

TEXAS HIGHER EDUCATION COORDINATING BOARD

**COMMITTEE ON AFFORDABILITY, ACCOUNTABILITY
AND PLANNING**

1200 EAST ANDERSON LANE, ROOM 1.170
AUSTIN, TEXAS
June 20, 2018
9:00 a.m.

CHAIR
S. Javaid Anwar

VICE CHAIR
Arcilia C. Acosta

Michael J. Plank
Donna N. Williams
Welcome W. Wilson
Michelle Q. Tran
Student Representative, Ex-Officio
Stuart W. Stedman, Board Chair,
Ex-Officio

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://www.thecb.state.tx.us/public-testimony>.

- I. Welcome and Committee Chair's meeting overview
- II. Consideration of approval of the minutes from the March 21, 2018, meeting of the Committee on Affordability, Accountability and Planning
- III. Consideration of approval of the Consent Calendar
- IV. Public Testimony on Agenda Items Relating to the Committee on Affordability, Accountability and Planning
- V. Matters relating to the Committee on Affordability, Accountability and Planning
 - A. Consideration of adopting the Commissioner's recommendation to the Committee relating to approval of the *60x30TX* progress report
 - B. Consideration of adopting the staff recommendation to the Committee relating to the approval of the Energy Savings Performance Contract for West Texas A&M University
 - C. Report on facilities projects that were submitted to the Coordinating Board
 - D. Update on Preparations for the 86th Texas Legislative Session
 - E. Consideration of adopting the staff recommendation to the Committee relating to the report on the TEXAS Grant Program (*Senate Bill 28, 82nd Texas Legislature, Regular Session*)
 - F. Consideration of adopting the staff recommendation to the Committee relating to the appointment of a student representative to the Financial Aid Advisory Committee

G. Proposed Rules:

- (1) Consideration of adopting the Commissioner's recommendation to the Committee relating to repeal of Chapter 21, Subchapter A, Sections 21.1, 21.3, 21.9, and 21.10 of the Board rules, concerning General Provisions
- (2) Consideration of adopting the Commissioner's recommendation to the Committee relating to Chapter 22, Subchapter A, proposed new Sections 22.5-22.8 of Board rules, concerning General Provisions
- (3) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter D, Sections 22.61-22.64, and proposed new Section 22.66 of Board rules, concerning the Texas Public Educational Grant Program (TPEG)
- (4) Consideration of adopting the Commissioner's recommendation to the Committee relating to the repeal of Chapter 22, Subchapter J, Sections 22.181-22.188 of Board rules, concerning the Texas Career Opportunity Grant Program
- (5) Consideration of adopting the Commissioner's recommendation to the Committee relating to the proposed repeal of Chapter 22, Subchapter F, Sections 22.113-22.116 and new Sections 22.113-22.115 of Board rules, concerning the Matching Scholarships to Retain Students in Texas Program
- (6) Consideration of adopting the Commissioner's recommendation to the Committee relating to Chapter 22, Subchapter M, proposed new Section 22.265 of Board rules, concerning the Texas Educational Opportunity Grant Program
- (7) Consideration of adopting the Commissioner's recommendation to the Committee relating to moving Chapter 22, Subchapter W of Board rules, relating to The Good Neighbor Scholarship Program, to Chapter 21, Student Services, new Subchapter U

VI. Adjournment

NOTE: The Board will not consider or act upon any item before the Committee on Affordability, Accountability and Planning 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 Affordability, Accountability and Planning 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 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 Affordability, Accountability and Planning

AGENDA ITEM I

Welcome and Committee Chair's meeting overview

Mr. S. Javaid Anwar, Chair of the Committee on Affordability, Accountability and Planning, will provide the Committee an overview of the items on the agenda.

Committee on Affordability, Accountability and Planning

AGENDA ITEM II

Consideration of approval of the minutes from the March 21, 2018, meeting of the Committee on Affordability, Accountability and Planning

RECOMMENDATION: Approval

TEXAS HIGHER EDUCATION COORDINATING BOARD

MINUTES

Committee on Affordability, Accountability and Planning

1200 East Anderson Lane, Room 1.170

Austin, Texas

March 21, 2018, 9:00 a.m.

DRAFT Minutes

The Texas Higher Education Coordinating Board Committee on Affordability, Accountability and Planning convened at 9:00 a.m. on *March 21, 2018*, with the following members present: S. Javaid Anwar, Chair, presiding; Arcilia C. Acosta, Vice Chair; Michael J. Plank; Donna N. Williams; Andrias R. "Annie" Jones, Student Representative, Ex-Officio; and Stuart W. Stedman, Ex-Officio.

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

AGENDA ITEM	ACTION
I. Welcome and Committee Chair's meeting overview	<p>Mr. S. Javaid Anwar called the meeting to order and advised the meeting was being broadcast over the internet.</p> <p>Mr. Anwar yielded the meeting to Chairman Stuart W. Stedman for the introduction of new board members and committee appointments.</p> <p>Mr. Michael J. Plank, Ms. Donna Williams, and Mr. Welcome Wilson were appointed to the Committee by Chairman Stuart W. Stedman. Chairman Stedman noted that Mr. Wilson could not participate until he completed the statutorily required new member orientation.</p> <p>Mr. Anwar then proceeded with the committee meeting agenda.</p>
II. Consideration of approval of the minutes from the December 13, 2017, Committee meeting	<p>On motion by Ms. Arcilia C. Acosta, seconded by Mr. Michael J. Plank, the Committee approved this item.</p>

AGENDA ITEM	ACTION
<p>III. Consideration of approval of the Consent Calendar</p>	<p>Mr. S. Javaid Anwar stated that there were no items on the Consent Calendar.</p> <p>On motion by Mr. Michael J. Plank, seconded by Ms. Arcilia C. Acosta, the Committee approved the Consent Calendar.</p>
<p>IV. Public Testimony on Agenda Items Relating to the Committee on Affordability, Accountability and Planning</p>	<p>Mr. S. Javaid Anwar stated there was no public testimony.</p>
<p>V. Matters relating to the Committee on Affordability, Accountability and Planning</p> <p>A. Consideration of adopting the Commissioner's recommendation to the Committee relating to funding formulas for use by the Governor and the Legislative Budget Board in making appropriations recommendations to the appropriate Legislative Committees</p>	<p>Mr. Anwar stated that Agenda Item V-F would be taken out of order and will be before Agenda Item V-A.</p> <p>Dr. Julie A. Eklund, Assistant Commissioner for Strategic Planning and Funding, provided a presentation on the formula funding for the Community and Technical Colleges (CTC's), the General Academic Institutions (GAI's), and the Health-Related Institutions (HRI's) and was available to answer questions.</p> <p>Dr. Pamela Anglin, President, Paris Junior College, and Chair of the Community and Technical Colleges Formula Advisory Committee, provided a presentation of the committee's recommendations and was available to answer questions. Dr. Eklund presented the Commissioner's recommendations for the CTC's after Dr. Anglin's presentation.</p> <p>On motion by Ms. Arcilia C. Acosta, seconded by Mr. Michael J. Plank, the Committee approved the Commissioner's recommendation for the CTC's.</p> <p>Mr. Edward Hugetz, Interim Senior Vice President for Academic and Student Affairs and Provost, University of Houston-Downtown, and Chair of the General Academic Institutions Formula Advisory Committee, provided a presentation of the committee's recommendations and was available to answer questions. Dr. Eklund presented the Commissioner's recommendations for the GAI's after Mr. Hugetz's presentation.</p> <p>On motion by Mr. Michael J. Plank, seconded by Ms. Arcilia C. Acosta, the Committee approved the Commissioner's recommendation for the GAI's.</p>

