

2012-13 General Appropriations Act (Enrolled) Description of Strategies and Impact Statements

This document describes each of the Texas Higher Education Coordinating Board's (THECB) strategies included in the General Appropriations Act. These funding strategies represent all of the budget goals and strategies in the same order as they appear in the THECB's appropriations bill pattern. Additionally, this document summarizes the funding levels for the 2012-13 biennium and the impact of these funding levels. The 2010-11 Base represents Estimated 2010 and Budgeted 2011 figures from LBB documents.

Budget Goal A: Close the Gaps in Higher Education

A.1.1. Close Gaps in Participation and Success

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$7,160,695	\$5,429,380	-24%

Strategy Description:

This strategy supports efforts to meet the participation and success goals in *Closing the Gaps by 2015*. Activities include implementing the P-16 College Readiness and Success Strategic Action Plan; collaborating with public schools and community-based organizations to provide information to historically underrepresented populations to prepare them for college; ensuring the success of student recruitment and retention by Texas colleges and universities; supporting high schools with low college-going rates; implementing an outreach plan for students in foster care to promote information on the tuition and fee exemption program; collaborating with state leadership in public education and workforce, as well as other stakeholders to ensure a seamless and high-quality educational system; and supporting non-loan financial aid programs (including grants, scholarships, work-study, and tuition exemptions administered by the THECB to help financially needy students), loan forgiveness programs and loan repayment programs.

Impact Statement

For P-16 Initiatives portion of this strategy, a 24 percent reduction will result in the funding of fewer projects to reach the accelerated goals for participation and success of African-American males and Hispanic students. Since fewer projects will be funded, employee vacancies will not be filled. Staff levels in both Grants and Special Programs and Loan Repayment Programs will be adjusted to manage remaining programs within the student financial aid strategies.

A.1.2. Close Gaps by Administering Loan Programs

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$9,225,349	\$9,300,000	1%

Strategy Description:

This strategy includes funding for administration of the Hinson-Hazlewood Loan Program. No General Revenue is used to support the loan program; all of these funds are generated by the loan program. In FY09, 8,724 students received \$86,840,641 in loans for an average loan amount of \$9,954. It is estimated that 14,000 students received \$115,000,000 in loans in FY10 for an average amount of \$8,214.

Impact Statement

The loan program is self supporting from student loan repayments and receives no general revenue appropriations.

A.1.3. Close Gaps by Administering College Readiness Initiatives

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$3,660,644	\$2,601,548	-29%

Strategy Description:

This strategy includes funding for the administration of all college readiness programs and initiatives that support the goals and objectives of the P-16 College Readiness and Success Strategic Action Plan. The Plan is designed to increase student success and decrease the number of students enrolling in developmental education at institutions of higher education. The strategy includes staff resources for college readiness activities, including Adult Basic Education and Developmental Education activities, in the Divisions of P-16 Initiatives, Academic Affairs and Research, and Planning and Accountability.

Impact Statement

For the Planning and Accountability Division, this reduction will have a limiting effect on the number of Pathways Project teams supported. The Pathways Project is a data-driven effort to answer critical questions about student preparation and achievement at the local level. Through this project local educational partnerships between secondary and post-secondary institutions collaborate to identify course-taking patterns that are predictors of success, identify specific campuses or classes where the level of academic rigor may not be preparing students for college-level work, to work together on curriculum alignment between high school and postsecondary institutions, and to develop and evaluate the effectiveness of academic interventions to improve student success. There is significant staff time spent on providing the local vertical teams with the appropriate data for their requests. For the P-16 Initiatives Division, a 29 percent reduction will provide sufficient administrative support necessary to manage the 3 year initiatives funded from 2010-2011 appropriations to ensure the projects achieve the goals and objectives of the P-16 College Readiness and Success Strategic Action Plan.

A.2.1. Close Gaps in Excellence

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$2,935,213	\$2,495,832	-15%

Strategy Description:

This strategy includes funding for the academic program responsibilities of the Academic Affairs and Research Division, including funding for excellence initiatives. The strategy includes funding for the personnel whose primary responsibility is institutional program review, administration of the health-related trustee funds (including the residency programs and the grant programs supported by the tobacco settlement funding included in Goal G), and the THECB efforts to close the gaps in excellence.

Impact Statement

To accommodate the proposed 15 percent reduction, the Academic Affairs and Research division has eliminated two vacant positions, a program director and an administrative technician. The division has also notified the health science centers and general academic institutions that the cost of reviewing doctoral program proposals, including the cost for travel and three external consultants per proposal, will be the responsibility of the institutions. This change has been in progress for the past six months and will be fully implemented in the next six months. Individual staff printers will be eliminated, staff travel has been eliminated for all out-of-state travel, and in-state travel has been limited to necessary site visits and statewide meetings. The division has also reduced the number of courses for which learning outcomes will be developed during the present funding cycle and lowering the cost of professional services.

A.2.2. Close Gaps in Research

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$635,836	\$540,460	-15%

Strategy Description:

This strategy provides funding for the administration and staff supervision of the research programs by the Academic Affairs and Research Division. The strategy includes funding for personnel whose primary responsibility is administration of the Norman Hackerman Advanced Research Program, Summer Engineering Program, Engineering Recruitment Program, Research Assessment Program, Research Development Fund, and the agency's related efforts to close the gaps in research.

Impact Statement

To accommodate the proposed 15 percent reduction, the Academic Affairs and Research division has reduced staff in this area by eliminating one vacant program director position. Individual staff printers will be phased out. Staff travel has been eliminated for all out-of-state travel, and in-state travel has been limited to mandatory site visits and statewide meetings.

A.3.1. Close Gaps by Providing Planning and Information

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$5,031,986	\$4,557,152	-9%

Strategy Description:

This strategy provides funding for the Planning and Accountability Division, including the Education Data Center and Information Access Initiative, and funding for planning initiatives. The strategy includes funding for the personnel whose responsibilities include planning for higher education, collection of the state's higher education data, analysis of higher education issues, maintaining the state's higher education accountability system, planning for the state's higher education facilities, including efficient use of higher education resources for construction, renovation and purchase of real estate, and higher education finance analysis, including recommendations for fair and equitable allocation of state formula funding among institutions. This strategy also includes funding for the Higher Education Policy Institute (HEPI). The Board received a grant from the Houston Endowment, Inc., to conduct research and analysis of the critical higher education issues that challenge Texas. HEPI has established research agendas in the four areas as approved by the Houston Endowment: student outcomes, developmental education, Hispanic student success, and cost efficiency. The project has provided the Board critical input that has shaped internal policy as well as its recommendations to the legislature, thereby fulfilling the intent of the original grant proposal.

