Hazlewood Exemption Program

Q: Do veterans who served in the National Guard qualify for the Hazlewood Exemption? Are their children and/or spouses eligible to receive the Hazlewood Exemption?

A: Members of the Texas National Guard or Texas Air National Guard who are called into active military duty for at least 181 days, excluding training, and who are otherwise eligible, may qualify for the Hazlewood Exemption as long as they meet one of the following “time of entry requirements”:

- Entered into active duty in Texas;
- Designated Texas as their home of record at the time of entry; or
- Were Texas residents at the time of entry.

Otherwise eligible children and the current spouse of a member of the Texas National Guard or Texas Air National Guard who was killed while on active duty either in the service of Texas or the United States or who became 100% totally and permanently disabled or meets the eligibility requirements for individual unemployability (IU) according to the disability ratings of the VA may qualify for the Hazlewood Exemption.

Q: How should an institution report federal hours used (data field #11) on the new Hazlewood database report?

A: Data field #11 on the new Hazlewood database report refers to how many hours were paid for by either Ch. 33 Post 9/11 Benefits or Ch. 31 Vocational Rehabilitation Benefits. This field will need to be reported if federal benefits are stacked with the Hazlewood Exemption to cover the full cost of the student’s tuition and fees in a given semester.

Q: When is the new Hazlewood database report due?


Top 10 Percent Scholarship Program

Q: Did I understand correctly that the deadline to submit the FY13 Top 10 Percent request for reimbursement file will be earlier than it was for FY12?

A: Yes! The absolute deadline to submit a Top 10 Percent Scholarship reimbursement request for FY13 will be October 1, 2012. Files must be submitted and awards accepted by this date – all duplicate issues must be resolved, pending verification must be completed and eligibility must be confirmed by this date. Institutions can begin submitting the reimbursement file beginning August 1.

Tuition Rebate Program

Q: The eligibility requirements for the $1,000 Tuition Rebate Program on the CFAT website state that all transfer credits are to be counted as hours attempted. Do hours taken but not accepted from the previous institution count as hours attempted when determining eligibility for the rebate?

A: For purposes of the tuition rebate program, SCH’s attempted include all SCH’s attempted for credit (does not include developmental or non-credit-bearing courses) by the student – including hours for which the student receives a failing or incomplete grade, or dropped the course after the census date, regardless of the institution. Applicants must provide transcripts from every institution they have attended so that a complete academic record for the student can be evaluated for eligibility consideration at the institution determining eligibility.
Exemption Programs

Q: If a student receives a tuition exemption, is it subject to a tax liability?
A: To the extent that the exemption constitutes a “Qualified Tuition Reduction” as per the IRS’s regulatory guidance, there would be no tax liability for the exemption. Recipients should be encouraged to consult a tax attorney or other tax professions for specific advice concerning an individual circumstance.

Q: Should 1098’s be issued for exemptions?
A: To the extent a school has mandatory fees that are a condition of enrollment ("qualified tuition and related expenses” as defined by the IRS), and the exemption does NOT cover ALL of the student’s mandatory tuition and/or fees, the institution MUST file a form 1098 for the mandatory fees that are not covered by the exemption since the student may be entitled to receive an education tax credit for the expense. Institutions are encouraged to consult their own tax professionals/lawyers and refer to the IRS Instructions for Forms 1098-E and 1098-T available at: http://www.irs.gov/pub/irs-pdf/i1098et.pdf.

Q: Can an institution choose to exempt a student from more than the specific charges listed in an exemption program? For instance, the valedictorian exemption is only for tuition. Could we exempt a valedictorian from tuition and fees?
A: No. Texas Education Code Sections (TEC) 54.051(b) and (c) indicate the tuition charges that a student is to pay; the Texas Constitution, Article 3, Section 51, prohibits grants of public money to an individual unless otherwise authorized by statute. Exemptions and waivers need to be applied only to the charges specifically noted in the exemption and waiver program’s enabling legislation. However, a person can receive more than one exemption or waiver at the same time (if eligible). The valedictorian, for instance, could also receive an exemption from Student Services fees if he/she qualified for and was also granted an exemption through TEC 54.262.