AGENDA ITEM	ACTION
<p>B. Consideration of adopting the staff recommendation to the Committee relating to the annual report about the financial condition of the state's community college districts <i>(General Appropriations Act, Senate Bill 1, 85th Texas Legislature, Regular Session, Rider 12, III-216)</i></p> <p>C. Report on Data highlight: Educated Population: National and International Comparisons</p> <p>D. Report on Pilot Study of Community College Financial Reporting by campus <i>(Senate Bill 719, 85th Texas Legislature, Regular Session)</i></p> <p>E. Report on facilities projects that were submitted to the Coordinating Board</p> <p>F. Consideration of adopting the staff recommendations relating to the Coordinating Board's Legislative Priorities for the 86th Texas Legislature</p>	<p>Ms. Penny Harkey, Vice President & Chief Financial Officer, Texas Tech University Health Science Center, and Chair of the Health-Related Institutions Formula Advisory Committee, provided a presentation of the committee's recommendations and was available to answer questions. Dr. Eklund presented the Commissioner's recommendation for the HRI's after Ms. Harkey's presentation.</p> <p>On motion by Ms. Arcilia C. Acosta, seconded by Mr. Michael J. Plank, the Committee approved the Commissioner's recommendation for the HRI's.</p> <p>Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding, was available to answer questions.</p> <p>On motion by Ms. Arcilia C. Acosta, seconded by Mr. Michael J. Plank, the Committee approved this item.</p> <p>Dr. Julie Eklund Assistant Commissioner for Strategic Planning and Funding, provided a brief presentation and was available to answer questions.</p> <p>No action required on this item.</p> <p>Mr. David Young, Senior Director, Funding, Strategic Planning and Funding, provided a brief presentation and was available to answer questions.</p> <p>No action required on this item.</p> <p>Dr. Julie Eklund, Assistant Commissioner, Strategic Planning and Funding, spoke briefly regarding this item and was available to answer questions.</p> <p>No action required on this item.</p> <p>Agenda Item V-F was taken out of order and was presented before Agenda Item V-A.</p> <p>Mr. John Wyatt, Director for External Relations, provided a presentation and was available to answer questions.</p>

AGENDA ITEM	ACTION
<p>G. Consideration of adopting the staff recommendation to the Board relating to the approval of the Energy Savings Performance Contract for Texas A&M International University</p> <p>H. Proposed Rules</p> <p>(1) Consideration of adopting the Commissioner's recommendation to the Committee relating to the proposed additions to Chapter 21, new Subchapter C, Sections 21.45-21.49 of Board rules, concerning student indebtedness (<i>Senate Bill 887, 85th Legislature, Regular Session</i>)</p> <p>(2) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter I, Sections 22.164, 22.166 and 22.169-22.171 of Board rules, concerning the Provisions for the Texas Armed Services Scholarship Program (TASSP) (<i>House Bill 66, 85th Texas Legislature, Regular Session</i>)</p> <p>VII. Adjournment</p>	<p>On motion by Mr. Arcilia C. Acosta, seconded by Mr. Michael J. Plank, the Committee approved this item.</p> <p>Mr. Juan J. Castillo, Vice President for Finance and Administration, and Mr. Trevor C. Liddle, Associate Vice President for Administration, Texas A&M International University, gave a brief project presentation and were available to answer questions.</p> <p>Dr. Julie Eklund, Assistant Commissioner, Strategic Planning and Funding, was available to answer questions.</p> <p>On motion by Mr. Michael J. Plank, seconded by Ms. Arcilia C. Acosta, the Committee approved this item.</p> <p>Dr. Ginger Gossman, Senior Director, Innovation and Policy Development, provided a brief presentation and was available to answer questions.</p> <p>On motion by Ms. Arcilia C. Acosta, seconded by Ms. Donna N. Williams, the Committee approved this item.</p> <p>Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, was available to answer questions.</p> <p>On motion by Ms. Arcilia C. Acosta, seconded by Mr. Michael J. Plank, the Committee approved this item.</p> <p>The meeting adjourned at 11:50 a.m.</p>

Committee on Affordability, Accountability and Planning

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 Affordability, Accountability and Planning 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 Affordability, Accountability and Planning

F. Consideration of adopting the staff recommendation to the Committee relating to the appointment of a student representative to the Financial Aid Advisory Committee

G. Proposed Rules:

- (1) Consideration of adopting the Commissioner's recommendation to the Committee relating to repeal of Chapter 21, Subchapter A, Sections 21.1, 21.3, 21.9, and 21.10 of the Board rules, concerning General Provisions
- (2) Consideration of adopting the Commissioner's recommendation to the Committee relating to Chapter 22, Subchapter A, proposed new Sections 22.5-22.8 of Board rules, concerning General Provisions
- (3) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter D, Sections 22.61-22.64, and proposed new Section 22.66 of Board rules, concerning the Texas Public Educational Grant Program (TPEG)
- (4) Consideration of adopting the Commissioner's recommendation to the Committee relating to the repeal of Chapter 22, Subchapter J, Sections 22.181-22.188 of Board rules, concerning the Texas Career Opportunity Grant Program
- (5) Consideration of adopting the Commissioner's recommendation to the Committee relating to the proposed repeal of Chapter 22, Subchapter F, Sections 22.113-22.116 and new Sections 22.113-22.115 of Board rules, concerning the Matching Scholarships to Retain Students in Texas Program
- (6) Consideration of adopting the Commissioner's recommendation to the Committee relating to Chapter 22, Subchapter M, proposed new Section 22.265 of Board rules, concerning the Texas Educational Opportunity Grant Program
- (7) Consideration of adopting the Commissioner's recommendation to the Committee relating to moving Chapter 22, Subchapter W of Board rules, relating to The Good Neighbor Scholarship Program, to Chapter 21, Student Services, new Subchapter U

Committee on Affordability, Accountability and Planning

AGENDA ITEM IV

Public Testimony on Agenda Items Relating to the Committee on Affordability, Accountability and Planning

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 Affordability, Accountability and Planning

AGENDA ITEM V-A

Consideration of adopting the Commissioner's recommendation to the Committee relating to 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*. The report must recommend legislative action, including statutory or funding changes, to assist the state in meeting plan goals and is required to include updates on implementation strategies provided for in the long-range master plan under Subsection (a-1). To monitor progress towards 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 at its summer meeting.

The third progress report includes progress to date on the goals and targets in the plan. It also provides information about media coverage and other activities to promote the plan and progress toward implementing statewide and regional strategies to help achieve the plan goals. An update on recommendations being prepared for the 86th Texas Legislature in support of the *60x30TX* plan goals is also included in the report.

Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding, Dr. Rex Peebles, Assistant Commissioner for Academic Quality and Workforce, and Mr. Jerel Booker, Assistant Commissioner for College Readiness and Success, will present an overview of the report and be available to answer questions.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-B

Consideration of adopting the staff recommendation to the Committee relating to the approval of the Energy Savings Performance Contract for West Texas A&M University

RECOMMENDATION: Approval

Background Information:

West Texas A&M University requested approval for an Energy Savings Performance Contract with a total project cost of \$15,130,500 and a contract term of 18 years. This project meets all standards pertaining to Energy Savings Performance Contracts.

The Texas Higher Education Coordinating Board (THECB) is responsible for reviewing 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. Recent changes to Board rules delegates the approval authority for these contracts to either the Assistant Commissioner for Strategic Planning and Funding; the Committee on Affordability, Accountability and Planning; or the full Board, based on the parameters specified in Chapter 17, Subchapter B, Section 17.12 of Board rules, which concern delegation of approval authority. Given the cost and the term of this project, the Committee is the approval authority.

Mr. Randy Rikel, Vice President for Business and Finance, West Texas A&M University, will give a brief project presentation and be available to answer questions pertaining to the project.

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

PROJECT BRIEFING SHEET

Institution: West Texas A&M University
 Project: **Renovate Energy Consumption Reduction Project WTAMU**
 2501 Fourth Avenue, Canyon, TX 79016
 Project Number: 003665-18-001
 Project Cost: **\$15,130,500**
 Source of Funds: Bonds: (Revenue Financing System Bonds, Energy Savings - \$14,735,000)
 Cash: (Other - \$395,500)

Project Description:

West Texas A&M University (West Texas) selected Ameresco, INC., an Energy Service Company, as its energy savings performance contractor. Ameresco was engaged to perform detailed utility assessment reports and then design and construct recommended energy cost reduction measures on the West Texas campus. The measures recommended in the report will allow West Texas to substantially reduce the number of kilowatt hours consumed, increase operating efficiency, modernize aged equipment and processes, and reduce the emissions of greenhouse gases.

Measurement and verification fees over the 18-year term of the contract are included in the cost. The implementation of this project is projected to save 9,947,037 kWh/yr electricity, 48,440 MMBtu/yr and 9,587 kGal/yr water consumption. The project's total design/construction cost has a projected first-year utility savings of \$886,627.