Impact Statement

This reduction in administrative resources will negatively impact the Coordinating Board's ability to provide timely and useful information and data analysis to state policymakers and other external stakeholders. Beginning in fall 2011, the Coordinating Board will have an increase in data (e.g., individual student record data) that will be available to make data-driven decisions to improve student learning, as well as facilitate research to increase student achievement and close achievement gaps. This data system was made possible by the implementation of the federally-funded Statewide Longitudinal Data System.

Budget Goal B: Close the Gaps – Affordability

B.1.1. License Plate Scholarships Program

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$186,881	\$549,500	194%

Strategy Description:

The THECB manages accounts for a number of specialty license plate programs designed to generate funding for scholarships and other education-related programs. These include (citation provided for authorizing statute in the Texas Transportation Code):

- Texas Collegiate License Plate Scholarship (§ 504.615);
- Houston Livestock Show and Rodeo License Plate Scholarship (§ 504.613);
- Girl Scout License Plate Programs (§ 504.622);
- “College for All Texans” Campaign License Plate Program (§ 504.657);
- Boy Scout License Plate Scholarship (§ 504.6545); and
- Cotton Boll License Plate Scholarship (§ 504.636).

Impact Statement

The appropriation reflects estimated receipts of funds. Scholarships will be disbursed with available funds.

B.1.2. Early High School Graduation Scholarship Program

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$16,113,946	\$0	-100%

Strategy Description:

For students graduating prior to September 1, 2005, this program provides funds for reimbursing institutions for tuition exemptions up to \$1,000 to students who completed grades 9-12 in no more than 36 continuous months. For students graduating after September 1, 2005, the program provides tuition and fee exemptions up to \$2,000 to students who completed grades 9-12 with the Recommended High School Program in no more than 36 months. Students who graduate within 41 or 46 months may qualify (with a lesser award) if the student also graduates with a specified number of college credits. Students at independent colleges may receive awards if their colleges provide matching awards. The funding is provided from the Foundation School Fund through an inter-agency contract with the Texas Education Agency. In FY09, a total of 6,783 students received an average award of \$968. In FY10, a total of 6,268 students have received an average award of \$952, as of June 2010.

Impact Statement

Approximately 7,300 students will not receive a scholarship in the 2012-13 biennium

B.1.3. TANF Scholarship Program

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$269,348	\$0	-100%

Strategy Description:

This program provides a one-year exemption from the payment of tuition and fees to students who were dependent children for whom their families received federal Temporary Assistance to Need Families (TANF) for at least six months during their senior year in high school. The funding is provided from the Foundation School Fund through an inter-agency contract with the Texas Education Agency. In FY09, 24 students received an average award of \$3,355. In FY10, 12 students have received an average award of \$2,328, as of June 2010.

Impact Statement

Approximately 20 students will not receive an exemption in the 2012-13 biennium.

B.1.4. Educational Aide Program

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$28,739,798	\$0	-100%

Strategy Description:

The intent of this program is to encourage certain educational aides and substitute teachers to obtain full teaching certification. The Educational Aide Program provides need-based exemptions from the payment of tuition and fees (other than class or laboratory fees) to students enrolled in courses leading up to teacher certification at Texas public institutions of higher education. To receive an initial award, a student must be a Texas resident, have worked at least one of the past five years as an educational aide or 180 days of the past five years as a substitute teacher, be currently employed in some capacity by a school district in Texas, show financial need, be enrolled in courses leading to teacher certification, and meet the academic progress standards of the institution. The funding is provided from the Foundation School Fund through an inter-agency contract with the Texas Education Agency. In FY09, a total of 4,958 students received an average award of \$2,529. In FY10, 4,022 students have received an average award of \$2,319, as of June 2010.

Impact Statement

Approximately 5,000 students per year will not receive an exemption in the 2012-13 biennium.

B.1.5. Teach for Texas Loan Repayment Assistance Program

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$11,542,886	\$1,000,000	-91%

Strategy Description:

The Teach for Texas Loan Repayment Assistance Program provides student loan repayment assistance to qualified teachers at the preschool, primary, or secondary level in a Texas public school. Teachers must provide full-time instruction in a subject field having a critical shortage of teachers or at a campus having a critical shortage of teachers. Priority is given to renewal applicants and those having the greatest amount of student loan indebtedness. Teachers may receive up to \$5,000 per year for each year of service for up to five years with an aggregate limit of \$20,000. The number of qualified applicants continues to exceed available funding. The Coordinating Board received applications from 4,907 teachers for FY10, but funding allowed for loan repayments to only 26 percent of them (1,267 total, with 161 of them funded by payments on TFT conditional grants). Also, \$150,000 was transferred from this program to fund scholarships to students pursuing bilingual education certification (see Rider 46 - Special Provisions). Over-subscription of the program demonstrates program success. Large student loan debt discourages students from pursuing teaching as a career, without programs such as this. Retaining current teachers in critical shortage fields and campuses and encouraging others to teach in schools having critical teacher shortages is necessary for students to be prepared for higher education.

Impact Statement

The reduced funding will prevent the State from recruiting and retaining approximately 2,109 public school teachers at campuses experiencing a critical shortage of teachers and/or qualified teachers providing instruction in the subjects for which a critical shortage of teachers has been identified by the Texas Education Agency. At the reduced funding level, for the biennium the State can continue to provide 100 loan repayment awards to teachers already enrolled in the program and will be unable to enroll any new teachers to address the critical shortages identified by the TEA.

B.1.6. Border Faculty Loan Repayment Program

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$375,626	\$375,626	0%

Strategy Description:

This program provides educational loan repayments for faculty members who earned their doctorates after 1994 and teach at institutions located in the counties that border Mexico. Each eligible institution submits to the THECB at least four applications from selected faculty members, who may receive loan repayment for up to \$5,000 for each year of service for up to 10 years. The program was fully subscribed during the previous biennium and all appropriated general revenue funds remaining after the \$20,000 budget reduction in 2010-11 were expended. The residual annual amount of \$187,813 funded awards to 38 faculty members each year in FY10 and FY11. Although the maximum award amount specified in statute is low, any assistance to these institutions in recruiting and retaining faculty contributes to the goals of *Closing the Gaps*.

Impact Statement

At level funding, the State will continue to provide loan repayment assistance as an incentive to 38 faculty members at the ten institutions of higher education located in counties that border Mexico.

B.1.7. OAG Lawyers Loan Repayment Program

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$661,430	\$496,072	-25%

Strategy Description:

The purpose of this program is to recruit and retain attorneys in the Office of the Attorney General (OAG) of the State of Texas. Although this program was authorized by the 77th Legislature, authority to expend funds was not provided until the 80th Legislature. The program rules allow for annual loan repayments of up to \$6,000 each, but the OAG selects the recipients and recommends the amounts based on years of service and other factors.

