Significant Outcomes of the 81st Texas Legislature

July 30, 2009
Texas Higher Education Coordinating Board

Significant Appropriations Outcomes of the 81st Texas Legislature
Higher education is 12.5% of all state appropriations and 18.4% of GR

2010-11 Biennium
(in millions)

All Funds – $182.3 Billion

GR & GR-D – $87 Billion
(total reflects ARRA reduction in GR)

THECB 7/30/2009
## Preliminary Summary:
### Coordinating Board Appropriation
#### by Source of Funds in Millions

<table>
<thead>
<tr>
<th></th>
<th>General Revenue Funds</th>
<th>General Revenue-Dedicated Funds</th>
<th>Federal Funds</th>
<th>Other Funds</th>
<th>All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Estimated/Budgeted 2008-09</strong>*</td>
<td>$1,036.8</td>
<td>$43.0</td>
<td>$113.1</td>
<td>$91.1</td>
<td>$1,284.0</td>
</tr>
<tr>
<td><strong>SB 1, as adopted 2010-11</strong>*</td>
<td>$1,449.5</td>
<td>$96.5</td>
<td>$102.8</td>
<td>$89.5</td>
<td>$1,738.3</td>
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<tr>
<td><strong>Difference</strong></td>
<td>$412.7</td>
<td>$53.5</td>
<td>($10.3)</td>
<td>($1.6)</td>
<td>$454.3</td>
</tr>
<tr>
<td><strong>Biennial Changes</strong></td>
<td>39.8%</td>
<td>124.4%</td>
<td>(9.1%)</td>
<td>(1.6%)</td>
<td>35.4%</td>
</tr>
</tbody>
</table>

* Data from Legislative Budget Board. Summary of Conference Committee Report Senate Bill No. 1 for the 2010-2011 Biennium. May 2009.
State Financial Aid Funding Tops $1 Billion

Total Student Financial Aid Strategy*
In millions

$747  $1,007

*Financial aid strategy includes TEXAS Grants, TEOG, TEG, Work-study, and B-On-Time

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TEXAS Grant receives 43.5% increase (+$186.4 million)
Financial Aid Funding (cont.)
(in millions)

B-on-Time
Increases by $63 million (81.8%)

Texas Education Opportunity Grant
Increases by $10 million (71.4%)
Professional Nursing Shortage Reduction Program
(in millions)

Increased by 238% over last biennium

- $15 (2008-09)
- $45 (2010-11)
### Operating Budget

<table>
<thead>
<tr>
<th></th>
<th>2008-09 Total</th>
<th>Senate Bill 1, as finally passed</th>
<th>Increase for 2010-11 Biennium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Budget</td>
<td>$84,097,981</td>
<td>$84,568,414</td>
<td>$470,433</td>
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<tr>
<td>Trusteed Funds</td>
<td>1,199,926,351</td>
<td>1,573,899,624</td>
<td>373,973,273</td>
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<tr>
<td><strong>Total Appropriation</strong></td>
<td><strong>$1,284,024,332</strong></td>
<td><strong>$1,658,468,038</strong></td>
<td><strong>$374,443,706</strong></td>
</tr>
</tbody>
</table>