Standards	Standard	Project Detail	Meets, Doesn't Meet, or NA
Project Listed on the MP1?	YES	2 of 15	NA
Classroom Space Usage Efficiency	75 or >	41	NA
Class Lab Space Usage Efficiency	75 or >	75	NA
Overall Space Usage Efficiency	150 or >	116	NA
Space Need	Deficit	Surplus of 245,939	Meets
Cost: Repair & Renovation, Infrastructure	Guaranteed Savings \$19,782,836	Total Project Costs \$14,848,780	Meets ¹
Building Efficiency:	NA	NA	NA
Deferred Maintenance	0.05 or <	2 of 15	NA
Critical Deferred Maintenance	\$0	41	NA

Approval Action:	Date of Approval	Signature
Committee	June 20, 2018 ²	
Conditions		
Project History		

¹ Per TEC 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 the Chief Financial Officer, West Texas A&M University, independent 3rd party reviewer. The institutional general counsel has verified contractual protections are in place to guarantee performance.

² See matrix on the following page.

**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 ¹
Cost	\$10 million or less	Asst. Commissioner for Strategic Planning and Funding	Asst. Commissioner for Strategic Planning and Funding	Committee on Affordability, Accountability and Planning
	Greater than \$10 million to \$20 million	Asst. Commissioner for Strategic Planning and Funding	Committee on Affordability, Accountability and Planning	Committee on Affordability, Accountability and Planning
	Greater than \$20 million	Committee on Affordability, Accountability and Planning	Committee on Affordability, Accountability and Planning	Board of the THECB

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

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-C

Report on facilities projects that were submitted to the Coordinating Board

RECOMMENDATION: No action required

Background Information:

Senate Bill 215, 83rd Texas Legislature, Regular Session, shifted the authority to approve capital projects from the Texas Higher Education Coordinating Board (THECB) to the Boards of Regents. However, it requires that institutions continue to report projects to the Board and that THECB staff continue to review facilities projects. Additional information is provided for projects that do not meet one or more standards. The Board must submit a report to the governor, lieutenant governor, speaker of the house, and Legislative Budget Board on all projects that do not meet standards.

Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding, will present this item and will be available to answer questions.

Reviewed Projects

Institution Project Name	Project Cost	Standard Met Yes/No			
		Space Usage	Space Need	Cost	Building Efficiency
The University of Texas Medical Branch at Galveston <i>Construct League City Campus Expansion 2017</i>	\$178,800,000	NA ¹	Yes	No	Yes
Texas A&M Health Science Center (TRB) <i>Construct Medical Research and Education Building 2</i>	\$127,500,000	NA ¹	Yes	Yes	No ²
Texas A&M University-Kingsville (TRB) <i>Construct Education Complex</i>	\$61,548,770	No	Yes	Yes	No ³
Texas A&M University <i>Construct Music Activities Center</i>	\$42,500,000	Yes	Yes	Yes	Yes
Tarleton State University (TRB) <i>Construct Southwest Metroplex Building</i>	\$40,800,000	Yes	Yes	Yes	Yes
West Texas A&M University <i>Renovate Energy Consumption Reduction Project WTAMU</i>	\$15,130,500	NA	Yes	Yes	NA

1 Space Usage Efficiency is not calculated for Health Related Institutions (HRI).

2 This project does not meet the parking efficiency of 400 square feet per space.

3 This project meets the building efficiency for the Education complex building but not for the Central Utility Plant (CUP). The CUP would be generally considered mechanical space and therefore would have no assignable space to contribute to the overall efficiency of the Complex.

Guidelines Used for Capital Project Reviews

Project Type	Space Usage	Space Need	Cost	Building Efficiency
New Construction and Addition	Space Usage Efficiency (SUE) score of: <ul style="list-style-type: none"> • 75 points in the classroom score for classroom type facilities • 75 points in the class laboratory score for lab type facilities • 150 points overall for all others 	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"> • Classroom and general – 0.60 • Office – 0.65 • Clinical, diagnostic support labs, and technical research – 0.50 For parking structures: <ul style="list-style-type: none"> • Automobile – 400 SF per space • Boathouses – 500 SF per space • Airplanes – 3,000 SF per space
Repair and Renovation (including repairs and renovations as part of a real property purchase)	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
Real Property Purchases	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

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-D

Update on Preparations for the 86th Texas Legislative Session

RECOMMENDATION: No action required

Background Information:

The 86th Texas Legislature will convene on January 9, 2019. This will be the second Texas legislative session held during the timeframe of *60x30TX*, and the actions taken by this Legislature will be crucial for making progress toward achieving the plan's long-range goals.

Mr. John Wyatt, Director for External Relations, will provide a brief presentation regarding interim activities in preparation for the legislative session and will be available to answer questions.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-E

Consideration of adopting the staff recommendation to the Committee relating to the report on the TEXAS Grant Program (Senate Bill 28, 82nd Texas Legislature, Regular Session)

RECOMMENDATION: Approval

Background Information:

The Texas Legislature established the Toward Excellence, Access, and Success (TEXAS) Grant Program in 1999 (Texas Education Code, Section 56.301) to provide assistance to academically prepared high school graduates with financial need to pursue higher education.

Senate Bill 28, 82nd Texas Legislature, Regular Session and Texas Education Code, Section 56.311(c-1) requires the Texas Higher Education Coordinating Board to provide by September 1 of each year a report regarding the operation of the TEXAS Grant Program to the governor, lieutenant governor, speaker of the House of Representatives, and the Senate Higher Education Committee members. The report regarding the operation of the TEXAS Grant Program, includes the following information from the three preceding state fiscal years:

- Allocations of TEXAS Grants by eligible institution, disaggregated by initial and subsequent awards
- The number of TEXAS Grants awarded to students, disaggregated by race, ethnicity, and expected family contribution
- Disaggregated by race, ethnicity, and expected family contribution, and reported both on a statewide basis, and for each eligible institution, the number of TEXAS Grants awarded to students who meet:
 - only the eligibility criteria described by Section 56.304 (relating to *Basic Eligibility requirements*); or
 - the eligibility criteria described by Section 56.3041(2)(A) (relating to Priority Model requirements).
- The persistence, retention, and graduation rates of students receiving TEXAS Grants.

A draft of the TEXAS Grant report will be provided under separate cover.

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Services, will provide a brief presentation and is available to answer questions about this report.

AGENDA ITEM V-F

Consideration of adopting the staff recommendation to the Committee relating to the appointment of a student representative to the Financial Aid Advisory Committee

RECOMMENDATION: Appoint student representative

Background Information:

Texas Education Code, Section 61.071 directs the Coordinating Board to appoint student representatives to various advisory committees. This agenda item relates to the appointment of a student representative to the Financial Aid Advisory Committee.

The term of membership for student members of this committee starts June 1, 2018, and ends May 31, 2020.

The Coordinating Board did not receive any applications from two-year public institutions of higher education during the initial application period. A subsequent application was received which met the minimum criteria and the additional criteria for consideration:

- Academic achievement
- Community and school service
- Work or internship experience
- General commitment to higher education issues

The recommended student representative is listed on the following page.

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

The **Financial Aid Advisory Committee** consists of financial aid practitioners, public school counselors, and other persons employed in the non-profit sector in roles with responsibility for advising students regarding financial aid. The Committee meets at the Coordinating Board approximately four times a year between March and December. The Committee provides the Board with advice and recommendations regarding the development, implementation, and evaluation of state financial aid programs for college students.

Student Finalist: Marilyn Abedrabbo

Ms. Abedrabbo is a student at Collin County Community College. She is seeking an Associate of Applied Science (AAS) degree in business office support system.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-G (1)

Consideration of adopting the Commissioner's recommendation to the Committee relating to the repeal of Chapter 21, Subchapter A, Sections 21.1, 21.3, 21.9, and 21.10 of the Board rules, concerning General Provisions

Recommendation: Approval

Background Information:

Chapter 21, Subchapter A, Sections 21.1, 21.3, 21.9, and 21.10 concerning General Provisions are proposed for repeal. These rules relate to student financial aid programs. Repealing these rules in Chapter 21, and readopting them in Chapter 22, Student Financial Aid Programs, places the rules within the appropriate chapter of the Texas Administrative Code.

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

Date approved by the Commissioner for publication in the *Texas Register*: May 7, 2018.

Date published in the *Texas Register*: May 18, 2018

The 30-day comment period with the *Texas Register* will end June 17, 2018.

If comments are received, staff responses will be provided in supplemental material.