The THECB is authorized to use the unexpended dedicated set-aside funds of \$400,407 from prior years plus current biennium set-asides, estimated at \$150,000 each year, for FY10 and FY11. No general revenue was authorized. A total of 109 attorneys received awards in FY10. Unexpended set-aside funds from prior years are anticipated to be exhausted in FY11. Consequently, without the appropriation of general revenue, an estimated amount of only \$150,000 in set-asides will be available each year for FY12 and FY13.

Impact Statement

A 25 percent reduction will allow the OAG to provide approximately 146 attorneys a loan repayment award at an amount of approximately \$3400 per award, a decrease of 49 attorneys who received an award in the 2010-11 biennium.

B.1.8. Student Financial Aid

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$1,030,201,621	\$879,480,149	-15%

TEXAS Grant	\$622,064,693	\$559,537,824	-10%
TEOG	\$24,061,601	\$24,061,600	0%
TX Work Study	\$15,059,278	\$15,059,278	0%
TEG	\$211,849,220	\$168,845,654	-20%
BOT	\$157,166,829	\$111,975,793	-29%

Strategy Description:

This strategy consists of the TEXAS Grant Program, Texas Educational Opportunity Grant Program, Texas College Work-Study Program, Tuition Equalization Grant Program, and Texas B-On-Time Loan Program.

The **TEXAS Grant Program** helps close the gaps in participation and success by paying college tuition and fees for financially needy high school graduates who complete the Recommended or Advanced High School Program, enroll on a three-quarter basis, and maintain at least a 2.5 college GPA. The amount of the grant is the average statewide amount of tuition and fees at the type of public institution the student is attending. The TEXAS Grant Program is the state's primary assistance program supporting participation and success. The program will have served approximately 106,000 students in the 2010-11 biennium.

The **Texas Educational Opportunity Grant Program (TEOG)** awards grants to students attending public community, technical, or state colleges, with the highest priority given to students with the greatest financial need. No specific high school requirements apply, and recipients may be enrolled on a half-time basis. To be eligible, a student must be a Texas resident, enroll at least half-time, show financial need, and be working towards an associate's degree or a certificate. To remain eligible, a student must complete at least 75 percent of his/her coursework and maintain a 2.5 GPA. A student cannot receive a TEOG for more than 75 hours or three years; students eligible for a TEXAS Grant cannot receive a TEOG. The grant amount for each term will not exceed the statewide average of tuition and fees at the type of public institution the student is attending. TEOG is the state's second largest assistance program for students attending public two-year institutions. The program will have served approximately 12,200 students in the 2010-11 biennium.

The **Texas College Work Study Program** helps close the gaps in student participation and success by allowing students to earn money to pay for at least part of their educational expenses. The program pays up to 70 percent of salaries for students working for nonprofit employers and up to 50 percent of salaries for students working for profit-making employers. Employers pay the balance of salaries and all other benefits. The program will have served approximately 4,400 students per year in the 2010-11 biennium.

The **Tuition Equalization Grant Program (TEG)** provides aid in the form of grants equal to half the per-student appropriation in the public university sector to students attending independent institutions. The program thus creates savings for the state by enabling the students to attend such institutions. TEG funds are also used to match federal Leveraging Educational Assistance Partnership (LEAP) and Special Leveraging Educational Assistance Partnership (SLEAP) funds for students attending independent institutions. TEG is the state's primary assistance program for students attending independent institutions. The program will have served approximately 53,000 students in the 2010-11 biennium.

The **Texas B-On-Time Loan Program**, which provides for zero interest loans to students who graduate with at least the Recommended High School Program, was created by SB 4 of the 78th Legislature. If a recipient graduates with a B average within four or five years (depending on the curriculum) or within six hours of the maximum number of hours required by the recipient's major, the loan will be forgiven. Since the program's inception in FY04, 32 percent of student participants have met the forgiveness requirements. The program will have served approximately 13,100 students in the 2010-11 biennium.

Impact Statement - TEXAS Grant

With a 10 percent reduction in funding, the program will serve approximately 77,300 students during the biennium.

Impact Statement - Texas Educational Opportunity Grant (TEOG)

At level funding, this program will serve approximately 9,900 students during the biennium.

Impact Statement - Texas Work Study

At level funding, this program will serve approximately 8,800 students during the biennium.

Impact Statement - Texas Equalization Grant (TEG)

At a 20% reduction in funding, this program will serve approximately 24,300 students per year during the biennium.

Impact Statement - B-on-Time Loan Program (BOT)

At a 29% reduction in funding, this program will serve approximately 9,200 students during the biennium.

B.1.9. Doctoral Incentive Program

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$1,709,623	\$0	-100%

Strategy Description:

This program provides educational loan repayments to Texas residents employed full-time as doctoral faculty or administrators. The intent is to provide an incentive to members of underrepresented groups to serve as full-time faculty or administrators in Texas institutions of higher education. Underrepresented groups are defined in terms of the low income status or the low college-going rate of the high school the recipient either attended or resided closest to, at the time of graduation from high school. Qualified recipients may receive up to \$20,000 per year for up to five years (for a maximum aggregate of \$100,000). The program is funded through a \$2 per credit hour set-aside from tuition of doctoral students other than those in law school or a health professions program. Loan repayment awards were made to 58 doctoral faculty and administrators in FY10.

Impact Statement

Elimination of funding will prevent the State from providing repayment assistance in both FY 12 and FY 13 to those individuals from underrepresented groups who are serving as doctoral faculty or administrators at Texas institutions of higher education. Approximately \$1.8 million is needed to continue to provide loan repayment assistance to current participants during the next biennium. Doctoral faculty and administrators whose educational success required overcoming barriers due to their socioeconomic status, are valuable mentors to students who must overcome similar barriers. For example, students who represent the first generation to attend college in their families, need to model themselves after professors who have proven that hard work can lead to high achievement, despite financial and other difficulties.

B.1.10. Engineering Recruitment Program

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$1,900,000	\$0	-100%

Strategy Description:

Texas is not meeting the *Closing the Gaps* target of graduates in science, technology, engineering, and math (STEM) fields. The Engineering Recruitment Program (ERP) helps close the gaps in participation and success, specific to engineering, through two unique initiatives (50 percent of the funds go to support each component): (1) Engineering Summer Program (ESP) and (2) Merit-Scholarships Program (MSP). The ESP supports one-week summer program experiences for middle and high school students at Texas public and private general academic institutions that offer engineering degree programs. ESP students participate in courses similar in content to engineering courses, with a focus on math and science preparation. The goal of the ESP is to engage and encourage middle and high school students to consider engineering as a profession. Merit-Scholarships provide financial aid to students helping them pursue an engineering degree. To be eligible to receive a scholarship, students are required to have graduated in the top 20 percent of their high school class, with GPAs of 3.5 or better in high school math and science classes, and they must maintain a college GPA of 3.0 or above.

