College Readiness and Success

CAWS AGENDA ITEM V-M

60x30TX

Texas Higher Education Coordinating Board

BOARD AGENDA ITEM IX-I

Texas Application for State Financial Aid (TASFA) Advisory Committee Report

A Report on the Recommendations of the TASFA Advisory Committee to the Texas Legislature

October 2020

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Texas Higher Education Coordinating Board



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Agency Mission

The mission of the Texas Higher Education Coordinating Board (THECB) is to provide leadership and coordination for Texas higher education and to promote access, affordability, quality, success, and cost efficiency through *60x30TX*, resulting in a globally competitive workforce that positions Texas as an international leader.

Agency Vision

The THECB will be recognized as an international leader in developing and implementing innovative higher education policy to accomplish our mission.

Agency Philosophy

The THECB will promote access to and success in quality higher education across the state with the conviction that access and success without quality is mediocrity and that quality without access and success is unacceptable.

The THECB's core values are:
Accountability: We hold ourselves responsible for our actions and welcome every opportunity to educate stakeholders about our policies, decisions, and aspirations.
Efficiency: We accomplish our work using resources in the most effective manner.
Collaboration: We develop partnerships that result in student success and a highly qualified, globally competent workforce.
Excellence: We strive for excellence in all our endeavors.

The Texas Higher Education Coordinating Board does not discriminate on the basis of race, color, national origin, gender, religion, age or disability in employment or the provision of services.

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Executive Summary

The Texas Education Code (TEC), Section 61.07762, as enacted by House Bill 2140, 86th Texas Legislature, Regular Session, requires the Texas Higher Education Coordinating Board (Coordinating Board) to adopt procedures whereby the Texas Application for State Financial Aid (TASFA) may be completed and submitted through the same website through which the Coordinating Board provides the common admission application form required by TEC, Section 51.762 (i.e., ApplyTexas). The Coordinating Board is required to appoint an advisory committee of financial aid personnel and stakeholders who represent the needs of students to assist in developing procedures and recommendations for implementing the requirement. Not later than January 1, 2021, the Coordinating Board shall report the advisory committee's recommendations to the standing committee of each house of the Legislature with jurisdiction over higher education. The online TASFA should be available to students beginning with applications for state student financial assistance submitted for the 2022-23 academic year.

In response to the legislation, the Coordinating Board adopted rules (Texas Administrative Code, Rules 1.9100-1.9106) establishing the Texas Application for Student Financial Aid (TASFA) Advisory Committee and governing the committee's purpose, tasks, reporting requirements, and abolishment date. The committee members equitably represent financial aid personnel from two-year colleges, four-year public universities, and participating private or independent institutions of higher education, public school districts, nonprofit organizations, and other interested persons. Tasks assigned to the committee include making recommendations to the Coordinating Board on the procedures, development, costs, and technical and functional revisions of the ApplyTexas online application system regarding the integration of the online TASFA. The committee convened four times between July and September 2020 to solicit input from stakeholders and to discuss the development of and the procedures to complete and submit an online TASFA.

The report includes recommendations and considerations on relevant statutory changes, and on the development of, procedures for, and costs associated with an online application for state financial aid. The recommendations are based on feedback from stakeholders, including institutions of higher education, students, and other state agencies that implement an online application for state financial aid. The online TASFA should be available to students beginning with applications for state student financial assistance submitted for the 2022-23 academic year.

Introduction

Background

The Texas Application for State Financial Aid (TASFA) is used to collect information to help determine eligibility for state (or institutional) financial aid programs that are administered by institutions of higher education in the state of Texas. Students that are classified as Texas residents who cannot apply for federal financial aid using the Free Application for Federal Student Aid (FAFSA) are encouraged to complete the TASFA.

The TASFA is not an official state form. It was created through a voluntary alliance of institutions that saw a need to create a common application for financial aid for students who were not eligible to receive federal financial aid. Texas institutions of higher education are not statutorily required to use the TASFA. Institutions of higher education currently use various forms (e.g., a hard-copy FAFSA or an institution's own application or online system) to collect student information to verify student eligibility for state financial aid. Because there is no standard form, an applicant must determine the application process for each institution in which he or she intends to enroll.