### Trusteed Strategies

<table>
<thead>
<tr>
<th>Strategy</th>
<th>2008-09 Total</th>
<th>Senate Bill 1, as finally passed</th>
<th>Increase for 2010-11 Biennium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Financial Aid</td>
<td>$747,477,554</td>
<td>$1,007,094,263</td>
<td>$259,616,709</td>
</tr>
<tr>
<td>Incentive Funding</td>
<td>80,000,000</td>
<td>80,000,000</td>
<td>0</td>
</tr>
<tr>
<td>Top 10% Scholarships</td>
<td>20,000,000</td>
<td>54,000,000</td>
<td>34,000,000</td>
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<tr>
<td>Teach for Texas Loan Repayment</td>
<td>9,042,886</td>
<td>11,542,886</td>
<td>2,500,000</td>
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<tr>
<td>Advanced Research Program</td>
<td>16,713,141</td>
<td>16,713,141</td>
<td>0</td>
</tr>
<tr>
<td>Family Practice Residency Program</td>
<td>17,464,310</td>
<td>21,214,310</td>
<td>3,750,000</td>
</tr>
<tr>
<td>Joint Admission Medical Program</td>
<td>5,616,355</td>
<td>10,616,355</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Prof Nursing Shortage Reduction</td>
<td>14,700,000</td>
<td>49,700,000</td>
<td>35,000,000</td>
</tr>
<tr>
<td>($5 million is to be transferred to UT-Arlington)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consortium of Alzheimer’s Centers</td>
<td>3,900,000</td>
<td>6,850,000</td>
<td>2,950,000</td>
</tr>
<tr>
<td>Hospital-Based Nurse Ed Programs</td>
<td>0</td>
<td>5,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Developmental Ed Pilot Projects</td>
<td>0</td>
<td>5,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>New CC Campuses</td>
<td>0</td>
<td>3,500,000</td>
<td>3,500,000</td>
</tr>
<tr>
<td>Adult Basic Education</td>
<td>0</td>
<td>10,000,000</td>
<td>10,000,000</td>
</tr>
<tr>
<td>University Enrollment Growth</td>
<td>0</td>
<td>3,500,000</td>
<td>3,500,000</td>
</tr>
<tr>
<td>CC Alt. Cert Teaching Programs</td>
<td>0</td>
<td>2,250,000</td>
<td>2,250,000</td>
</tr>
<tr>
<td>Physician Ed. Loan Repay Prog.</td>
<td>1,844,094</td>
<td>23,844,094</td>
<td>22,000,000</td>
</tr>
</tbody>
</table>

**Significant CB Strategies – Comparison of SB 1 to 2008-09 Biennium (including appropriations from HB 4586 – the supplemental appropriations bill)**

THECB 7/30/2009
Appropriation Act Riders

- Give instructions on how appropriated funds may be expended
- Direct the Coordinating Board to conduct studies or compile reports
Special Item Study

Coordinating Board and Legislative Budget Board to study each item under each institution’s Special Item Support Goal:

- If the special item is for "start up funding," how long should it be continued?

- If the institution gets formula funding for the item, should the item be reduced by an equal amount?

- If the item still serves its original purpose, how long should it continue?

Health-related Formula Cost Matrix Study

Coordinating Board to conduct a study to validate the relative weights contained in the health-related institutions (HRI) formula matrix
More Appropriations Act Riders

- **Physician Education Loan Repayment Program Retention Rates**
  
  Coordinating Board to report on the results of a survey of physicians who have completed a PELRP contract to practice in a health professional shortage area.

- **TSTC “Returned Value” Funding Study**
  
  ✓ Feasibility of a funding model based on "returned value" to be used in calculating the formula funding appropriation for TSTC
  
  ✓ TSTC System to transfer up to $100,000 in fiscal year 2010 to the Coordinating Board to cover costs associated with the study
Still More Appropriations Act Riders

Funding for Non-Semester-Length Dev Ed

✓ August 31, 2009: Coordinating Board to approve non-semester-length developmental education interventions in the Lower-Division Academic Course Guide Manual
✓ June 1, 2020: Institutions to report on impacts on student outcomes for both semester-length and non-semester-length developmental education interventions
✓ January 1, 2011: Coordinating Board to analyze and compare all institutional reports to determine the most effective and efficient combination of developmental education interventions

Developmental Education

✓ Appropriation of $5 million to be used to establish a pilot program for developmental education
✓ Coordinating Board to study and report on developmental education best practices to implement statewide
Even More Appropriations
Act Riders

- **Statistical Analysis of Predictors of College Success**
  Coordinating Board to provide data to the Legislative Budget Board and assist in analysis and interpretation of data for statistical study of the predictors of access and success in higher education.

