Financial Aid Advisory Committee  
Meeting Notes  
February 25, 2016

<table>
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<tr>
<th>Committee Members in Attendance</th>
<th>Committee Members Absent</th>
<th>THECB Staff</th>
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| Chris Murr                      | Lisa Blazer              | Ken Martin  | Diane Todd Sprague-UT  
| Harold Whitis                   | Delisa Faliks            | Charles Pul  
| Sandi Jones                     | Audree Hernandez         | Linda Battl  
| Zelma De Leon                   | Jeannie Gage             | Lesa Moller  
| Anna Drake                      | Marcus Wilson            | Wanda Carr   
| Lyn Kinyon                      |                          | DeCha Reid   
| Cathy Sanchez                   |                          | Roosevelt San  
| Carl Gordon                     |                          | Michelle Williams  
| Doris Constantine               |                          | Michelle Salazar  
| Carolyn Mallory                 |                          | Andrea Thomas  
| Shannon Crossland               |                          | Shebah Spears  
| Melissa Elliot Via Tel-Conference |                      |             
| Mary Gallegos-Adams             |                          |             
| Rosario Juarez                  |                          |             |

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| B. Consideration of Approval of Minutes of the meeting held on December 10, 2015 | The 12/10/15 meeting minutes regarding FAAC Rule Review stated that only one member should be from a health-related higher education institution and should be corrected to state that as at least one member should be from a health-related higher education institution. | Minutes corrected  
| Chris Murr, Chair |                              | Amended minutes approved |

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| C. Aid Like A Paycheck | MDRC - a nonprofit education and social policy research firm | None  
| Evan Weissman-MDRC Senior Operations Associate-Via Teleconference | focuses on issues faced by low-income people and in higher education, primarily community colleges  
| Start 5:04 Ended 5:33:28 | doing an evaluation of incremental disbursements of financial aid | |
| | Aid Like A Paycheck | |
| | • Tuition, fees, supplies, and books are all paid for up front or accounted for in some way with Aid Like A Paycheck | |
| | • The remainder is the student’s aid refund | |
| | • Instead of the typical lump sum refund to the student, you break that up in bi-weekly payments, to better support the students by giving them the aid they need to cover ongoing expenses such as rent, food, etc. | |
| | • In the short term this may help students budget more effectively, keep their work hours more even, and experience less stress by not having to work more hours towards the end of the semester | |
| | • In the long term, this might help them pass their courses and persist in college. | |
| | • May also help the financial aid programs be more cost-effective by distributing the aid when the students need it, and in reducing the number of Returns to Title IV - when students withdraw from all of their classes before the 60% point in the term. (Institutions often have to recoup funds from the students, who often cannot repay this debt to the institution.) | |
| | • Worked on a pilot with two community colleges outside of Texas and are now partnering with San Jacinto College and Houston Community College | |
Discussion:

Q: How would we handle the 14-day requirement that the refunds need to be disbursed into the student's account?
A: The institutions do not hold the funds. You would have multiple disbursements.

Q: Would we have to do the 15-day reporting on each disbursement?
A: Reporting may have to be done weekly to the Department of Education.

Q: What would be examples of a hardship exemption?
A: A student who was in a car accident and needed to repair the car. Another example could be a student who needed to purchase supplies needed for a course that he/she could not get from the book store.

Q: Can you share the feedback from some of the students who are in the programs?
A: The most common feedback is, "I would rather get my funds up front and budget but I understand why." Later in the term, the comments often change to, "I'm glad I got my refunds bi-weekly late in the term." Some students who say, "It will fit in my budget," and some stated they could make it work without getting the lump sum, and they ran out of funds.

Q: Is there push-back on loans that are accruing interest?
A: The institutions let the students know that the loans do not start accruing interest until the funds are disbursed. Since there is a 30-day wait period already, the bi-weekly payments would fit in with this same regulation.

Q: Regarding the minority of students who complained that they cannot survive without the lump sum, what is the reason?
A: Most complain they need the funds upfront because of transportation and housing expenses. You have to step back and ask yourself what is best for the student.

Q: How would it work with different sessions?
A: San Jacinto will hold the funds then will increase once the student begins the session. Houston Community College tries to disburse equally what is expected. It is important to have a system that can do as much of this as possible automatically, then manually check or adjust as needed.

You can choose to pay monthly instead of bi-weekly.