Impact Statement

The elimination of funding for this program will terminate Merit-Scholarships to 216 engineering students and terminate the Engineering Summer Program (ESP). The ESP currently serve approximately 600 middle and high school students per year. These summer programs are provided by public and private universities (26 public, 8 private, 34 total) that offer engineering degrees.

B.1.11. Higher Education Performance Incentive Initiative - Texas Incentive Research Program (TRIP)

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$127,500,000	\$35,625,000	-72%
Performance Incentive Fund	\$80,000,000	\$0	-100%
Texas Research Incentive Fund	\$47,500,000	\$35,625,000	-25%

Strategy Description:

The Texas Legislature provided funding for the Performance Incentive Fund (PIF) during FY09, FY10 and FY11. The PIF was intended to provide incentives for the number of, and improvement in, total bachelor's degrees awarded at Texas public universities. In the 2009 legislative session, the method of finance for PIF was moved from General Revenue to Federal American Recovery and Reinvestment Funds for a total of \$80 million. With the elimination of ARRA funding, PIF is no longer funded. This strategy also includes funding for the Texas Research Incentive Program (TRIP), which was established by HB 51, 81st Texas Legislature, and funded at \$47.5 M in 2010-11 to provide state matching funds for gifts directed to purposes that support the development of more national research universities in Texas. The seven emerging research universities that are eligible for these funds are: UT Arlington, UT Dallas, UT El Paso, UT San Antonio, Texas Tech University, University of Houston, and University of North Texas.

Impact Statement

Funding TRIP at this level will help match the donations that have already been received by the institutions and will encourage donors to continue support.

B.1.12. Top Ten Percent Scholarships

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$51,500,000	\$39,624,892	-23%

The Top 10% Scholarship is a need-plus-merit program to encourage the best and brightest Texas high school students to go to college in Texas. Scholarships are awarded to needy high school graduates who graduate in the top 10 percent of their high school graduating class, enroll full-time, and maintain at least a 3.25 college GPA. Eligible students must show financial need using the formula: Cost of Attendance - Expected Family Contribution - Pell > \$0, and complete the Free Application for Federal Student Aid (FAFSA) by the deadline set by THECB.

This is a four-year renewable scholarship. To be eligible for a continuation award, students must complete 30 SCH each year (including summer), maintain a cumulative GPA of 3.25, and complete at least 75 percent of the hours attempted. Students majoring in workforce shortage fields are eligible for a \$2,000 bonus for their junior and senior years if they have an overall GPA of 3.0 at the beginning of their junior year and the beginning of their senior year. The program includes hardship provisions for students whose GPA, completion rate, and/or hours fall below the requirements. Students who do not meet the satisfactory academic progress requirements in one year but meet those requirements in subsequent years are eligible to receive an award. Approximately 21,000 students will be assisted during the 2010-11 biennium.

Impact Statement

At a 23% reduction in funding, this program will serve about 16,200 students during the biennium.

B.1.13. Texas Armed Services Scholarships Program

	2010-11 Base	2012-13 GAA*	% Diff
Total Appropriation	\$1,750,000	\$7,150,000	309%

* Includes \$1.75 million from the GAA and an additional \$5.4 million included in SB 2, 1st Called Session.

Strategy Description:

The purpose of the Texas Armed Services Scholarship Program is to encourage students to become members of the Texas Army National Guard, members of the Texas Air Force National Guard, or commissioned officers in any branch of the armed services of the United States. No financial need is required to be eligible. Each year the governor and the lieutenant governor may each appoint two students, and each state senator and each state representative may appoint one student to receive an initial conditional scholarship. Based on 2010-11 funding levels, 185 nominations were available at a maximum award amount of \$10,000. The first disbursement of these funds occurred in FY11. As of January 25, 2011, 127 students have been nominated and of those students, 67 have received a scholarship.

Impact Statement

At this funding level, the program is fully funded for the biennium. If all appointments are made each year, a total of 452 students will be served over the course of the biennium.

B.1.14. Combat Tuition Reimbursement Program

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$699,000	\$0	-100%

Strategy Description:

The 81st Texas Legislature amended TEC. 54.203 (Hazlewood Act) by adding a new tuition exemption (fees not included) for a dependent child or stepchild of a member of the U. S. Armed Forces who is a Texas resident or is entitled to pay resident tuition, for any semester or term during which the member of the armed forces is deployed on active duty in a combat zone outside of the United States. The new program begins with tuition charged for the 2009 fall semester. For FY10 and FY11, the Texas Legislature appropriated \$699,000 to the THECB to be used for reimbursements to institutions for any foregone tuition charges. In FY10, 167 students received an average award amount of \$1,321, as of June 2010. For FY11, THECB staff anticipate that 264 students will receive an average award amount of \$1,321.

Impact Statement

Approximately 400 students will not receive awards.

B.1.15. Texas Career Opportunity Grants Program

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$1,285,000	\$0	-100%

Strategy Description:

The Texas Career Opportunity Grant Program (TCOG) provides need-based grants to eligible students who are enrolled in qualified education programs at participating for-profit career schools or colleges. The amount of a TCOG Program award is the lesser of: (1) the applicant's financial need; (2) the amount of tuition and fees that exceeds the average amount charged at a public technical institute; (3) 50 percent of the average state appropriation for a full-time student at a public technical institute; or (4) the program maximum. Priority consideration is given to veterans and spouses of veterans who meet certain conditions. The 81st Texas Legislature appropriated \$1,350,000 for the 2010-11 biennium, \$65,000 of which has been cut due to budget reductions. For FY10, approximately 174 students received an average award amount of \$3,500. For FY11, approximately 193 students will receive an average award amount of \$3,500.

Impact Statement

Approximately 800 students will not receive awards in each year of the biennium.

Budget Goal C: Close the Gaps – Research**C.1.1. Norman Hackerman Advanced Research Program**

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$16,082,914	\$1,000,000	-94%

Strategy Description:

The Norman Hackerman Advanced Research Program (NHARP) helps close the gaps in research by providing competitive, peer-reviewed grants for basic research at Texas higher education institutions. The program promotes research designed to attract and retain the best students and researchers, and to help provide the knowledge base needed for innovation. It provides the early part of the research pipeline ("planting the seed") that the Emerging Technology Fund seeks to commercialize ("harvesting the fruit"). The funding provided by this program enables investigators to do the initial studies necessary to secure additional funding for research from the federal government, private industry, and not-for-profit organizations and private donors. A supplemental grant program provides funding to hire high school science or math teachers to work on the projects during the summer. The number of projects funded in FY10 was 112 and the number of students receiving education and experience through NHARP research projects in FY09 was 681. Additional funding leveraged through this program in FY09 was \$60.5 million and is estimated to be \$48 million for FY11.