The intent of an online TASFA is to make available to applicants an option that simplifies the process of applying for state financial aid and the ability to apply to multiple institutions using a standard format. Students who file an online TASFA would potentially benefit from having a centralized location to enter data. Institutions of higher education that use the online TASFA would benefit if the system can be developed in a way that effectively interacts with an institution's current financial aid software systems.

Texas Application for State Financial Aid Advisory Committee

In accordance with Texas Administrative Code, Chapter 1, Subchapter BB, Rule 1.9100, the Texas Application for State Financial Aid Advisory Committee (TASFAAC) provides the Texas Higher Education Coordinating Board (Coordinating Board) with advice and recommendations in adopting procedures to allow a person to complete and submit the application for state financial aid by electronic submission through the website of the state common application form required by the Texas Education Code, Section 51.762.

The TASFAAC is composed of individuals representing financial aid personnel from two-year colleges, four-year public universities, participating private or independent institutions of higher education, public school districts, nonprofit organizations, and other interested persons. Members serve a three-year term. Recommendations for membership positions were selected from institution, school district, and nonprofit organization nominations, considering the type of sector represented, geographic location, as well as gender composition and financial aid experience.

The tasks assigned to the committee include making recommendations to the Coordinating Board on the procedures, development, and associated costs of the online TASFA and considering the technical and functional revisions of ApplyTexas in regard to the development of the online TASFA. The committee is required to meet three times a year and can meet as needed to complete the recommendations to the Coordinating Board.

The committee convened virtually four times in 2020, on July 8, July 31, September 9, and September 30. During the convenings, the committee discussed the assigned tasks, solicited feedback from stakeholders, and determined recommendations based on input.

Stakeholder Feedback. The committee requested feedback from institutions in Texas with an existing electronic TASFA. The committee heard from a panel of representatives from Texas A&M University, Texas A&M University-San Antonio, University of North Texas, and The University of Texas at Austin. Each institution provided experiences from varying stages of implementation on key topics, including the development of the electronic financial aid application, associated costs, file format used, and data security.

The committee also sought feedback from students to understand the user perspective. A student panel discussed experiences using both the paper TASFA and an institution's online TASFA. The students provided recommendations to improve processes and considerations for developing an online TASFA. Key recommendations included using clear language in the application, having an option for student and parent electronic signatures, offering modules and/or a pre-recorded video with instructions on how to use the application, providing notes with information for each question, and incorporating the ability to send an application to several institutions at one time.

The committee also sought feedback from other states that developed an online state application for financial aid. The committee heard from representatives from California, New Jersey, and the state of Washington. Representatives provided information regarding key topics, including development, timelines, associated costs, data transmission, and electronic document uploads. Each representative provided a demonstration of their state's application for financial aid.

Subcommittees. The TASFAAC divided work into two subcommittees to understand two areas key to the development of the online TASFA. The Student Focused Subcommittee concentrated its efforts on the student experience to understand the needs and challenges of the user. The Higher Education Subcommittee concentrated its efforts on the technical and functional considerations of an online TASFA and the use of the application at an institutional level. The subcommittees reported recommendations to the committee for consideration.

Texas Application for State Financial Aid Report

Recommendations

Based on committee discussion and stakeholder feedback, the TASFAAC has seven recommendations to the Coordinating Board on the procedures, development, costs, and the technical and functional revisions of ApplyTexas regarding the development of the online TASFA.

Procedures. The committee made two recommendations on procedures.

1. The committee recommends requiring institutions of higher education to accept the TASFA to verify student eligibility for state financial aid.

   This recommendation is intended to establish a standard format while allowing a person to submit either an online or paper version of the TASFA to an institution of higher education.

   The statute is unclear whether institutions will be required to accept the online TASFA or they can continue to pursue their own processes independently. To create a consistent experience for students, the committee recommends requiring institutions of higher education to accept both the online and paper TASFA formats. This recommendation would require a revision to the statute to clarify the use of the online TASFA.

2. The committee recommends establishing an online TASFA (e.g., an online, fillable PDF, printable form) that collects all data necessary to calculate an Expected Family Contribution, an index number that colleges use to determine how much financial aid an applicant is eligible to receive, following federal methodology to be consistent and using that template as the standard form.