CHAPTER 21 STUDENT SERVICES
SUBCHAPTER A GENERAL PROVISIONS

Section

- ~~{§21.1. Fund Requirements for Student Loan Bonds Interest and Sinking Fund}~~
- §21.2. Determination of Tuition Rate for Nonresident and Foreign Students
- ~~{§21.3. Loan Repayment Deferral for Emergency Loans for Tuition, Mandatory Fees and Textbooks Made Under Texas Education Code, §56.051 for Students Who Enroll in Graduate or Professional Degree Programs}~~
- §21.4. Collection of Tuition
- §21.5. Refund of Tuition and Fees at Public Community/Junior and Technical Colleges
- §21.7. Tuition and Fee Definitions
- §21.8. Definition of Student Financial Need
- ~~{§21.9. Exclusion of Certain Resources in Determining Need for State Aid}~~
- ~~{§21.10. Priority Deadline for Applying for State Aid}~~

~~{§21.1. Fund Requirements for Student Loan Bonds Interest and Sinking Fund}~~

~~(a) — There shall be deposited into the interest and sinking fund the following:~~

~~(1) — Money received in each Fiscal Year as repayment of student loans granted under the General Provisions of the Student Financial Assistance Act of 1975. The accumulated amount for all outstanding bonds at each fiscal year end shall be sufficient to pay the interest on and principal due in the ensuing fiscal year.~~

~~(2) — Money transferred by the Board from the Student Loan Auxiliary Fund to the extent permitted by law, including Subchapter F of the General Provisions of the Student Financial Assistance Act of 1975, the Interest and Sinking Fund in the event funds on deposit in the Interest and Sinking Fund are insufficient to pay principal of and interest on any of previously issued bonds and additional bonds; and to the extent permitted by law, including Subchapter F of the General Provisions of the Student Financial Assistance Act of 1975, to transfer to other funds and accounts established by the Board to comply with covenants related to maintaining the tax-exempt status of the bonds.~~

~~(3) — Accrued interest earned by the interest and sinking account, if any.~~

~~(4) — In the event funds on deposit in the Interest and Sinking Fund are insufficient to pay principal of and interest on any of all outstanding bonds at year end, money required by the Constitutional Provision and the General Provisions of the Student Financial Assistance Act of 1975 is to be transferred into the Interest and Sinking Fund by the Comptroller out of first moneys coming into the State Treasury in each Fiscal Year not otherwise appropriated by the State Constitution.~~

~~(b) — The board may transfer funds, in excess of the ensuing fiscal year requirement above, to the Texas Opportunity Plan Fund or the Student Loan Auxiliary Fund at the beginning of each ensuing fiscal year. }~~

§21.2. Determination of Tuition Rate for Nonresident and Foreign Students

(a) Prior to January 1 of each calendar year in which the academic year begins, or as soon thereafter as is practicable, the Coordinating Board shall determine the tuition rate for nonresident and foreign students enrolled in general academic teaching and health-related institutions except in programs leading to a D.D.S., M.D., D.O., D.V.M., or law degree, and report the rate to the appropriate institutions.

(b) The rate set per semester credit hour is to equal the average of the nonresident undergraduate tuition charged to a resident of this state at a public state university in each of the five most populous states other than Texas.

~~[21.3. Loan Repayment Deferral for Emergency Loans for Tuition, Mandatory Fees and Textbooks Made Under Texas Education Code, §56.051 for Students Who Enroll in Graduate or Professional Degree Programs~~

~~(a) — An institution may extend the time for repayment of loans for students who enroll in graduate or professional degree programs for up to three years, but not longer than one year beyond the time when the student fails to be enrolled in the institution on at least a half-time basis.~~

~~(b) — An institution shall forgive an emergency loan to an individual who has been certified by a physician as being physically or mentally incapable of employment, resulting in a financial hardship that would make repayment infeasible. The physician's certification would need to indicate that the individual's extreme financial hardship condition is expected to continue and would likely make repayment infeasible for the succeeding five years.~~

~~(c) — An institution shall maintain documentation justifying the deferral of repayments or the forgiveness of emergency loans for review by the State Auditor.]~~

§21.4. Collection of Tuition

(a) Unless a student's payment due date has been postponed due to pending disbursements of financial aid as described in subsection (b), of this section, the following conditions shall apply in the collection of tuition and/or tuition and fees at institutions of higher education and in the conducting of enrollment audits.

(1) On or before the dates for reporting official enrollments to the Texas Higher Education Coordinating Board each enrollment period, each community college shall collect in full from each student that is to be counted for formula funding purposes the amounts set as tuition by the respective governing boards.

(2) On or before the 20th class day for each regular semester and the 15th class day for each summer session, institutions other than community colleges shall collect from each student who is to be counted for state formula funding appropriations, the tuition and fees (mandatory and optional) established by state law or by the respective governing boards.

(3) Valid contracts with the United States government for instruction of eligible military personnel, approved financial assistance, and valid contracts with private business and public-service type organizations or institutions such as hospitals, may be considered as collected tuition and fees; the amount of collected tuition and fees may be adjusted pursuant to terms of the contract once actual collections are made.

(4) Returned checks must be covered by a transfer from a self-supporting auxiliary enterprise fund or other non-state fund source (e.g., food service, bookstore) within ten days of the date the institution receives the returned check in order for contact hours to be presented to the state for funding.

(5) Auxiliary enterprise or other non-state fund sources may not be reimbursed with state-provided funds.

(6) Institutions must retain records of individual student tuition or tuition and fee payment and returned checks for verification by the State Auditor.

(b) Payment Options for Students with Delayed Financial Aid.

(1) If an institution's financial aid office has awarded aid to a student but the institution has not received the relevant disbursements by the date that tuition and fees must be paid, the student's aid is delayed. If the student agrees to assign to the institution a portion of the awards equal to the amount of tuition and fees to be met with financial aid payments, the governing board may postpone the due date for the portion of the tuition and or tuition and fee payment that will be met through financial aid funds and the hours to be paid for with the financial aid may be counted for formula funding purposes.

(2) If, after the student's due date is postponed, the student becomes ineligible to receive one or more of the pending financial aid awards or the award amount is less than the amount of tuition and fees due, the governing board is to grant the student a repayment period for the unpaid amount that:

(A) does not exceed 30 days,

(B) allows for multiple payments, if necessary, and

(C) entails a processing fee not to exceed 5 percent of the total amount to be collected.

(3) An institution may deny academic credits for hours completed in the semester or term if the student fails to pay the full tuition and fee amount by the end of the 30-day repayment period.

(c) A student paying tuition and fees by installments shall be granted the options of delayed payment outlined in subsection (b) of this section (relating to Payment Options for Students with Delayed Financial Aid) if he or she is awaiting the disbursement of financial aid.

§21.5. Refund of Tuition and Fees at Public Community/Junior and Technical Colleges

(a) A community/junior or technical college, as soon as practicable, shall at a minimum refund mandatory fees and tuition in excess of the minimum tuition collected for courses from which the students drop or withdraw, according to the following schedule. For courses which meet on what the college considers a regular schedule, class days refer to the number of calendar days the institution normally meets for classes, not the days a particular course meets. For courses which meet on an unusual or irregular schedule, the college may exercise professional judgement in defining a class day. The indicated percentages are to be applied to the tuition and mandatory fees collected for each course from which the student is withdrawing. The college may not delay a refund on the grounds that the student may withdraw from the institution or unit later in the semester or term. The institution may assess a nonrefundable \$15 matriculation fee if the student withdraws from the institution before the first day of classes.

(1) Coordinating Board approved semester-length courses for which semester credit hours are awarded:

(A) A 100% refund is to be made for courses dropped prior to the first class day.

(B) During the fall or spring semester or comparable trimester:

(i) during the first 15 class days, 70%;

(ii) during the 16th through 20th class days, 25%;

(iii) after the 20th class day, none; and

(C) Six-week summer semester:

(i) during the first five class days, 70%;

(ii) during the sixth and seventh class days, 25%;

(iii) after the seventh class day, none.

(2) For flex entry and non-semester-length courses with a census date other than the 12th class day (fourth class day for a six-week summer semester):

- (A) prior to the first class day, 100%;
- (B) after classes begin, see table:

(b) A community/junior or technical college must follow the applicable refund policy outlined in subsection (a)(1) and (2) of this section for courses associated with any program which is approved for Title IV federal funding. The institution may determine a refund policy for any other program.

(c) Prior to the census date, community and technical colleges may allow hours to be dropped and re-added without penalty to the student if the exchange is an equal one. When the charges for dropped hours are greater than for the hours added, the refund policy outlined above is to be applied to the net charges being dropped. If the charges for hours being added exceed the charges for hours being dropped, the student must pay the net additional charges.

(d) Separate withdrawal refund schedules may be established for optional fees such as intercollegiate athletics, cultural entertainment, parking and yearbooks.