Good Neighbor Scholarship Program

Q: We have an FY13 Good Neighbor Scholarship recipient who will graduate in December 2012. If he is admitted to graduate school, can he use the remainder of the 12 month scholarship for graduate study in spring 2013 and summer 2013?
A: Yes. The Good Neighbor Scholarship is a 12 month scholarship and can be received at the undergraduate or graduate level.

Residency

Q: Can a person from out-of-state who is receiving a waiver of nonresident tuition qualify for a TEXAS Grant, TEOG or State Work-Study?
A: No. A waiver allows a nonresident student to pay a lowered tuition rate, but it does not make the person a Texas resident. These three programs require the recipient to be a Texas resident, so waiver recipients are NOT eligible.

Designated Tuition Set-Aside Program

Q: It is my understanding that 15% of the 20% required designated tuition set-aside (which exceeds $46 per SCH) must be used for a need-based financial aid program – loan, grant, scholarship or work program – and that priority should be given to students whose tuition and required fees are not met by other non-loan financial assistance programs. What constitutes financial need?
A: Unless otherwise specified in statute or rule, a student’s financial need is defined as the difference between the student’s Cost of Attendance (COA) as determined by the institution and the student’s Expected Family Contribution (EFC) as calculated using the Federal Methodology (FM).
**Texas Educational Opportunity Grant (TEOG)**

**Q:** What are the requirements for proration under the TEOG Program?

**A:** Award amounts must be prorated if the student is in one of the following situations:

1. The student has an approved hardship and is enrolled less than ½-time.
2. The student has fewer than 6 hours remaining of the 75 SCH limit.

The proration schedule is as follows for a hardship approval:

<table>
<thead>
<tr>
<th>Student Hardship Approved</th>
<th>Enrolled 6 Hours or More</th>
<th>Enrolled Less Than 6 Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Maximum eligibility = 100% of a maximum award amount for the semester</td>
<td>Maximum eligibility = the maximum award for the semester divided by 12 and multiplied by the number of hours enrolled</td>
</tr>
</tbody>
</table>

The proration schedule is as follows for a student with fewer than 6 hours remaining of the 75 SCH limitation:

<table>
<thead>
<tr>
<th>Nearing 75 Hour Limitation</th>
<th>Balance of Hours = 6 Hours or More</th>
<th>Balance of Hours = Fewer than 6 Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Maximum eligibility = 100% of the maximum award amount for the semester</td>
<td>Maximum eligibility = 25% of the maximum award amount for the semester</td>
</tr>
</tbody>
</table>

**TEXAS Grant**

**Q:** What are the requirements for proration under the TEXAS Grant Program?

**A:** Award amounts must be prorated if the student is in one of the following situations:

1. The student has an approved hardship and is enrolled less than ¾-time, but at least ½-time.
2. The student has fewer than 9 hours remaining of the 150 or 90 SCH limit and is enrolled at least ½-time.

The proration schedule is as follows for a hardship approval:

<table>
<thead>
<tr>
<th>Student Hardship Approved</th>
<th>Enrolled 9 Hours or More</th>
<th>Enrolled 6-8 Hours</th>
<th>Enrolled Less Than 6 Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Maximum eligibility = 100% of a maximum award amount for the semester</td>
<td>Maximum eligibility = the maximum award for the semester divided by 12 and multiplied by the number of hours enrolled</td>
<td>No Award</td>
</tr>
</tbody>
</table>

The proration schedule is as follows for a student within 9 hours of the 150 or 90 SCH limitation:

