school counselors about the program and eligibility for a Texas B-On-Time loan.~~

#### ~~§22.344.—Allocation and Reallocation of Funds for Eligible Public Institutions of Higher Education~~

~~(a) Allocation Methodology: Allocations for the B-On-Time Program are to be determined on an annual basis as follows:~~

~~(1) The allocation for each four-year public institution will be its share of the annual appropriation as determined by the institution's number of B-On-Time recipients (disbursed or encumbered) who are not scheduled for graduation as compared to all B-On-Time recipients of the four-year public institutions who are not scheduled for graduation.~~

~~(2) The source of the data used for the allocation is the year prior to the allocation year being determined, utilizing the Board's Higher Education Loan Management System (HELMS) as of April 1, or the first business day thereafter if it falls on a weekend or holiday, of the fiscal year prior to the allocation year being determined.~~

~~(3) Verification of Data. Allocation calculations and supporting documentation will be shared with all participating institutions for comment and verification prior to final posting of the allocations on the Board's loan program~~



~~website. Such institutions will be given 10 business days, beginning the day of the notice's distribution and excluding State holidays, to confirm that the calculations accurately reflect data submitted by the institutions. In the event of significant corrections to the supporting data the agency will re-issue allocation calculations and supporting documentation for an additional 10 business day review by the institutions.~~

~~(b) Reallocations. Institutions will have until February 20, or the first business day thereafter if it falls on a weekend or holiday, to encumber the program funds that have been allocated to them. On the next business day, such institutions lose claim to any unencumbered funds. The funds released in this manner are available to the Board for reallocation to other institutions. For the institutions that request additional funds, reallocations for amounts up to the amount requested per institution will be calculated by the agency staff using the same methodology as was used for the initial allocation for that fiscal year. If necessary for ensuring the full use of funds, subsequent reallocations may be performed by the agency staff until all funds are disbursed.~~

~~(c) Reductions in Funding.~~

~~(1) If the legislature reduces funding for the program during the biennium, the Board may choose to forego reallocations to better distribute the reduction across the biennium.~~

~~(2) If necessary the Board may take steps to help distribute the impact of reduced funding across all participating institutions by an across the board percentage decrease in all institutions' allocations.]~~

AGENDA ITEM V-K (6)

Consideration of adopting proposed amendments to Chapter 23, Subchapter C, Sections 23.65-23.67 of Board rules, concerning The Physician Education Loan Repayment Program

RECOMMENDATION: Approval

Background Information:

Amendments to several definitions are proposed in Section 23.65. The definition of full-time service is rounded to 32 hours, matching the standard in place for federal programs assisting health care providers practicing in shortage areas. The proposed amendment to the definition of Primary Care excludes hospitalists because the hospitals where they work are not considered primary care settings. The words "in an outpatient setting" is added for all primary care physicians except geriatricians and psychiatrists, whose services often must occur in facilities such as nursing homes and state hospitals.

An amendment to Section 23.66(3), regarding eligibility, is proposed to clarify that physicians in postgraduate training, including fellowships, are not eligible for participation in the program. Physicians in postgraduate training are not working in the same capacity as practicing physicians who have their own liability coverage, bill for their services, and practice without supervision in the specialty or subspecialty for which they have completed training. An amendment to Section 23.66(5) regarding the timing of the board certification requirement is proposed to make the statement clearer. Proposed for deletion is the statement in Section 23.66(5)(B) that the Department of State Health Services (DSHS) determines if there is a critical need for a specialty other than primary care in a primary care Health Professional Shortage Area (HPSA). There is no mechanism in place for the DSHS to evaluate the need in a primary care HPSA for specific subspecialties. However, a determination has been made that any physician who provides access to subspecialty care in a primary care HPSA for persons enrolled in Medicaid or the Children's Health Insurance Program (CHIP), a basic program requirement, is serving the program's purpose.

Amendments to Section 23.67 regarding application ranking criteria are proposed to strengthen the priority given to applications from primary care physicians practicing in HPSAs. Currently, initial applications from subspecialists practicing in HPSAs are considered only after priority has been given to primary care physicians practicing in HPSAs. However, once enrolled in the program, renewal applications from subspecialists receive the same priority as renewal applications from primary care physicians. The proposed changes to this section require that subspecialists receive consideration each year only after priority is given to all applications from primary care physicians practicing

in HPSAs. Additionally, an amendment to Section 23.67 adds the requirement that primary care physicians seeking to qualify for the program by meeting specified Medicaid service levels must have provided outpatient care in meeting those service levels. This tier of applicants is considered the last priority for funding.

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

Date Published in the *Texas Register*: August 21, 2020.

The 30-day comment period with the *Texas Register* ends on: September 20, 2020.

No comments were received during the public comment period.