Other MDRC Studies:
- Financial Aid: Performance-Based Scholarship Demo
- Accelerated Study in Associate Programs (ASAP)
- Texas Developmental Summer Bridge Programs
- Learning Communities (including developmental math at HCC)

Ongoing rigorous evaluations
- The New Mathways Project in Texas
- Acceleration

Studies of Institutional Change
- Achieving the Dream
- Completion by Design

Ideas for New financial Aid Research
- Year-Round Pell
- Federal Work-Study
- Emergency Aid
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<td><strong>D. SFAP Department Update</strong></td>
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| Charles Puls, Deputy Assistant Commissioner - Student Financial Aid Programs | Updates for Borrower Services  
- Introduced Rinn Harper, Asst. Director, Operations Center  
- In final phase of hiring Asst. Dir. of Call Center; hiring process for 2 additional positions has begun  
- Janie Miramontes, Director of Borrower Services has retired after 35 years of service to the agency  
- TASSP-program nomination process will be posted on the Student Financial Aid Programs information website April 15th | NONE |
| | Updates for Financial Aid Services  
- Introduced Leah Smalley, Assistant Director, FAS - will oversee training activities and resource development  
- Hiring process for two additional positions has begun  
- Monday February 22, 2016 is the last day for requesting original allocation of funds | |
| | Administration  
- Goal is mid-March for the notices regarding the FY16 reallocation process  
- FY17 allocation process has begun; goal is to send tentative allocations at the end of March, to begin the 10-day review process  
- Feedback from institutions to DeChá Reid regarding training and resources is encouraged | |
| | Members prefer a dedicated Toll-Free number instead of incorporating a menu option on the phone tree | |
| | Four successful negotiated rule making committees met, all of which achieved consensus regarding rules for the following:  
- TEXAS Grant Program  
- BOT Allocations to Public Institutions  
- BOT Allocations to Independent Institutions  
- Educational Aid Exemption Program  
- Two more negotiated rule making committees are going to meet:  
- Bilingual Education Scholarship Program  
- B-On-Time set asides | |
<p>| Financial Literacy Aid Committee (FLAC) | Financial Literacy Aid Committee (FLAC) is being created. Committee membership will include financial aid practitioners, higher ed. leaders, K-12 leaders, business leaders, and non-profit organization leaders |</p>
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<td><strong>E. Data Collection</strong>&lt;br&gt;Sub-Committee Report</td>
<td>Doris stated that there have been several volunteers for this committee but we will start the initial meetings with a small group (named below) to figure out how we will proceed. &lt;br&gt;Dee Dee Gonzales - Texas State University &lt;br&gt;Alan Ahamad - Alamo CCD &lt;br&gt;Melissa Wilcher - St. Edward’s University &lt;br&gt;DeChá Reid - THECB &lt;br&gt;The group will work on the following issues: &lt;br&gt;• Uses of the data &lt;br&gt;• Identify unnecessary data &lt;br&gt;• Time of report and how it is related to the purpose of that report &lt;br&gt;• Combine the small reports to have fewer reports &lt;br&gt;• Format - how we submit reports &lt;br&gt;• Lead time it will take the CB to make any changes, as well as institutions and vendors &lt;br&gt;• Advantages and disadvantages of phasing in the changes</td>
<td>None</td>
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<p>| <strong>F. Consideration of FAAC draft Rule revisions</strong> | Clarification was provided regarding duplicative language that was removed and that the CB is looking for the committee to not just review materials but to provide insight. &lt;br&gt;Next steps &lt;br&gt;• Post the language on the Texas Register for 30 days. &lt;br&gt;• If any significant comments, they will be presented to the FAAC &lt;br&gt;• Committee on Affordability, Accountability and Planning (CAAP) must review and recommend approval by the Board &lt;br&gt;• Board must approve &lt;br&gt;• Approved rules posted to the Texas Register; after 20 days rules become effective &lt;br&gt;It may not be until August 2016 that the approved rules will be in effect. | Motion to approve changes&lt;br&gt;Changes have been approved |</p>
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| G. Update on THECB Legislative recommendations and discussion | Update on funding recommendations to the Legislature  
- Developing our Exceptional Item request, which is separate from our Appropriations Request  
- Legislative Appropriations Request (LAR) will be considered by the Board at its July meeting: before the meeting we will present them to you for feedback  
- Commissioner is meeting with members of the Legislature  
- There are concerns that funding will be very tight for the next biennium - the need for funds will need to be strongly justified  

**Policy recommendations:**  
TEXAS Grants and Texas Educational Opportunity Grants (TEOG)  
- Increase the Expected Family Contribution (EFC) limit to accommodate more middle-income families  
- Limit grant award amounts to cost of tuition, fees, and books  
- Consider making grant recipients eligible for summer awards  

TEXAS Grants  
- Consider limiting grant recipients to 135 semester credit hours (SCH), which would create an incentive to complete degree on time, and would allow us to use the savings to fund awards to additional students.  

Texas Equalization Grant (TEG) – An item that is no longer on the list is the recommendation that the TEG program would be limited to ungraduated students only. The Commissioner and ICUT expressed that TEG should focus on the students with the greatest need. Commissioner will be addressing this with the Executive Officers.  