<table>
<thead>
<tr>
<th>Student Enrolled at Least ¾-Time</th>
<th>Remaining Hours = 9 Hours or More</th>
<th>Remaining Hours = 6 – 8 Hours</th>
<th>Remaining Hours = Fewer Than 6 Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Maximum eligibility = 100% of a maximum award amount</td>
<td>Maximum eligibility = 50% of a maximum award amount</td>
<td>Maximum eligibility = 25% of a maximum award amount</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Student Enrolled ½-Time</th>
<th>Remaining Hours = 9 Hours or More</th>
<th>Remaining Hours = 6 – 8 Hours</th>
<th>Remaining Hours = Fewer Than 6 Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Only with approved hardship (see hardship schedule)</td>
<td>Maximum eligibility = 50% of a maximum award amount</td>
<td>Maximum eligibility = 25% of a maximum award amount</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Student Enrolled Less Than ½-Time</th>
<th>Remaining Hours = 9 Hours or More</th>
<th>Remaining Hours = 6 – 8 Hours</th>
<th>Remaining Hours = Fewer Than 6 Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Award</td>
<td>No Award</td>
<td>No Award</td>
<td>No Award</td>
</tr>
</tbody>
</table>

(Required matching for prorated amounts is limited to the amount of tuition and fees for the number of hours for which the grant is received.)
Financial Aid Database (FADB) Report

Q: How do we report a student in the Financial Aid Database (FADB) Report who has received more than 3 exemptions and/or waivers in a given year? The FY12 FADB file layout only allows for 3 exemptions or waivers.

A: Report three of the awards in fields 6 – 8 and/or 9 – 11 and if there are more to report, lump the remaining programs as an amount in field 29, which is currently for independent institution use only. An error message will be issued – since you are a public institution with information in the independent institution use only section. You will then provide Tanya the additional needed information (codes and amounts for the “lumped” programs), and she will override the error. We will acquire the additional information we need from the data you’ve provided Tanya. Additional fields will be added next year, if needed, to accommodate this possibility.

Q: When can we begin submitting our FADB file?

A: The FADB instructions were initially distributed indicating July 2 as the date institutions could begin submitting report files. However, due to unforeseen circumstances, we have had to push this date back to September 17. You will have from September 17 through December 2 to successfully complete the report and certify.

Q: Is it a problem if we begin submitting our file as soon as possible even though we know there will be errors and needed corrections?

A: No, as long as you submit it on or after the September 17 start-up date. Many institutions use the initial error reports to determine where additional programming needs to happen to accurately pull the required information. The earlier you begin, the more time you will have to work out the kinks and deal with the errors before the published December 2nd deadline.

Peace Officers Exemption Program

Q: Are Customs and Border Patrol Agents considered Peace Officers?

A: No. The Code of Criminal Procedure, Art. 2.12. WHO ARE PEACE OFFICERS, does not indicate border patrol officers at all. However, they are specifically addressed in Art. 2.122 SPECIAL INVESTIGATORS:

(c) A Customs and Border Protection Officer or Border Patrol Agent of the United States Customs and Border Protection or an immigration enforcement agent or deportation officer of the Department of Homeland Security is not a peace officer under the laws of this state but, on the premises of a port facility designated by the commissioner of the United States Customs and Border Protection as a port of entry for arrival in the United States by land transportation from the United Mexican States into the State of Texas or at a permanent established border patrol traffic check point, has the authority to detain a person pending transfer without unnecessary delay to a peace officer if the agent or officer has probable cause to believe that the person has engaged in conduct that is a violation of Section 49.02, 49.04, 49.07, or 49.08, Penal Code, regardless of whether the violation may be disposed of in a criminal proceeding or a juvenile justice proceeding.

State’s Net Price Calculator (NPC)

Q: I noticed that our institution is not listed among the Texas schools in the Net Price Calculator on the College for All Texans (CFAT) Website. Why is our institution not included?

A: All public and private/independent institutions in Texas eligible to participate in the state programs are set up in the NPC. However, those institutions that have not uploaded award information into the NPC required for participation have been deactivated on the public site so that students will not choose the institution and receive empty, misleading results. Once an institution in this situation successfully uploads their award table information, we will be happy to activate the institution so that it can be seen in the drop down boxes on the public site.