The amendments have been prepared in the following format:

- New language is in lowercase, underlined, and shaded.
- Deleted language is bracketed and struck through.
- When new language replaces deleted language, the new language precedes the deleted language.

## CHAPTER 23. EDUCATION LOAN REPAYMENT PROGRAMS

## SUBCHAPTER C. THE PHYSICIAN EDUCATION LOAN REPAYMENT PROGRAM

## Sections

- §23.62 Authority and Purpose
- §23.63 Administration
- §23.64 Dissemination of Information
- §23.65 Definitions
- §23.66 Eligibility
- §23.67 Application Ranking Criteria
- §23.68 Applications Based on Services to Medicaid or Texas Women's Health Program Enrollees
- §23.69 Eligible Lender and Eligible Education Loan
- §23.70 Amount of Repayment Assistance
- §23.71 Limitations
- §23.72 Disbursement of Loan Repayment Assistance
- §23.73 Reporting and Data Collection

§§23.62 - 23.64. No change.

§23.65. Definitions.

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

(1)-(4). No changes.

(5) Full-time Service--An average of at least ~~32~~ 32.5 hours of direct patient care per week during the service period at the practice site.

(6)-(9) No changes

(9) Primary Care ~~Physician [Specialty]~~ Physicians practicing family [Family] medicine, family practice, general practice, obstetrics/gynecology, general internal medicine, general pediatrics, combined internal medicine and pediatrics (medicine-pediatrics) in an outpatient setting, psychiatry, or geriatrics [or hospitalists who practice in HPSAs]. With the exception of psychiatrists and geriatricians, physicians must provide services in an outpatient setting to be considered primary care.

(10)-(15) No changes.

§23.66. Eligibility.

(a) To be eligible for the Board to reserve loan repayment funds, a physician must:

(1) ensure that the Board or its designee has received the completed application by the established deadline, which will be posted on the program web page;

(2) be a U.S. citizen or a Legal Permanent Resident and, at the time of application, hold a Full Physician License from the Texas Medical Board, with no restrictions;

(3) not be in postgraduate training, including fellowship;

(4) [(3)]not be currently fulfilling another obligation to provide medical services as part of a scholarship agreement, a student loan agreement, or another student loan repayment agreement;

(5) [(4)]at the time of the initial application ~~[during the first, second, and third service period]~~, if the physician has not earned and maintained board certification, be eligible to take the exam for board certification from:

(A) an American Specialty Board that is a member of the American Board of Medical Specialties or the Bureau of Osteopathic Specialists in a primary care specialty; or

(B) an American Specialty Board that is a member of the American Board of Medical Specialties or the Bureau of Osteopathic Specialists ~~[in a specialty other than primary care if the DSHS determines there is a critical need for the applicant's specialty].~~

(6) [(5)]in the case of physicians qualifying on the basis of practice in a HPSA, agree to provide four consecutive service periods in a HPSA.

(b) To be eligible to receive loan repayment assistance, a physician must:

(1) have completed one, two, three, or four consecutive service periods in a:

(A) HPSA, serving persons who are:

(i) enrolled in Medicaid or CHIP or both;

(ii) uninsured; and

(iii) enrolled in Medicare, except in the case of pediatricians.

(B) secure correctional facility operated by or under contract with the Texas Juvenile Justice Department or its successor or in a secure correctional facility operated by or under contract with any division of the Texas Department of Criminal Justice or its successor, or

(C) location other than a HPSA, if the physician practices primary (outpatient) care and during the service period has provided health care

services to a designated number of Medicaid or Texas Women's Health Program enrollees, established in the Board's Memorandum of Understanding with the Texas Health and Human Services Commission and posted on the program web page.

(2) for loan repayment based on the fourth service period, have earned certification from an American Specialty Board that is a member of the American Board of Medical Specialties or the Bureau of Osteopathic Specialists in a primary care specialty, or in a specialty other than primary care if the practice is located in a HPSA.

§23.67. Application Ranking Criteria.

(a) Application deadlines will be established throughout the fiscal year and will be posted on the program web page. Primary care physicians practicing in HPSAs whose initial applications have been approved are considered to be enrolled in the program. Applications from all other physicians are considered annually. If there are not sufficient funds to offer [~~award~~] loan repayment assistance for all eligible physicians whose applications are received by the stated deadline, applications shall be ranked according to the following criteria, in priority order:

(1) applications from physicians practicing in HPSAs, in the following priority order:

(A) renewal applications from primary care physicians [~~, with first priority assigned to those for primary care~~];

(B) applications from primary care physicians practicing in rural HPSAs;

(C) applications from primary care physicians practicing in non-rural areas whose HPSA scores reflect the highest degrees of shortage;

(2) renewal applications from non-primary care physicians practicing in HPSAs;