Impact Statement

With this reduction, the program will support fewer research areas. The Coordinating Board will strategically target funding to early career (non-tenured, tenure-track) project investigator/faculty. Fewer undergraduate and graduate students will be provided an opportunity to conduct high-level research on selected projects. Currently, the NHARP competition funds approximately 4 percent of all proposals submitted. The last competition supported 95 projects with awards that ranged from \$150,000 to \$200,000. If the program continued without changes, approximately 5 grants could be supported. All funded projects are required to support undergraduate and/or graduate students. Since the number of projects will potentially be reduced, the number of students working on the projects will also decrease. Possible options for programmatic adjustments to ensure that students are provided high-level research opportunities include staggering the scientific disciplines supported each biennium, with the next competition focused exclusively on biological science and engineering, reducing the award amounts from the current level of up to \$200,000 to \$50,000, or limiting the funding to early-stage career faculty members. With these changes, the CB could fund approximately 20 projects. The number of external reviewers will be limited as well.

Budget Goal D: Close the Gaps – Health Programs

D.1.1. Baylor College of Medicine

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$79,140,021	\$71,764,812	-9%

Strategy Description:

This strategy provides medical education funding to Baylor College of Medicine (BCM). The Texas Legislature appropriates to the THECB an amount per Texas resident medical student at BCM that is equal to the amount of General Revenue funding for medical education (for instruction and operations, infrastructure, and staff benefits, but not formula funding appropriated to the UT institutions for research) at The University of Texas Southwestern Medical Center at Dallas and The University of Texas Medical Branch at Galveston. (These were the only two state medical schools in existence when the Legislature authorized the appropriation of State funds to BCM.) This funding is the equivalent formula funding that is provided to all public Health-Related Institutions for medical education. The THECB has statutory authority to contract with BCM for the education of Texas resident undergraduate medical students.

Impact Statement - Provided by Baylor College of Medicine

To ensure resources are available to educate students, the size of the first-year medical school class will be frozen at 185, delaying plans to increase the class to 200. The quality of the education program will suffer because of decreased funding for resources such as classroom technologies, libraries, online medical journals and other educational materials. College scholarship funding will be reduced as those dollars will have to be allocated to fund teaching activities. Student fees also will be increased. These steps will increase the debt of the medical students, which could discourage them from becoming primary care physicians.

D.1.2. Baylor College of Medicine GME

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$14,512,076	\$10,353,014	-29%

Strategy Description:

This strategy provides graduate medical education (GME) funding to Baylor College of Medicine (BCM). The funding is used for the training of resident physicians who have completed their undergraduate medical education. This strategy corresponds to the GME formula funding provided to the public health-related institutions. This funding is trusted to the THECB and disbursed to BCM through a contractual arrangement.

Impact Statement - Provided by Baylor College of Medicine

Twenty-nine resident physician training slots at the College will be eliminated.

D.1.3. Family Practice Residency Program

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$20,153,594	\$5,600,000	-72%

Strategy Description:

The Family Practice Residency Program (FPRP) improves the distribution of family physicians throughout the state and provides increased medical care to patients in underserved areas. Funds are allocated based on the certified number of residents training in each approved family practice residency program, which must receive significant local support to qualify for state funds. This strategy also supports rural and public health rotations, which offer family practice residents the opportunity for supervised training in a rural community or public health facility. The program also supports the Family Practice Faculty Development Center, a training program for new faculty at all family practice residency programs. FPRP currently provides grants to 26 Texas family practice residency programs located statewide. It was established in 1977 as part of an effort to increase the number of physicians selecting family practice as their medical specialty and to encourage those physicians trained to establish their practices in rural and underserved communities in Texas. Since its inception, the program has provided funding support for more than 8,000 family practice residents. Family physicians who complete residency training have a 70 percent retention rate in Texas.

Impact Statement

With a 72 percent reduction in funding, the funding provided to the education and training of family practice residents located in the state's 26 accredited family practice residency programs will be sharply reduced. Current support for the 680 residents is \$14,564 per resident; this will be reduced to approximately \$4,000 per resident. This reduction may result in the smaller, more rural residency programs facing serious financial challenges. Some may either close their training programs or reduce the number of residents they educate and train. This could have unintended consequences related to the provision of indigent care services. The majority of residency training programs serve the elderly Medicare patients and chronically ill and poor Medicaid patients. These services will also be reduced.

D.1.4. Preceptorship Program

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$859,075	\$0	-100%

Strategy Description:

The Statewide Preceptorship Program provides funding to encourage Texas medical students to choose careers in primary care by contracting with one or more organizations to operate statewide preceptorship programs in family practice, general internal medicine, and general pediatrics. Each program has a complement of more than 100 volunteer physicians located statewide to mentor medical students in a community-based medical practice during one-month preceptorships with a family physician, internist, or pediatrician preceptor. The guiding premise of the preceptor experience is that early exposure to a primary care medical specialty may positively influence future career decisions and practice patterns. Participating medical students receive a \$500 stipend if they participate in a location near their medical school, and a \$1,000 stipend if they participate in a rural location.

Impact Statement

The elimination of funding for this program will remove access to preceptorship opportunities for medical students interested in primary care specialties of family medicine, internal medicine, and pediatrics. Often these experiences provide the first opportunity for a medical student to experience real-world medicine, including delivering a baby or observing a patient's death. Such events often influence future practice decisions. In FY 2010, 254 medical students completed a preceptorship.

D.1.5. Primary Care Residency Program

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$3,660,000	\$0	-100%

Strategy Description:

The Primary Care Residency Program provides funding for new primary care residency programs and for new primary care residency positions in the state. Funding is provided to primary care residency programs (up to a four-year maximum for obstetrics/gynecology residents) for designated residents for an entire residency training experience as governed by the specialty certification. Residents are identified by program directors as likely to remain in Texas to practice, interested in underserved areas, and committed to primary care medicine. Funding caps are in place for qualifying residency programs, with a maximum of 18 or fewer residents supported at each program. Funding is statutorily set, providing programs with \$15,000 per resident to support a maximum of 18 residents, contingent on availability. The THECB allocates the funding to new programs and programs identified as producing physicians who stay and practice in the state.

Impact Statement

The elimination of funding for this program will eliminate support for 122 primary care residents (provides support for primary care, which includes only internal medicine, pediatric, and obstetric/gynecology programs).