(e) A community/junior or technical college shall refund tuition and fees paid by a sponsor, donor, or scholarship to the source rather than directly to the student who has withdrawn if the funds were made available through the institution.

(f) A community/junior or technical college may terminate student services and privileges, such as health services, library privileges, facilities usage, and athletic and cultural entertainment tickets when a student withdraws from the institution.

(g) If a student withdraws because the student is called into active military service, the institution, at the student's option, shall:

(1) refund the tuition and fees paid by the student for the semester in which the student withdraws;

(2) grant a student, who is eligible under the institution's guidelines, an incomplete grade in all courses by designating "withdrawn-military" on the student's transcript; or

(3) as determined by the instructor, assign an appropriate final grade or credit to a student who has satisfactorily completed a substantial amount of course work and who has demonstrated sufficient mastery of the course material.

§21.7. Tuition and Fee Definitions

The definitions found in Chapter 13, Subchapter H of this title (relating to Reporting of Tuition and Fees), are to be applied to all tuition and fee exemption and waiver programs provided under Texas Education Code, Chapter 54.

§21.8. Definition of Student Financial Need

Unless otherwise specified in statute or rule, a student's financial need is defined as the difference between the student's cost of attendance as determined by the institution and the student's expected family contribution as calculated using the United States Department of Education's federal methodology.

~~§21.9. — Exclusion of Certain Resources in Determining Need for State Aid~~

~~The right of a person to receive payments or benefits from the Higher Education Savings Plan, Prepaid Tuition Unit Undergraduate Education Program, Texas Tomorrow Fund II, or the Texas Save and Match Program, authorized in the Texas Education Code, Chapter 54, Subchapters G, H, or I, is not to be considered an asset of the person or otherwise included in the person's household income or other financial resources for purposes of determining the person's eligibility for a TEXAS grant or other state-funded financial assistance.~~

~~§21.10. — Priority Deadline for Applying for State Aid~~

~~(a) — For academic year 2018-2019 and prior academic years, general academic teaching institutions shall use March 15 as their priority application deadline for application for state financial assistance.~~

~~(b) — Beginning with academic year 2019-2020 and hereafter, all general academic teaching institutions shall use January 15 as the priority application deadline to receive state financial assistance.~~

~~(c) — The priority deadline is not to serve as a determination of eligibility for state financial assistance, but otherwise eligible students who apply on or before the deadline shall be given priority consideration for available state financial assistance before other applicants.]~~

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-G (2)

Consideration of adopting the Commissioner's recommendation to the Committee relating to Chapter 22, Subchapter A, proposed new Sections 22.5-22.8 of Board rules, concerning General Provisions

Recommendation: Approval

Background Information:

Proposed Chapter 22, Subchapter A, new Sections 22.5-22.8 relate to Student Financial Aid Programs. These rules are currently located in Chapter 21, Subchapter A, Sections 21.1, 21.9, and 21.10 which relate to Student Services. Administratively repealing these rules and readopting them in Chapter 22, Subchapter A, concerning General Provisions represents better cataloging for these rules and places them within the appropriate chapter of the Texas Administrative Code.

Proposed new Section 22.7 is added to Chapter 22, Subchapter A, to provide language that states the Coordinating Board's responsibility to disseminate general information and rules for student financial aid programs described in Chapter 22.

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

Date approved by the Commissioner for publication in the *Texas Register*. May 7, 2018.

Date published in the *Texas Register*. May 18, 2018.

The 30-day comment period with the *Texas Register* will end June 18, 2018.

If comments are received, staff responses will be provided in supplemental material.

CHAPTER 22 STUDENT FINANCIAL AID PROGRAMS
SUBCHAPTER A GENERAL PROVISIONS

Rules

- 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
- 22.8. Fund Requirements for Student Loan Bonds Interest and Sinking Fund

22.1. - 22.4. No Change.

22.5. Exclusion of Certain Resources in Determining Need for State Aid.

The right of a person to receive payments or benefits from the Higher Education Savings Plan, Prepaid Tuition Unit Undergraduate Education Program: Texas Tomorrow Fund II, or the Texas Save and Match Program, authorized in the Texas Education Code, Chapter 54, Subchapters G, H, or I, is not to be considered an asset of the person or otherwise included in the person's household income or other financial resources for purposes of determining the person's eligibility for a TEXAS grant or other state-funded financial assistance.

22.6. Priority Deadline for Applying for State Aid.

(a) For academic year 2018-2019 and prior academic years, general academic teaching institutions shall use March 15 as their priority application deadline for application for state financial assistance.

(b) Beginning with academic year 2019-2020 and hereafter, all general academic teaching institutions shall use January 15 as the priority application deadline to receive state financial assistance.

(c) The priority deadline is not to serve as a determination of eligibility for state financial assistance, but otherwise eligible students who apply on or before the deadline shall be given priority consideration for available state financial assistance before other applicants.

22.7. Dissemination of Information and Rules.

The Board is responsible for publishing and disseminating general information and program rules for the programs described in this Chapter.

22.8. Fund Requirements for Student Loan Bonds Interest and Sinking Fund

(a) There shall be deposited into the interest and sinking fund the following.

(1) Money received in each Fiscal Year as repayment of student loans granted under the General Provisions of the Student Financial Assistance Act of 1975. The accumulated amount for all outstanding bonds at each fiscal year end shall be sufficient to pay the interest on and principal due in the ensuing fiscal year.

(2) Money transferred by the Board from the Student Loan Auxiliary Fund to the extent permitted by law, including Subchapter F of the General Provisions of the Student Financial Assistance Act of 1975, the Interest and Sinking Fund in the event funds on deposit in the Interest and Sinking Fund are insufficient to pay principal of and interest on any of previously issued bonds and additional bonds; and to the extent permitted by law, including Subchapter F of the General Provisions of the Student Financial Assistance Act of 1975, to transfer to other funds and accounts established by the Board to comply with covenants related to maintaining the tax-exempt status of the bonds.

(3) Accrued interest earned by the interest and sinking account, if any.

(4) In the event funds on deposit in the Interest and Sinking Fund are insufficient to pay principal of and interest on any of all outstanding bonds at year end, money required by the Constitutional Provision and the General Provisions of the Student Financial Assistance Act of 1975 is to be transferred into the Interest and Sinking Fund by the Comptroller out of first moneys coming into the State Treasury in each Fiscal Year not otherwise appropriated by the State Constitution.

(b) The board may transfer funds, in excess of the ensuing fiscal year requirement above, to the Texas Opportunity Plan Fund or the Student Loan Auxiliary Fund at the beginning of each ensuing fiscal year.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-G (3)

Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter D, Sections 22.61-22.64, and proposed new Section 22.66 of the Board rules, concerning the Texas Public Educational Grant Program (TPEG)

Recommendation: Approval

Background Information:

The proposed amendment to Chapter 22, Subchapter D, Section 22.61 (a) of Board rules updates the statutory reference to administrative authority. Amendments to Subsection 22.61(b) change the reference from "Texas Public Education Grant Programs" (TPEG) to "Texas Public Educational Grant and Emergency Tuition, Fees, and Textbook Loan Programs," and all subsequent references to TPEG have been stricken throughout the rule. The newly defined term "Program" has been added to proposed new Section 22.62, and all subsequent sections have been renumbered accordingly.

Subsection 22.63(b) (formerly Subsection 22.62(b)) adds proposed language specifying that funds generated through the Student Deposit Scholarship Program and the License Plate Insignia Scholarship Program are to be used to make grants to students.

Section 22.65 (formerly Section 22.64) updates the rule reference for certain emergency loans made under the authority of Texas Education Code (TEC), Section 56.051.

TEC Section 56.055 requires the Texas Higher Education Coordinating Board to adopt guidelines for determining that the public interest is served if a loan is forgiven. Proposed new Section 22.66 regarding Loan Repayment Deferral and Forgiveness has been added to the rule to align Board rules with federal requirements for the cancellation of federal loans due to a borrower's total and permanent disability. Current rules regarding loan repayment deferral and forgiveness for certain emergency loans (TEC, 56.051) are located in Chapter 21, Subchapter A, Section 21.3, concerning General Provisions. Because Section 21.3 provides guidance to institutions administering emergency loans made from funds transferred from tuition set aside for Texas Public Educational Grant and Emergency Tuition, Fees, and Textbook Loan Programs, it is appropriate to relocate these rules to Chapter 22, Subchapter D, new Section 22.66. The repeal of Section 21.3 will be heard for adoption by the Board at the July, 2018 meeting.