Development and Costs. The committee provided one recommendation regarding development and costs.

1. The committee recommends that the Texas Legislature provide funding for the development and maintenance of the online TASFA.

   The statute requires the adoption of procedures to allow a person to complete and submit a TASFA; however, no funding is associated with this requirement. The fiscal impact depends on several factors, including whether the application is developed in-house or by a third-party vendor, the cost of data transmission from the application to institutions of higher education, and yearly maintenance costs of the application. The committee focused on input from institutions of higher education and other states that developed an online financial aid application to determine associated costs. The committee estimated the cost for development and implementation at $950,000 over five years. Development, integration into the ApplyTX system, and testing of the online application can take up to a year. Without a dedicated source of funding, the timeline to develop an online TASFA is unclear and the application may not be available to students for the 2022-23 academic year.

Technical and Functional Revisions. The committee made four recommendations on technical and functional revisions for ApplyTexas to accommodate the online TASFA.

1. The committee recommends including a privacy statement on the online TASFA that assures the state will not share information with any institution other than those identified by the applicant. The committee suggests including a check box in the online application for applicants to acknowledge receipt of the privacy statement.
2. The committee recommends offering a Spanish language translation as an option for the application. The committee suggests the application be translated into other languages as well to assist students in applying for state financial aid.
3. The committee recommends that the online TASFA include helpful pop-up information that explains the questions and sections of the application. These tips are part of the paper TASFA and should be included for the online TASFA as well.
4. The committee recommends keeping the student and parent signature process as simple as possible while still protecting against fraud. The committee suggests providing two signature boxes, one for parent signature and one for student signature, at the end of the application. Each party could either sign the online TASFA by dragging a mouse to create a signature, or checkboxes and lines could be provided into which checkmarks could be placed and the applicant's and parent's full names typed.

Additional Considerations

The committee provided a list of additional items to consider in the development and adoption of procedures for an online TASFA.

- Budget for implementation:
    - Institutions of higher education would need to undergo a system implementation to integrate the online application into their financial aid processing routine.
    - Institutions of higher education have concerns with the available budget for implementation. Most institutions currently do not charge any financial aid application fees and, therefore, any fee an institution of higher education would have to pay would need to be covered by the institution's existing resources.
- Implications of an online TASFA developed in-house versus by a third-party vendor:
    - The committee discussed whether an in-house or vendor solution would be best. The creation of an in-house TASFA will require more time to develop, although it will likely be more cost effective.
    - A vendor may have issues embedding an application into the ApplyTexas platform, and there may be limitations on the ability to customize the application.
    - There may be significant costs for a vendor-driven solution given the size of the state.
    - Although there was much discussion regarding this consideration, additional research is needed to determine whether an in-house or vendor solution would be the best approach. The committee would need a more detailed analysis of an in-house versus vendor approach, including costs, flexibility, and integration into the ApplyTX system.
- Other implications the committee should consider:

- If an institution is not using the ApplyTexas system, it becomes more complicated to know where and how to house the online TASFA.
- Data security measures must be implemented to ensure financial data are protected and not used or shared with unauthorized entities.
- Analyze issues regarding hard admission deadlines for institutions versus rolling admission dates, given differing dates may pose technical challenges.
- Review graduation timeline and the FAFSA/TAFSA high school graduation requirement under House Bill 3, 86th Texas Legislature. What does this mean for students who would not normally be applying for admissions this early in the process but who would still satisfy the financial aid application requirement?

Conclusion

The TASFAAC spent several months gathering information from stakeholders to develop recommendations on procedures to allow a person to complete and submit the TASFA by electronic submission through the ApplyTX application. The committee provided recommendations and identified considerations essential for the procedures, development, costs, and technical and functional revisions necessary for the implementation of an online TASFA. There remain several items to consider for this development, including funding, timeline for development, data transmission, and data security. The development and use of an online TASFA would provide a centralized location for students to apply for state financial aid and would simplify the process for determining eligibility. Additionally, there is a potential for an increase in applicants and in identifying additional eligible applicants for state financial aid.

60x30TX
Texas Higher Education Coordinating Board

This document is available on the Texas Higher Education Coordinating Board website: http://highered.texas.gov.

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