

**Ensuring Student Success and Access
to Higher Education in Texas through Financial Aid**

**The Texas Association of Student Financial Aid Administrators
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TASFAA Overview

The Texas Association of Student Financial Aid Administrators (TASFAA) is a professional association representing hundreds of financial aid officers at Texas colleges and universities. TASFAA members are dedicated to encouraging qualified students to pursue higher education and to helping them obtain the financial aid needed to succeed in this endeavor. TASFAA members are also committed to promoting effective state financial aid programs that serve Texas and its students.

The professionals of TASFAA are in the unique position of both administering financial aid programs and serving on a daily basis the college and university students for whom the programs are intended to assist. Based on this administrative knowledge and understanding of students and their families, the TASFAA Board of Directors has sought the opinions of its members regarding potential legislative initiatives related to several financial aid programs.

Perspectives on Financial Aid Program Proposals

TEXAS Grant

A number of changes to the TEXAS Grant program have been proposed and are likely to be considered in the next legislative session. Though the recently enacted priority model will significantly restructure the awarding of the TEXAS Grant, these program modifications are not slated to begin until the 2013-2014 academic year. TASFAA is concerned about additional revamping of the TEXAS Grant program before the new priority model is implemented and its impacts analyzed. Therefore, the association recommends delaying further alterations to the program.

However, TASFAA understands that changes affecting the TEXAS Grant will be raised and possibly enacted into law during the next legislative session. It should be noted, though, that TASFAA strongly supports fully funding the TEXAS Grant program as the best way for the state to achieve its higher education goals regarding participation and success. It also recognizes the limitation of available resources. TASFAA believes that some of the proposals will be more effective than others in helping to: 1) encourage on-time graduation from college; and 2) ensure the most effective use of limited TEXAS Grant funds.

There are several proposals to increase the minimum number of enrolled hours required to receive a TEXAS Grant. If such suggestions are to be considered, TASFAA is

supportive of the one that establishes full-time enrollment of at least 12 hours. This approach allows for some enrollment flexibility, ensures enhanced progress to degree completion and utilizes aid funds to more effective advantage in assisting (at least as determined by enrolled hours) fully engaged students.

There has been some discussion of 15 hours as a minimum full-time definition for the program, but this suggestion is a cause for concern. Need-based students, who need the funding, are often the least prepared to take larger course loads initially. Further, it is inherently unfair to treat need-based students differently than those students without need (i.e., by only requiring need-based students to enroll in 15 hours each semester).

Others have proffered a further limiting of the TEXAS Grant eligibility timeframe and requiring a higher need threshold (as opposed to the current “some need” criterion) for renewal awards. If for budgeting reasons the Legislature explores these possibilities, TASFAA believes the most effective approach in terms of encouraging on-time graduation and limiting TEXAS Grant costs is to establish the TEXAS Grant eligibility timeframe at 8 long semesters (instead of the current 150 SCH) and at 5 years (instead of 5 or 6 years). Likewise, of the proposals to better allocate taxpayer funds to needy students, the option to place an expected family contribution (EFC) cap on renewal students, which is similar to the cap now mandated for initial year recipients, is favored by TASFAA members above other related recommendations.

There is also a concern that too many transfer students are excluded from the TEXAS Grant. Thus, many transfer students who perform well academically are not provided the same opportunity for TEXAS Grant funding because they do not meet fairly rigid eligibility criteria. Therefore, TASFAA favors expanding transfer student access to the program as long as eligibility is contingent upon students meeting certain minimum grade point average and completed credit hour requirements. If following a consistent model, for example, students transferring should become eligible if they meet the current requirements for renewal students (i.e., earn a 2.5 GPA and complete 24 semester credit hours in the prior year).

Additionally, TASFAA members overwhelmingly support eliminating the institutional costs imposed by the Legislature when participating in the TEXAS Grant program. Currently, the state requires institutions to provide non-loan funds to make up the difference between the student’s TEXAS Grant award amount and the student’s tuition and fee charges. Often this obligation is met with institutional funds, which are typically limited. Thus, schools are not allowed the flexibility to utilize their institutional funds to best assist their needy students. A change in this aspect of the law would allow for more effective awarding of aid based on the student demographics at each institution.

These suggested changes to the TEXAS Grant are measures generally supported by the TASFAA membership. TASFAA prefers to wait on future program alterations until the priority model is implemented and the results assessed. However, the association believes these recommendations have the greatest potential to facilitate continued and

improved access to higher education, as well as to better direct finite resources to the state's neediest matriculants.

B-On-Time Loan

One financial aid program of which there has been much discussion is the B-On-Time (BOT) Loan program. A major concern among some institutions is their inability under federal law (absent a preferred lender arrangement) to award students these loans without students first requesting a B-On-Time Loan. This barrier to the automatic awarding of BOT funds is of significant disadvantage to students. Similarly, it poses a serious challenge to schools in terms of their ability to expend their full BOT allocations.

As a result, some have recommended transitioning the BOT program to a campus-based model (similar to the federal Perkins Loan program). The TASFAA membership is opposed to this approach. Such a proposal would equate to an unfunded mandate imposed on educational institutions (requiring them to manage this program); many of which have already experienced serious financial challenges in the current economic climate. Instead, solutions to this challenge should be arrived at by the responsible state agency in collaboration with the federal government.

New State Subsidized Loan Program

As the cost of a higher education continues to increase, some believe the Legislature should be further assisting with college access by offering a new loan program. Specifically, it has been suggested that Texas create another subsidized state loan program whereby the interest is subsidized while the student is enrolled. The loan would, however, **not** be forgivable upon completion of one's degree program. This proposal is highly supported by private schools within TASFAA as a means by which the state could improve its support of student educational access in a manner similar to the Stafford subsidized student loan program provided by the federal government.

Waivers and Exemptions

Waivers and exemptions are of a great benefit to both students in helping reduce their educational costs and to institutions in terms of recruiting and retaining top students. However, some changes to these programs could make more effective use of resources. As a result, it is the position of TASFAA to support those initiatives that require recipients of waivers and exemptions to be making reasonable progress toward the completion of their program of study. Therefore, TASFAA member institutions are in favor of requiring those receiving such assistance to, at a minimum, be meeting the same satisfactory academic progress standards required of students benefiting from federal and most other forms of state financial aid. Such an approach will ensure that limited funds are expended on those students who have demonstrated the ability to complete their degree or certificate programs in a timely manner. TASFAA does not, however, support requiring recipients of these programs to demonstrate financial need or complete the Free Application for Federal Student Aid (FAFSA).

Summary

TASFAA is dedicated to helping postsecondary students succeed, and the availability of effective financial aid programs is essential to this objective. While there are always many proposals, TASFAA supports those that are best for the students and Texas. As a result, the association endorses those initiatives that will best ensure student access and success at Texas institutions of higher education.