- **Adult Basic Education Community College Grants**
  The $10 million appropriated is to be used to award competitive grants to community colleges and public technical institutions to increase participation in adult basic education.
Key Higher Education Legislation

81st Texas Legislature
Accountability

- **HB 3** Makes significant changes to the public education accountability system, curriculum, and student promotion (Eissler/Shapiro)

- **SB 174** Requires institutions and the CB to post online resumes tailored for legislators, parents, students, and the general public (Shapiro/Branch)
Academic Affairs

- **HB 1096**  CB must set procedures for institutions to notify students of the availability of textbooks through other retailers and bookstores other than university-affiliated bookstores (Vo/Van de Putte)

- **HB 4471**  Expands the Professional Nursing Shortage Reduction Program (Kolkhorst/Nelson)
Academic Affairs

- HB 2425  This bill has two parts:
  
  - CB must conduct a study on the success of community college baccalaureate degree programs and the feasibility of expanding such programs
  
  - Amends the Engineering Recruitment Program to include private and independent institutions

(Morrison/ Averitt)
SB 175  Revises the top 10 percent law and other provisions relating to admissions, recruitment, and transfer

- Caps the number of students admitted under the top 10 percent law to 75% at UT Austin
- Directs the CB to develop and implement a program to enhance outreach efforts at universities; geared to attract likely top ten percent students
- Requires general academic institutions to accept certain transfer students who have completed the core curriculum
Excellence and Research

- HB 51 Establishes criteria to fund excellence at public universities and structure to develop, fund, and maintain major research universities (Branch/ Zaffirini)

- Develops recognition for excellence in specific fields/programs at non-emerging research institutions

- Creates three funds:
  1) Research University Development Fund (RUDF)
  2) Texas Research Incentive Program (TRIP)
  3) National Research University Fund (NRUF)
HB 51 Funding Elements

**Existing**

- Higher Education Fund (HEF) Allocations - $262.5 million GR/yr
- Performance incentive funding - $40 million GR/yr
- Research Development Fund - $40 million GR/yr

**New**

- Excellence in undergraduate programs/fields – No appropriation
- HEF to be converted to the NRUF with voter approval – No appropriation
- RUDF – No appropriation, CB studies/recommends eligible research expenditures
- TRIP – $25 million GR/yr. Matching funds distributed by CB
# Five New Institutions of Higher Education

## SB 98
**Medical School in South Texas**
- Establishes a medical school and health science center in South Texas University of Texas System (Lucio Jr./Lucio III)

## SB 956
**Law School in Dallas**
- Authorizes the University of North Texas to establish a school of law in Dallas (West/Branch)

## SB 629
**Three New General Academic Institutions**
- Texas A&M - San Antonio
- Texas A&M - Central Texas
- University of North Texas at Dallas (West/Aycock)
Academic Charges

- **HCR 288** Directs the governing boards of general academic teaching institutions to limit increases in total academic costs* charged to resident undergraduate students (Branch)

*Includes tuition, mandatory fees, and other academic-related general and course fees*
Other Key Bills

- **HB 4149**  Requires the CB to perform a study on achievable cost-saving measures and the use and availability of electronic textbooks (Rose/Zaffirini)

- **HB 2154**  Creates a new account and program under the Physician Education Loan Repayment Program (Edwards/Hinojosa)
Financial Aid

Other bills regarding loan repayment, scholarships, exemptions, waivers:

- Persons wrongfully imprisoned (HB 1768)
- Volunteer firefighters in fire science courses (HB 2013)
- Peace officers in certain courses (HB 2347)
- ROTC students (HB 3452)
- Competitive scholarship recipients (HB 4244)
- Foster or other residential care (SB 43)
- Certain military personnel and their dependents (SB 93)
- Certain veterans and their dependents (SB 297)
Looking Ahead:
Coordinating Board Priorities

Comprehensive funding strategy

- Allocating institutional funding to improve success
  - Performance funding
  - Completed vs. attempted hours

- Targeting financial aid to improve success
  - Funding adequacy of major programs
  - Prioritizing TEXAS Grant awards

- Preparation leading to success
  - College and skilled workforce readiness
  - Developmental education / adult basic education
  - Teacher preparation and quality