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

Date approved by the Commissioner for publication in the *Texas Register*: May 7, 2018.

Date published in the *Texas Register*: May 18, 2018

The 30-day comment period with the *Texas Register* will end June 18, 2018.

If comments are received, staff responses will be provided in supplemental material.

CHAPTER 22. STUDENT FINANCIAL AID PROGRAMS

SUBCHAPTER D. ~~[PROVISIONS FOR THE]~~ TEXAS PUBLIC EDUCATIONAL GRANT ~~AND~~
EMERGENCY TUITION, FEES, AND TEXTBOOK LOAN PROGRAMS ~~[PROGRAM]~~

Section

- 22.61. Authority and Purpose.
 22.62. Definitions.
 22.63~~[22.62]~~. ~~[Participating]~~ Institutions.
 22.64~~[22.63]~~. Coordinating Board Responsibilities.
 22.65~~[22.64]~~. Use of Funds.
 22.66. Loan Repayment Deferral and Forgiveness.

22.61. Authority and Purpose.

(a) Authority. Authority for this subchapter is provided in the Texas Education Code, Chapter 56, Subchapter C ~~and D~~. These rules establish procedures to administer the subchapter as prescribed in the Texas Education Code, ~~§§56.031-56.055~~ [~~§56.034, and §§56.036-56.039~~].

(b) The purpose of the Texas Public Educational Grant ~~and Emergency Tuition, Fees, and Textbook Loan~~ Programs ~~are~~ [is] to provide need-based grants ~~and emergency loans assistance~~ [of money] to students attending public institutions of higher education in Texas.

22.62. Definitions. The following word and term, when used in this subchapter, shall have the following meaning, unless the context clearly indicates otherwise:

Program – the Texas Public Educational Grant and Emergency Tuition, Fees, and Textbook Loan Programs.

22.63~~[22.62]~~. ~~[Participating]~~ Institutions.

(a) All institutions of higher education as defined in Texas Education Code, §61.003(8) shall set tuition revenues aside for making grants ~~and/or emergency loans~~ through the ~~[Texas Public Educational Grant]~~ Program; and

(b) Institutions may also use funds generated through the Student Deposit Scholarship program established in Texas Education Code, §54.5021 or through the License Plate Insignia Scholarship Program, Transportation Code, §504.615, ~~to make need-based grants to students.~~

22.64~~[22.63]~~. Coordinating Board Responsibilities.

The Texas Higher Education Coordinating Board shall perform the following services with regard to the ~~[Texas Public Educational Grant]~~ Program:

(1) Collect and maintain copies of guidelines submitted by institutions for the administration of the ~~[Texas Public Educational Grant]~~ **Program** ~~[program]~~ on their campuses.

(2) Accept funds transferred to the Board by institutions for use in matching federal or state grant funds, assure such matching funds are used to assist institutions and students with the greatest financial need, and return any funds on deposit from institutions if matching funds are not available.

(3) Monitor institutional use of program funds and accept funds transferred to the Board by institutions which fail to fully utilize the grant funds set aside in accordance with ~~[Texas Public Educational Grant]~~ Program requirements. If an institution's year-end **Program** ~~[TPEG]~~ balance, including funds on deposit with the Board, exceeds 150 percent of the amount set aside from tuition, the excess funds shall be sent to the Board which shall use the funds for the Toward EXcellence, Access and Success Grant Program.

22.65~~[22.64]~~. Use of Funds.

(a) Funds generated through tuition set-asides may be used to:

(1) make need-based grants to resident or nonresident students; and

(2) fund emergency tuition, fee, and book loans as described in **§22.66** ~~§21.3~~ of this title, (relating to Loan Repayment Deferral and ~~[Loan]~~ Forgiveness ~~[for Emergency Tuition and Fee Loans]~~).

(b) Funds transferred into the ~~[Texas Public Educational Grant]~~ Program from the Student Deposit Scholarship Program shall only be used for making need-based grants to resident students.

(c) Funds transferred into the ~~[Texas Public Educational Grant]~~ Program from the License Plate Insignia Scholarship Program shall only be used to make need-based grants to resident or nonresident students.

22.66. Loan Repayment Deferral and Forgiveness.

(a) An institution may extend the time for repayment of loans for students who enroll in graduate or professional degree programs for up to three years, but not longer than one year beyond the time when the student fails to be enrolled in the institution on at least a half-time basis.

(b) An institution shall forgive an emergency loan to an individual who has been certified by a physician as having a total and permanent disability. Total and permanent disability means the borrower is:

(1) unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that can be expected to result in death, that has lasted for a continuous period of not less than 60 months, or that can be expected to last for a continuous period of not less than 60 months, or

(2) the applicant is a veteran who has been determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected disability.

(c) An institution shall maintain documentation justifying the deferral of repayments or the forgiveness of emergency loans for review by the State Auditor.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-G (4)

Consideration for adopting the Commissioner's recommendation to the Committee relating to the repeal of Chapter 22, Subchapter J, Sections 22.181-22.188 of Board rules, concerning the Texas Career Opportunity Grant Program

Recommendation: Approval

Background Information:

No funds have been appropriated for the Texas Career Opportunity Grant Program since Fiscal Year 2013. Because this is no longer an active program, it is appropriate to delete the rules.

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

Date approved by the Commissioner for publication in the *Texas Register*: May 7, 2018.

Date published in the *Texas Register*: May 18, 2018

The 30-day comment period with the *Texas Register* will end June 18, 2018.

If comments are received, staff responses will be provided in supplemental material.

CHAPTER 22 STUDENT FINANCIAL AID PROGRAMS

~~[SUBCHAPTER J TEXAS CAREER OPPORTUNITY GRANT PROGRAM~~

Rules

~~§22.181 Authority and Purpose~~~~§22.182 Definitions~~~~§22.183 Eligible Institutions~~~~§22.184 Eligible Students~~~~§22.185 Award Amounts and Adjustments~~~~§22.186 Allocation and Reallocation of Funds~~~~§22.187 Dissemination of Information and Rules~~~~§22.188 Annual Report~~~~22.181. ——— Authority and Purpose.~~

~~(a) Authority. Authority for this subchapter is provided in the Texas Labor Code, Title 4, Chapter 305, Subchapters A and B, Texas Career Opportunity Grant (TCOG) Program, and a Memorandum of Understanding entered into by the Texas Higher Education Coordinating Board and Texas Workforce Commission. This subchapter establishes procedures to administer the two subchapters as prescribed in the Texas Labor Code, §§305.001 – 305.029.~~

~~(b) Purpose. The purpose of this program is to help ensure a qualified workforce to meet the needs of this state by reducing financial barriers to postsecondary career education and training for economically disadvantaged Texans as set out in Texas Labor Code, §305.001, by providing grants to eligible students attending an eligible career school or college.~~

~~22.182. ——— Definitions.~~

~~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) Career School or College--A school or college identified by the Texas Workforce Commission as meeting the requirements set out in the Texas Education Code, Title 3, Chapter 132, §132.001(1).~~

~~(3) Commission--The Texas Workforce Commission.~~

~~(4) Commissioner--The Commissioner of Higher Education, the Chief Executive Officer of the Board.~~

~~(5) Cost of Attendance--An estimate of the expenses incurred by a typical financial aid student in attending a particular eligible institution approved by Board staff. It includes direct educational costs (tuition, fees, books, and~~

~~supplies) as well as indirect costs (room and board, transportation, and personal expenses):~~

~~(6) Covered Person--Any of the following individuals:~~

~~(A) A veteran:~~

~~(B) The spouse of any of the following individuals:~~

~~(i) Any veteran who died of a service-connected disability.~~

~~(ii) Any member of the Armed Forces serving on active duty who, at the time of application for assistance under this section, is listed, pursuant to the United States Code, §556 of Title 37, and regulations issued thereunder, by the Secretary concerned in one of more of the following categories and has been so listed for a total of more than 90 days: missing in action, captured in the line of duty by a hostile force, or forcibly detained or interned in the line of duty by a foreign government or power.~~

~~(iii) Any veteran who has a total disability resulting from a service-connected disability.~~

~~(iv) Any veteran who died while a disability so evaluated was in existence.~~

~~(7) Discharge or Release--~~

~~(A) Retirement from the active military, naval, or air service; or~~

~~(B) The satisfactory completion of the period of active military, naval, or air service for which a person was obligated at the time of entry into such service in the case of a person who, due to enlistment or reenlistment, was not awarded a discharge or release from such period of service at the time of such completion thereof and who, at such time, would otherwise have been eligible for a discharge or release under conditions other than dishonorable.~~