D.1.6. Graduate Medical Education (GME) Program

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$570,000	\$0	-100%

Strategy Description:

The Graduate Medical Education Program provides funds to support the educational and teaching costs of primary care graduate medical education programs. For purposes of this strategy, primary care includes family practice, obstetrics/gynecology, general internal medicine, and general pediatrics. Funds appropriated for this program may only be allocated to independent residency programs that are not affiliated with a Texas medical school.

Impact Statement

The 15 independent primary care residency programs will not receive funding support for the 309 residents in training at the programs. Due to the limited dollars available for residents, the elimination of funding will likely result in reductions in the number of residents, but such decisions will be made at the individual programs.

D.1.7. Joint Admission Medical Program (JAMP)

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$10,085,537	\$7,006,794	-31%

Strategy Description:

The Joint Admission Medical Program (JAMP) helps close the gaps in participation and success. JAMP provides support for highly qualified, economically disadvantaged students interested in becoming physicians. Students selected into JAMP receive undergraduate scholarships, summer stipends, and are guaranteed admission to a Texas medical school, assuming their eligibility in the program is maintained. JAMP students are identified in their freshman year, selected in their sophomore year, and continue in the program through medical school. The program is administered by the JAMP Council, which is composed of one faculty representative from each Texas medical school. The enabling legislation designates the administrative functions of JAMP to the Texas Medical and Dental Schools Application Service, operated through The University of Texas System. Funding is provided in the first year of the biennium with authority to carry forward any unexpended balances into the second year of the biennium.

Impact Statement

At this level, funding will only be sufficient to maintain students already in the pipeline. In fall 2010, the program had 229 undergraduate students participating in the program. Students are accepted into the program in the spring of each year.

D.1.8. Physician Education Loan Repayment Program

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$23,321,910	\$5,600,000	-76%

Strategy Description:

The purpose of the program is to encourage qualified physicians to practice medicine in federally designated health professional shortage areas (HPSAs) of Texas, which are home to a large percentage of citizens enrolled in Medicaid and the TX Children's Health Insurance Program (CHIP). House Bill 2154, passed by the 81st Texas Legislature, introduced changes to the PELRP effective September 1, 2009, including 4-year contracts for increased maximum loan repayment amounts of \$25,000 for the first year, \$35,000 for the second year; \$45,000 for the third year, and \$55,000 for the fourth year. The additional funding required to support the increased repayment amounts was obtained through a revision of the sales tax structure for smokeless tobacco. Funding for the program for the 2010-11 biennium includes: general revenue, prior year's unexpended medical school tuition set asides, tobacco tax revenue, and medical school tuition set asides received during the current biennium. Physicians in the program before HB 2154 were allowed to continue participation until the maximum aggregate award amount is reached. The first cohort of 105 new physicians signing 4-year agreements will complete the first year of service and receive their first award in August of 2011.

Impact Statement

Each physician who receives PELRP funds is required to work in a federally designated Health Professional Shortage Area (HPSA). The number of people served by each PELRP physician is 3000, but may be even higher in underserved areas. The reduced funding in FY12 will prevent the State from providing repayment assistance to approximately 25 physicians who have agreed to provide four years of service in a HPSA and will prevent the State from recruiting the planned annual goal of 125 physicians to begin practicing in HPSAs. The elimination of funding for FY13 will prevent the State from providing repayment assistance to all 142 physicians currently in the program and from reaching the goal of recruiting 125 physicians annually to practice in HPSAs. The loss of 250 physicians who could otherwise be recruited to HPSAs during the biennium could result in decreased or eliminated access to physician services for 750,000 citizens. Should the 142 physicians currently in the program cease to practice in HPSAs as a result of the State not funding loan repayment, an additional 426,000 citizens, for a grand total of 1.1 million citizens, could face decreased or eliminated access to physician services. Access to primary health care by students and their families is extremely important in their educational development and success in school at all levels, including college.

D.1.9. Financial Aid for Professional Nursing Students

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$1,837,130	\$0	-100%

Strategy Description:

This strategy helps close the gaps in success in nursing by authorizing a Loan Repayment Program for Professional Nursing Students, Matching Fund Employment Program for Students in Professional Nursing, Scholarship Program for LVNs Studying to Become RNs, Scholarship Program for Rural Professional Nursing Students, Scholarship Program for Professional Nursing, and the Scholarship Program for Rural BSN or Graduate Nursing Students. In FY09, 1,059 students received an average award of \$865. In FY10, 1054 students received an average scholarship award of \$866.

Impact Statement

Approximately 870 students will not receive scholarships in each year of the biennium.

D.1.10. Financial Aid for Vocational Nursing Students

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$91,266	\$0	-100%

Strategy Description:

This strategy helps close the gaps in success in nursing by authorizing a Loan Repayment Program for Licensed Vocation Nursing Students, Matching Fund Employment Program for Vocational Nursing Students, Scholarship Program for Rural LVN Students, and the Vocational Nursing Student Scholarship Program. In FY09, 98 students received an average award of \$463. In FY10, 145 students received an average scholarship award of \$311.

Impact Statement

Approximately 310 students will not receive scholarships in the 2012-13 biennium.

D.1.11. Dental Education Loan Repayment Program

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$771,924	\$0	-100%

Strategy Description:

The Dental Education Loan Repayment Program provides loan repayment assistance to qualified dentists who have provided at least one year of dental care in areas of Texas that are underserved with respect to dental care. A dentist may receive annual loan repayments of up to \$10,000 per year. There is no statutory limit to the number of years a dentist may qualify for loan repayment. Texas dental schools are required to set aside two percent of student tuition to help fund the program. Before September 1, 2007, the THECB was authorized to spend general revenue funds only, but is now authorized to spend the previously collected dedicated tuition set-asides from prior years plus tuition set-asides collected during the current biennium, estimated to be \$110,000 per year. Texans, particularly children, in rural and urban communities continue to suffer from a lack of dental services.

Impact Statement

Each dentist who receives DELRP funds is required to provide dental care in areas of Texas that are underserved with respect to dental care. All participating dentists must provide services to CHIP and Medicaid enrollees. The number of people served by each DELRP dentist is estimated to be 5,000, but may be even higher in underserved areas. Elimination of funding will prevent the State from making payments to 37 dentists who have already agreed to provide dental care in underserved rural and urban communities and will prevent the State from recruiting 40 additional dentists to serve in HPSAs. Reducing the number of dentists recruited or retained by the DELRP could reduce or eliminate access to dental services for 385,000 Texans during each year of the biennium. Access to dental health care by students and their families is extremely important in their educational development and success in school at all levels, including college.