(3) [(2)] initial applications from non-primary care physicians practicing in HPSAs;

(b) the first ten applications received each year from eligible physicians serving persons committed to a secure correctional facility operated by or under contract with the Texas Juvenile Justice Department or its successor or persons confined to a secure correctional facility operated by or under contract with any division of the Texas Department of Criminal Justice or its successor;

(c) applications from primary care physicians who have provided outpatient health care services to a designated number of Medicaid or Texas Women's Health Program enrollees, as established annually by methods outlined in the Board's Memorandum of Understanding with the Texas Health and Human Services Commission, in the following order of priority:

(1) renewal applications;

(2) applications from physicians practicing in a rural county;

(3) applications from geriatricians;

(4) applications from physicians having the greatest amount of student loan debt.

§§23.68. - 23.73. No change.

AGENDA ITEM V-K (7)

Consideration of adopting proposed amendments to Chapter 23, Subchapter H, Sections 23.211 and 23.214 of Board rules, concerning the Peace Officer Loan Repayment Assistance Program

RECOMMENDATION: Approval

Background Information:

In keeping with legislative intent, Sections 23.211 and 23.214 are amended to align with the updated program design, which will allow peace officers to receive loan repayment based on the initial year of service as a peace officer provided after September 1, 2019, rather than requiring applicants to wait another year to qualify for an initial award.

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

Date Published in the *Texas Register*: August 21, 2020.

The 30-day comment period with the *Texas Register* ends on: September 20, 2020.

No comments were received during the public comment period.

The amendments have been prepared in the following format:

- New language is in lowercase, underlined, and shaded.
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## CHAPTER 23. EDUCATION LOAN REPAYMENT PROGRAMS

## SUBCHAPTER H. THE PEACE OFFICER LOAN REPAYMENT PROGRAM

## Sections

- §23.209. Authority and Purpose
- §23.210. Definitions
- §23.211. Initial Eligibility
- §23.212. Selection of Eligible Applicants
- §23.213. Eligibility for Disbursement of Loan Repayment Assistance
- §23.214. Eligible Lender and Eligible Education Loan
- §23.215. Amount of Repayment Assistance
- §23.216. Rules

§§23.209. – 23.210. No change.

§23.211. Initial Eligibility.

To be eligible for the Board to [~~conditionally~~] approve an initial application for enrollment in the program and for [~~and encumber~~] loan repayment funds, a peace officer must:

(1) have been [~~be~~] initially appointed [~~employed~~] as a peace officer on or after September 1, 2019;

(2) submit to the Board by the published deadline an initial application for enrollment in the program that requires:

(A) employer verification of the person's employment as a full-time peace officer in Texas for at least one year and the person's current full-time employment in Texas as of the date of the application;

(B) documentation of the peace officer's unrestricted license as a peace officer;

(C) a transcript of the person's postsecondary course work demonstrating at least 60 semester credit hours, or the equivalent, earned at an eligible institution before the person's initial appointment [~~employment~~] as a peace officer;

(D) a statement of the total amount of principal, accrued interest, fees, and other charges due on unpaid eligible loans obtained for attendance at an eligible institution for a semester or other term that ended in the five years immediately preceding the person's initial appointment [~~employment~~] as a peace officer;

(E) a statement that the peace officer will submit to the Board an application for payment immediately upon completion of each year of service for which the peace officer is applying for repayment assistance; and (F) a statement that the individual agrees to continuous full-time employment as a peace officer in this state for four additional [five] consecutive years after the date of the initial application.

§§23.212. – 23.213. No change.

§23.214. Eligible Lender and Eligible Education Loan.

(a) The Board shall retain the right to determine the eligibility of lenders and holders of education loans to which payments may be made. An eligible lender or holder shall, in general, make or hold education loans made to qualifying students to pay for their higher education costs and shall not be any private individual. An eligible lender or holder may be, but is not limited to, a bank, savings and loan association, credit union, institution of higher education, secondary market, governmental agency, or private foundation.

(b) To be eligible for repayment, an education loan must:

(1) be evidenced by a promissory note for loans to pay for the cost of the individual's attendance at an eligible institution for a semester or other term that ended in the five years immediately preceding the person's initial appointment [employment] as a peace officer;

(2) not be in default at the time of the peace officer's application;

(3) not have an existing obligation to provide service for loan forgiveness through another program;

(4) not be subject to repayment through another student loan repayment or loan forgiveness program or as a condition of employment; and

(5) if the eligible loan was consolidated with ineligible loans or included in a repayment schedule with ineligible loans, the applicant must provide documentation of the eligible loans, disaggregated from the ineligible loans.

(c) Credit card debt is not considered an educational loan eligible for repayment.

§§23.215 – 23.216. No change.