TEOG - Consider expanding the number of SCH to 135 for recipients enrolled in a community college baccalaureate program.  

Work Study Mentorship Program - Consider expanding the allowable use of funds to include tutoring and advising  

**Student Loan Notification Letters** (award letters) - Consider informing students of debt to help them make informed decisions regarding managing their debt. We are looking at providing a letter to students prior to taking loans regarding the accumulated indebtedness. Currently this letter has been used in Indiana for the last 3 years. The letter would provide:  

- The Indiana model provides information on all the federal, state and institutional borrowing, it indicated how close the student was to the limit of borrowing.  
- Students’ preference - electronic communication instead of paper  
- This is not targeted to institutions with a high default rate. It is state wide - all students need access to their indebtedness information  
- Texas will use all state data available  
- The shopping sheet was not discussed but it may overlap  
- Could it include the earning potential according to degree  
- The letter will not have a recommended amount they should borrow but what they have borrowed and the implication regarding what they have borrowed, interest rates and monthly payments after graduation.  

The CB will be reviewing options to overcome the challenges caused by the lack of cross biennium carry-forward authority (e.g. It limits summer funding options, it requires complicated reallocation processes, etc.)
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| **H. Financial Aid Report** | Discussion of improving financial aid reports, while meeting the statutory requirements:  
- Need input on improvements to the financial aid reports produced by the agency  
- Use the reports to inform policy discussion  
- Reports should be useful for institutions.  
Presentation – Highlights of Report on Student Financial Aid in Texas Higher Education for FY 2014  
Charles presented the highlights of the report as they had been presented to the agency’s Committee of Affordability, Accountability and Planning (CAAP)  
**Discussion:**  
What institutions would like the report summary to include:  
- Would like to see on the “Average Unmet Need” report a breakdown between graduates and undergrads.  
- Would like to know the student populations  
- Would like to see the difference of cost of attendance vs financial aid received. Was financial aid offered that was declined part of the calculation? Some students with need are offered loans but decline them.  
- Increase or decrease of dollars and enrollment  
- Impact of enrollment status (part-time compared to full-time)  
- Condensed report helpful  
- Not all members knew about this report  
- Consider sending report by GovDelivery when the report has been released.  
- Executive Summary is helpful | None |
| **I. TEXAS Grant Report** | Presentation – Highlights of Report on the TEXAS Grant Program for Fiscal Year 2014  
Charles presented the highlights of the report as they had been presented to the agency’s Committee of Affordability, Accountability and Planning (CAAP)  
**Discussion:**  
What would institutions like the report summary to include?  
- Summary by ethnicity  
- Percentage of populations at large.  
- Communicate what TEXAS Grant covers  
- How effective is TEXAS Grant Program in covering tuition and fees?  
- Continue using pie and graph charts.  
- Demographic links to the changes in populations  
- Last slide should be a short statement or summary of what you are trying to get across.  
- Synopsis of the changes throughout the years.  
- How program has evolved.  
- Income charts would help | None |
### J. Discussion of potential for base guarantees and/or two-year allocations

**Chris Murr, Chair**

1:57:12 Start
2:17:40 End

**Proposed allocation approach**

**Prior-Prior Year Subcommittee**

For academic years for which the state budget has not been determined, the THECB could consider providing each institution the allocations minus 10%, based on the assumption that the funding will not be decreased. Once funds are appropriated by the Legislature, the CB could consider providing institutions additional allocations.

**Discussion:**
- The 10% idea would only work if there are no reductions to appropriations.
- We would need a caveat stating that if appropriations are reduced, a different set of activities will happen.
- Need a rule that will work over time.
- The CB does not have control over the appropriations. Institutions will need to keep up with the deliberations and work with their government relations staff.
- Chris suggested that once funding is determined, institutions could receive 100% allocations for the first year, but use only 90% to plan for the second year.
- Institutions would be open to using the FADs data for both years - it would depend on how it would affect the students.
- FAS will focus on helping institutions utilize the funding.

**Formal Decision/Action Required:**

The Coordinating Board will review what actions would be necessary to provide the maximum awards earlier than January 31st.

### K. Update on Student Representative nomination process

**Chris Murr, Chair**

And

**Charles Puls, Deputy Assistant Commissioner – Student Financial Aid Programs**

- Board approval of two student representatives will not be effective until July 2016.
- Currently looking for one student representative.
- Nominations close on March 1, 2016.
- New student nominee to begin in the fall 2016.

It may be possible to stagger the 2-year and 4-year appointments in the future, if members agree.

**Formal Decision/Action Required:**

None

### L. Adjournment

**Chris Murr, FAAC Chair**

Next FAAC Meeting set for May 26, 2016

Adjourned at 12:35pm

**Formal Decision/Action Required:**

None