D.1.12. Professional Nursing Shortage Reduction Program

	2010-11 Base*	2012-13 GAA	% Diff
Total Appropriation	\$47,093,478	\$30,000,000	-36%

*includes one-time funding of \$4.75M to UT Arlington's Regional Nursing Education Center for establishing a simulation learning center. When this amount is deducted from the base, this strategy is reduced by 29 percent.

Strategy Description:

The Professional Nursing Shortage Reduction Program consists of three separate programs. The purpose of the "Regular Program" and the "Under 70 Program" is to increase the number of graduates from professional nursing programs, and increase the number of graduates from master's and doctoral programs in nursing that join the faculty of professional nursing programs. The funds for the Regular Program and the Under 70 Program are awarded to the institutions by the THECB upon the determination of the amount of increase in graduates. The "Over 70 Program" seeks to increase enrollment in professional nursing programs by providing funding in advance for institutions to increase enrollments. The funds for the Over 70 Program are awarded to the institutions by the THECB in advance and any unearned funding will be returned by the institutions upon determination of increased enrollment.

Impact Statement

This reduction will slow down the progress the state has made in recent years in terms of producing nursing graduates, a critical shortage profession. There is a set student/faculty ratio that must be maintained and this program is designed to enable institutions to hire additional faculty or supplement faculty salaries to help keep them in the classroom.

D.1.13. Consortium of Alzheimer's Disease Centers

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$6,507,500	\$5,230,625	-20%

Strategy Description:

HB 1504, 76th Texas Legislature, directed the Texas Council on Alzheimer's Disease and Related Disorders (Council) to establish a Consortium of Alzheimer's Disease Centers (Consortium) in Texas. The Consortium is composed of Alzheimer's Disease Centers at Baylor College of Medicine, Texas Tech University Health Sciences Center, the University of North Texas Health Science Center at Fort Worth, the University of Texas Health Science Center-San Antonio, and the University of Texas Southwestern Medical Center. This strategy supports the Consortium through a contract with the Council. The 2010-11 appropriation supports the collaborative research among the state's centers to improve early diagnosis, treatment, and prevention of Alzheimer's disease. Funding is provided in the first year of the biennium with authority to carry forward any unexpended balances into the second year of the biennium.

Impact Statement

At a 20 percent reduction, the Consortium will reduce the study cohort from 1,500 to 1,200 participants, and limit the DNA and blood protein analysis conducted on tissue samples of study participants.

D.1.14. Texas Hospital-Based Nursing Education Partnership Grants Program

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$4,750,000	\$0	-100%

Strategy Description:

The purpose of the Hospital-Based Nursing Education Partnership Grant Program (HNEP) is to address the state's need for registered nurses by fostering collaboration between hospital and academic partners, with the resulting partnerships leading to an increase in the number of students enrolled in and graduating from professional nursing education degree programs. HNEP is a peer-reviewed grant competition that supports educational initiatives using innovative instruction and the existing expertise and facilities of the hospital nursing education partnership. New and expanding partnerships are eligible to apply for HNEP grants.

Impact Statement

No competition will be held and no projects will be funded.

D.1.15. Children's Medicaid Loan Repayment Program

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$32,920,694	\$0	-100%

Strategy Description:

The Children's Medicaid Loan Repayment Program (CMLRP), designed to increase access to medical and dental care for children, is part of the Health and Human Services Commission (HHSC) strategic initiative, in accordance with House Bill 15, Section 19(d), 80th Texas Legislature, 2007. It is aimed toward increasing the number of primary care and sub-specialty physicians and dentists who participate in the Medicaid program. The CMLRP provides loan repayments for certain physicians and dentists who meet specified targets for services provided to children on Medicaid. The first cohort of participants will receive awards following the conclusion of their first year of service ending August 31, 2010. HHSC transfers funds to THECB for the repayment of CMLRP participant loans and for administrative costs incurred by THECB in providing services for the CMLRP.

Impact Statement

Based on service levels required for full-time providers to qualify for loan repayment, elimination of funding will result in significant access barriers for children who are enrolled in Medicaid and need dental, primary medical, and medical specialty care. Providers enrolled in the Children's Medicaid Loan Repayment Program have agreed to four years of meeting specified service levels, defined by patient visits. If enrolled providers cease to serve these children, a total of 147,300 patient visits will either not occur or will be redirected to the remaining public clinics and emergency rooms that do not have the resources to effectively meet the needs of all who present for care.

Budget Goal E: Close the Gaps in Quality and Participation

E.1.1. Developmental Education Program

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$4,750,000	\$4,000,000	-16%

Strategy Description:

This strategy focuses on funding demonstration projects to research the most effective strategies that can drive systemic reform and dramatically improve student outcomes. This is necessary because students enrolled in developmental education programs in postsecondary institutions are struggling to achieve college readiness in two years or less. Results from a rigorous cross-site evaluation will be used to inform changes to the Texas Success Initiative statute (TEC §51.3062). Reform focus areas include: assessment and placement, adult basic education alignment, student advising and counseling, course redesign, non course-based remediation, faculty development, and teacher effectiveness. The community colleges that are currently participating in this program are: the Alamo Colleges, El Paso Community College, the Lone Star College System, the San Jacinto College District, and the Tarrant County College District.

Impact Statement

The 16 percent reduction for this strategy, which currently serves over 8,000 students, will impact the Coordinating Board's ability to fully implement the Statewide Plan for Developmental Education and scale the best practices and promising outcomes expected beginning spring 2012 from the Developmental Education Demonstration Projects funded in 2010-2011 regarding redesigned curriculum, assessment including differentiated placement, faculty development, and support services.

E.1.2. Centers for Teacher Education

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$6,081,410	\$3,040,706	-50%

Strategy Description:

Since the 74th session, the Texas Legislature has provided funds for the purpose of supporting centers for teacher education at private, independent, general academic institutions that are component institutions of the Texas Association of Developing Colleges (TADC). Rider 17 in the 2010-11 General Appropriations Act requires consideration to be given to teacher education centers at Huston-Tillotson University in Austin, Jarvis Christian College in Hawkins, Paul Quinn College in Dallas, Texas College in Tyler, and Wiley College in Marshall. These funds may be used to enhance library resources and computer, mathematics, and science laboratories. The THECB may obtain the services of a program planner to facilitate and coordinate the process of curriculum development and program redesign to improve teacher preparation at the participating institutions. The number of students retained in TADC educator preparation programs during FY09 was 226 and the number of completers (those who have successfully passed the state certification exam) of those programs in FY09 was 62. The average institutional pass rate on state certification examinations by TADC educator preparation program graduates was 95% in FY09, which exceeds the state average (83 percent) reported by the State Board for Educator Certification (9/1/08 – 12/31/09).