~~(8) 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.~~

~~(9) Financial Need--The cost of attendance at a particular eligible institution less the expected family contribution. The cost of attendance and family contribution are to be determined in accordance with Board staff guidelines.~~

~~(10) Full-time Enrollment--~~

~~(A) At least 12 semester hours or 12 quarter hours per academic term in an educational program using a semester, trimester, or quarter system;~~

~~(B) At least 24 semester hours or 36 quarter hours per academic year for an educational program using credit hours but not using a semester, trimester, or quarter system, or the prorated equivalent for a program of less than one academic year;~~

~~(C) At least 24 clock hours per week for an educational program using clock hours;~~

~~(D) A series of courses or seminars equaling at least 12 semester or quarter hours over a maximum of 18 weeks;~~

~~(E) For a program that measures credit hours and uses nonstandard terms, the number of weeks of instruction in the term divided by the number of weeks of instruction in the academic year, multiplied by the number of credit hours in the academic year.~~

~~(11) Half-time Enrollment--Half of the minimum enrollment levels for Full-time Enrollment.~~

~~(12) Non-Service-Connected--With respect to a veteran's disability or death, such disability that was not incurred or aggravated, or that resulted in death, while serving in the line of duty in the active military, naval, or air service.~~

~~(13) Program Officer--The individual named by each participating eligible 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.~~

~~(14) Qualified Education Program--A program identified by the Texas Workforce Commission as delivered by an eligible institution; results in a certificate or degree; is at least 30 weeks in length and meets or exceeds 24 semester credit hours, 36 quarter credit hours, or 900 clock hours; and delivers occupational training associated with an occupation included on the Statewide Occupations List compiled by the Texas Workforce Commission.~~

~~(15) 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.~~

~~(16) Service-Connected--With respect to a veteran's disability or death, such disability that was incurred or aggravated, or that resulted in death, while serving in the line of duty in the active military, naval, or air service.~~

~~(17) State Fiscal Year--A 12-month period beginning September 1 and ending August 31, for which state funding for the TCOG Program grant is appropriated.~~

~~(18) Tuition and Required Fees--Charges that an institution assesses a student as a condition of enrollment at the institution or in a specific course.~~

~~(19) Veteran--A person who served in the active military, naval, or air service, and who was discharged or released under conditions other than dishonorable.~~

~~22.183.----- Eligible Institutions.~~

~~(a) Eligibility.~~

~~(1) To be eligible to participate in the TCOG Program, a career school or college must be identified by the Texas Workforce Commission as meeting the requirements set out in the Texas Labor Code, Title 4, Chapter 305, §305.002(3).~~

~~(2) No eligible 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 eligible institution must follow the Civil Rights Act of 1964, Title VI (Public Law 88-353) in avoiding discrimination in admissions.~~

~~(b) Approval.~~

~~(1) Agreement. Each approved eligible institution must enter into an agreement with the Board, the terms of which shall be prescribed by the Commissioner.~~

~~(2) Approval Deadline. Beginning with spring 2010, an institution must be approved as eligible by the Texas Workforce Commission by June 1 of a given year in order for qualified students enrolled in that institution to be eligible to receive grants in the following fiscal year.~~

~~(c) Responsibilities.~~

~~(1) Probation Notice. If the eligible institution is placed on public probation by its accrediting agency, it must immediately advise the Board staff 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 eligible 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 eligible institution has disbursed funds for unauthorized purposes, Board staff 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 Board staff 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 and Refunds.~~

~~(A) Requirements/Deadlines. All eligible 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.~~

~~(B) Penalties for Late Reports or Refunds.~~

~~(i) An institution that postmarks or electronically submits a progress report a week or more after its due date will be ineligible to receive additional funding through the reallocation occurring at that time.~~

~~(ii) The Commissioner may penalize an institution by reducing its allocation of funds in the following year by up to 10 percent for each report that is postmarked or submitted electronically more than a week late. The penalty may also be invoked if the report is timely, but refunds owed to the Program by the eligible institution are not made to the Board or the State Comptroller's Office within one week after due.~~

~~(iii) The Commissioner may assess more severe penalties against an institution if any report or refund is received by the Board more than one month after its due date.~~

~~(iv) The maximum penalty for a single year is 30 percent of the school's allocation. If penalties are invoked in two consecutive years the institution may be penalized an additional 20 percent.~~

~~(C) Appeal of Penalty. If the Commissioner determines that a penalty is appropriate, the institution will be notified by certified mail, addressed to the Program Officer, with a copy sent to the financial aid officer. Within 21 days from the time that the Program Officer receives the written notice, the institution must submit a written response appealing the Commissioner's decision, or the penalty shall become final and no longer subject to an appeal. An appeal under this section will be conducted in accordance with the rules provided in Chapter 1 of this title.~~

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

22.184. ——— Eligible Students.

- ~~(a) To receive an initial award through the TCOG Program, a student must:~~
- ~~(1) be a resident of Texas;~~
 - ~~(2) show financial need;~~
 - ~~(3) be enrolled in a qualified education program at a participating eligible institution;~~
 - ~~(4) be enrolled on at least a half-time basis;~~
 - ~~(5) be required to pay more tuition and required fees than the amount required at a public technical institution;~~
 - ~~(6) be charged not less than the regular tuition and required fees paid by other students enrolled at the institution the person attends;~~
 - ~~(7) meet the school's financial aid academic progress requirements;~~
 - ~~(8) not be in default on a loan made under the Federal Perkins Loan Program, Federal Family Education Loan Program, William D. Ford Federal Direct Loan Program, or the State of Texas' College Access Loan Program, Health Education Loan Program or B-On-Time Loan Program; and~~
 - ~~(9) not owe a refund on a grant received under the federal Pell Grant Program or the federal Supplemental Education Opportunity Grant program.~~

~~(b) An eligible applicant who is a covered person and is enrolled in a qualified education program shall be given priority over other eligible applicants for the grants.~~

~~22.185. ——— 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:~~

- ~~(1) The amount of a TCOG Program award may not exceed the least of:

 - ~~(A) the maximum grant specified by the Texas Legislature;~~
 - ~~(B) the applicant's financial need;~~
 - ~~(C) the amount by which the tuition and required fees at the eligible institution exceeds the average amount of tuition and required fees that would be charged at a public technical institute as determined by the Board; or~~
 - ~~(D) an amount equal to 50 percent of the average state appropriation in the biennium preceding the biennium in which the grant is made for a full-time student or the equivalent at a public technical institute, as determined by the Board.~~~~
- ~~(2) The student's award amount shall be calculated based on the following schedule:~~

~~(A) if enrolled for at least full-time status -- 100% of the maximum award;~~

~~(B) if enrolled for at least 75% of full-time status -- 75% of the maximum award;~~

~~(C) if enrolled for at least 50% of full-time status -- 50% of the maximum award;~~

~~(D) if enrolled for less than 50% of full-time status -- the student is not eligible for an award.~~

~~(c) Uses. A person receiving a TCOG Program grant may only use the money to pay any usual and customary cost of attendance incurred by the person at an eligible institution.~~

~~22.186. Allocation and Reallocation of Funds.~~

~~(a) Allocations. Funds available for awards will be allocated among participating eligible institutions on an annual basis.~~

~~(b) Reallocations. Participating eligible institutions will have until a date specified by Board staff via a policy memo addressed to the Program Officer at the eligible institution to encumber the program funds that have been allocated to them. On that date, participating eligible institutions lose claim to any funds not yet drawn down from the Board for immediate disbursement to students, and the funds released in this manner are available to the Board for reallocation to other participating eligible institutions. If necessary for ensuring the full use of funds, subsequent reallocations may be scheduled until all funds are awarded and disbursed.~~

~~(c) Disbursement of Funds to Participating Eligible Institutions. As requested by participating institutions throughout the academic year, Board staff shall forward to each participating eligible institution a portion of its allocation of funds for immediate release to students or immediate application to student accounts at the institution.~~

~~(d) Disbursement of Funds to Students. Participating eligible institutions must disburse TCOG Program funds to eligible students or apply the funds to eligible students' outstanding balances at the institution for the current academic year within five working days of the funds' arrival at the eligible institution's fiduciary institution.~~

~~22.187. Dissemination of Information and Rules.~~

~~Board staff shall distribute to each eligible institution a copy of the rules adopted under this subchapter. Board staff and the Commission are responsible for publishing and disseminating general information and program rules for the program described in this subchapter.~~

~~22.188. Annual Report.~~

~~(a) Each eligible institution participating in the TCOG Program shall report to the Board on a state fiscal year basis.~~

~~(1) the number of students receiving awards, broken down by the race or ethnicity of the recipients; and~~

~~(2) the number of students attending the eligible institution, broken down by race or ethnicity.~~

~~(b) The Board shall deliver the information collected from each eligible institution to the Commission annually.~~

~~(c) The Board and the Commission shall jointly prepare, sign and deliver to the Texas Legislature an annual report regarding the Texas Career Opportunity Grant Program.}~~

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-G (5)

Consideration of adopting the Commissioner's recommendation to the Committee relating to the proposed repeal of Chapter 22, Subchapter F, Sections 22.113-22.116 and new Sections 22.113-22.115 of Board rules, concerning the Matching Scholarships to Retain Students in Texas Program

Recommendation: Approval

Background Information:

Chapter 22, Subchapter F, Section 22.113 of Board rules regarding definitions is proposed for repeal because terms used throughout Subchapter F concerning Matching Scholarships to Retain Students in Texas already have been defined in Chapter 22, Subchapter A, Section 22.1 of Board rules concerning General Provisions.

Subsequent Sections 22.114-22.116 have also been administratively repealed to allow for renumbering of these sections, and are now proposed as new Sections 22.113-22.115. New language added to Subsection 22.115 (a) indicates that funds used for the awarding of scholarships and grants to an eligible student can be used in whole or in part to match the offer from an out-of-state institution. This change aligns the rule with Texas Education Code, Section 61.087.

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

Date approved by the Commissioner for publication in the *Texas Register*: May 7, 2018.

Date published in the *Texas Register*: May 18, 2018

The 30-day comment period with the *Texas Register* will end June 18, 2018.

If comments are received, staff responses will be provided in supplemental material.

CHAPTER 22 STUDENT FINANCIAL AID PROGRAMS

SUBCHAPTER F MATCHING SCHOLARSHIPS TO RETAIN STUDENTS IN TEXAS

Rules

- 22.112. Authority and Purpose
~~{22.113. Definitions}~~
~~{22.114. Eligible Institutions}~~
~~{22.115. Eligible Students}~~
~~{22.116. Funds for Awards}~~

22.112. No Change.

~~[22.113. Definitions:~~

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

~~(1) Program officer--The individual on a college campus who is designated by the institution's Chief Executive Officer to represent the program described in this subchapter on that campus. Unless otherwise designated by the Chief Executive Officer, the Director of Student Financial Aid shall serve as program officer.~~

~~(2) 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 and Waiver Programs for Certain Nonresident Persons). Nonresident students eligible to pay resident tuition rates are not included.]~~

~~22.114. Eligible Institutions:~~

~~Eligible institutions include institutions of higher education and private or independent institutions of higher education as defined in the Texas Education Code, Chapter 61.003.~~

~~22.115. Eligible Students:~~

~~To be eligible to receive an award through this program, a student must:~~

~~(1) be a resident of Texas;~~

~~(2) provide proof to the Texas institution that he or she has been offered a non-athletic scholarship or grant, including an offer of payment of tuition, fees, room and board, or a stipend, by an out-of-state institution; and~~

~~(3) — have been accepted for admission to the out-of-state institution offering the assistance.~~

~~22.116. — Funds for Awards.~~

~~(a) — Upon receipt of proof that a student is eligible, an eligible institution may use any funds appropriated to the institution or other funds that the institution may use for the awarding of scholarships or grants, to offer the student an award that matches the offer from the out-of-state institution.~~

~~(b) — In identifying which funds may be used for making matching scholarships through this subchapter, the institution must exclude funds for any program for which the student recipient would be disqualified by federal or state statute, donor specifications, or any funds that are otherwise restricted by law.~~

CHAPTER 22 STUDENT FINANCIAL AID PROGRAMS

SUBCHAPTER F MATCHING SCHOLARSHIPS TO RETAIN STUDENTS IN TEXAS

Rules

22.112.	Authority and Purpose
22.113.	Eligible Institutions
22.114.	Eligible Students
22.115.	Funds for Awards

22.112. No Change.

§22.113. Eligible Institutions.

Eligible institutions include institutions of higher education and private or independent institutions of higher education as defined in the Texas Education Code, Chapter 61.003.

§22.114. Eligible Students.

To be eligible to receive an award through this program, a student must:

- (1) be a resident of Texas;
- (2) provide proof to the Texas institution that he or she has been offered a non-athletic scholarship or grant, including an offer of payment of tuition, fees, room and board, or a stipend, by an out-of-state institution; and
- (3) have been accepted for admission to the out-of-state institution offering the assistance.

§22.115. Funds for Awards.

(a) Upon receipt of proof that a student is eligible, an eligible institution may use any funds appropriated to the institution or other funds that the institution may use for the awarding of scholarships or grants, to offer the student an award that matches, in whole or in part, the offer from the out-of-state institution.

(b) In identifying which funds may be used for making matching scholarships through this subchapter, the institution must exclude funds for any program for which the student recipient would be disqualified by federal or state statute, donor specifications, or any funds that are otherwise restricted by law.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-G (6)

Consideration of adopting the Commissioner's recommendation to the Committee relating to Chapter 22, Subchapter M, proposed new Section 22.265 of Board rules, concerning the Texas Educational Opportunity Grant Program

Recommendation: Approval

Background Information:

Proposed new Chapter 22, Subchapter M, Section 22.265 of Board rules reinstates specific language regarding the authority to transfer funds between the Texas Educational Opportunity Grant and Texas College Work-Study programs. Currently, this language is located in Chapter 22, Subchapter M, Subsection 22.262(f) of Board rules (Allocation and Reallocation of Funds). However, the authority to transfer funds is unrelated to allocation and reallocation of funds. Additionally, as part of proposed rule revisions that will be considered by the Board at the Board's July meeting, the authority to transfer funds language has been proposed for deletion from Section 22.262 of Board rules by the Negotiated Rulemaking Committee on Texas Educational Opportunity Grant Program. New Section 22.265 is being proposed to ensure this language is retained and relocated appropriately.

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

Date approved by the Commissioner for publication in the *Texas Register*: May 7, 2018.

Date published in the *Texas Register*: May 18, 2018

The 30-day comment period with the *Texas Register* will end June 18, 2018.

If comments are received, staff responses will be provided in supplemental material.

CHAPTER 22 STUDENT FINANCIAL AID PROGRAMS
SUBCHAPTER M TEXAS EDUCATIONAL OPPORTUNITY GRANT PROGRAM

Rules

- 22.253. Authority and Purpose
- 22.254. Definitions
- 22.255. Institutions
- 22.256. Eligible Students
- 22.257. Hardship Provisions
- 22.258. Priorities in Funding
- 22.259. Priority in Awards to Students
- 22.260. Award Amounts and Adjustments
- 22.261. Late Disbursements
- 22.262. Allocation and Reallocation of Funds
- 22.263. Dissemination of Information and Rules
- 22.265. Authority to Transfer Funds.

22.253 – 22.263. No Changes.

22.265. Authority to Transfer Funds.

Institutions participating in the Texas Educational Opportunity Grant and Texas College Work-Study Programs, in accordance with instructions from Board staff, may transfer in a given fiscal year up to the lesser of 10 percent or \$20,000 between these programs. This threshold is applied to the program from which the funds are being transferred.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-G (7)

Consideration of adopting the Commissioner’s recommendation to the Committee relating to moving Chapter 22, Subchapter W of Board rules, relating to The Good Neighbor Scholarship Program, to Chapter 21, Student Services, new Subchapter U

Recommendation: Approval

Background Information:

The Good Neighbor Scholarship Program is a tuition waiver program. Rules for other tuition waiver and exemption programs appear in Chapter 21. This request is an administrative change to move existing Subchapter W, Sections 22.597-22.605 concerning The Good Neighbor Scholarship Program from Chapter 22, Student Financial Aid Programs of Board rules to a newly created Subchapter U of Chapter 21, Student Services.

Currently, Chapter 21 contains 10 separate subchapters relating to exemptions and waivers. Administratively moving the existing Subchapter W, The Good Neighbor Scholarship Program rules to new Subchapter U allows better cataloging for these types of programs. The table below summarizes this administrative change.

Move from Chapter 22 Old Subchapter and Section	Rules	To Chapter 21 New Subchapter /Section
Subchapter W 22.597-22.605	The Good Neighbor Scholarship Program	Subchapter U 21.634 – 21.642

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