Impact Statement

This funding level will result in the elimination of approximately two to four full- and part-time educator preparation faculty per college and a reduction in the total number of students admitted to educator preparation programs per year from the current 350 students to 140 students. In addition, the reduction will lead to an overall net loss for the state in the number of African American teachers produced (approximately 20 to 30 percent) since more than half of all new African American teachers graduate from one of the five colleges funded under this strategy. Additionally, each educator preparation program currently offers approximately \$180,000/year from this strategy for scholarships, which will be at risk for reduction or elimination.

E.1.3. Two-year Institution Enrollment Growth

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$3,518,786	\$0	-100%

Strategy Description:

This strategy provides special funding to assist public community, technical, and state colleges that experience dramatic rates of growth in contact hours. Funding for FY10 was allocated based on growth greater than five percent between Fall 2008 and Fall 2009, and in FY11 growth must be greater than eight percent between Fall 2008 and Fall 2010.

Impact Statement

No funding will be available for enrollment growth during the biennium.

E.1.4. New Community College Campuses

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$1,771,384	\$0	-100%

Strategy Description:

This strategy is designed to help the institutions with new campuses support instruction for hours not counted in the base period. Funding for this strategy is determined by the Legislature.

Impact Statement

No funding will be available for instruction hours not counted in the base period at new community college campuses during the biennium.

E.1.5. General Academic Institution Enrollment Growth

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$3,500,000	\$0	-100%

Strategy Description:

This strategy provides special funding to assist public general academic institutions that experience dramatic rates of growth in semester credit hours. Funding for FY10 was allocated based on growth greater than three percent between Fall 2008 and Fall 2009, and in FY11 growth must be greater than six percent between Fall 2008 and Fall 2010.

Impact Statement

No funding will be available for enrollment growth during the biennium.

E.1.6. African American Museum Internship

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$177,908	\$133,432	-25%

Strategy Description:

This strategy provides funding for internships and scholarships for students who wish to explore the possibilities of a career in museology (also called museum studies), museum administration/management, and closely related work. The THECB cooperates with The University of Texas at Dallas and the Texas Historical Commission in developing and implementing the internship program at the African American Museum in Dallas. Students and recent university graduates from groups that are under-represented in museum management are given preference in awarding internships and/or scholarships. The program supports 10 interns.

Impact Statement

Five internships for the biennium (2.5 per year) will be defunded at the African American Museum in Dallas. The Coordinating Board recommends funding these internships through Texas Work Study funds allocated to the University of North Texas at Dallas.

E.1.7. Adult Basic Education Community College Grants

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$9,500,000	\$4,000,000	-58%

Strategy Description:

This strategy focuses on implementing the recommendations included in the Rider 45 report to the Governor entitled, *Building Bridges to Success: An Action Plan to Transition Adult Basic Education Students to Postsecondary Education and Training* (submitted in February 2010). Texas has millions of low literate adults who are unemployed or underemployed. To help Texas businesses compete in the global economic market, it is critical that education and training programs are available to promote the development of human capital for all segments of the population. Key recommendations from the Rider 45 report include: integrating basic skills instruction and workforce training programs at postsecondary institutions, expanding the number of community colleges that provide comprehensive adult basic education programs, and eliminating the redundancy of teaching basic skills classes within developmental education programs.

Impact Statement

This funding level will negatively impact the Coordinating Board's ability to implement the Action Plan to Align Adult Basic Education to Postsecondary Education. Specifically, funds appropriated to this strategy are used to support tri-agency (THECB, TEA and TWC) efforts to integrate basic skills instruction and workforce training programs. ABE students are being served unsuccessfully in developmental education programs and the Coordinating Board is trying to separate ABE students from developmental education students in order to more effectively serve the needs of each population of students. The loss of funds will eliminate services to over 1,500 low literate adults (especially non-native English speakers) who are unemployed or underemployed and will reduce the Coordinating Board's ability to scale the best practices and promising outcomes expected beginning spring 2012 from the ABE Innovation Projects funded in 2010-2011.

E.1.8. Alternative Teaching Certificate Programs at Community Colleges

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$2,137,500	\$0	-100%

Strategy Description:

This strategy provides special funding to assist public community colleges that provide programs to develop certified teachers. The funds are allocated based on the number of teachers certified by the State Board of Education. Each college must demonstrate that tuition charges to their students have been significantly reduced. In FY10, approximately 1,180 students were served at eligible community colleges that collectively produced 1,104 certified teachers. In FY11, it is estimated that a slightly higher number of students compared to FY10 will be served at eligible community colleges that collectively produced 934 certified teachers.

Impact Statement

Students enrolled in alternative certification programs at eligible community colleges will no longer pay tuition at a reduced rate. It is estimated that between 350 - 590 students will not enroll in an alternative teacher certification program without the reduced tuition rate.

E.1.10. College Readiness Grants

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$26,663,751	\$0	-100%

Strategy Description:

This strategy includes funding to implement college readiness initiatives to address the goals and objectives of the P-16 College Readiness and Success Strategic Plan, which includes a focus on the participation and success goals of *Closing the Gaps by 2015*. The Plan is designed to increase student success and decrease the number of students enrolling in developmental course work in institutions of higher education. The THECB, in coordination with TEA, has developed and adopted Texas College and Career Readiness Standards (CCRS) and continues to work with TEA on appropriate college readiness initiatives impacting K-12 students. In addition, THECB college readiness resources are focusing on activities that support P-16 Regional Councils, regional collaboration between public and higher education faculty facilitated by Regional College Readiness Special Advisors, replication and scaling of proven effective initiatives that increase student success and decrease the need for developmental education.

Impact Statement

Based on outcomes from college readiness activities funded since 2007, the Coordinating Board's strategic focus on college readiness initiatives for 2012-2013 will pursue initiatives that effect systemic change across institutions of higher education and support higher education and K-12 partnerships (i.e., AVID Postsecondary Program, College and Career Readiness Standards (CCRS) Faculty Collaboratives, Vertical Alignment Training, etc.). These activities will ensure full implementation of the CCRS by 2015 when the English III and Algebra II End-of-Course assessments are in effect for measuring the college readiness of entering college freshmen. This elimination of funding will negatively impact on average 120,000 students per year and 15,000 educators from public and higher education per year who are currently being served by these programs.

Budget Goal F: Federal Grant Programs

F.1.1. Student Financial Assistance Programs

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$10,417,234	\$14,400,000	38%

Strategy Description:

This strategy includes the following programs: Leveraging Educational Assistance Partnership (LEAP), Special Leveraging Educational Assistance Partnership (SLEAP), and the Robert C. Byrd Honors Scholarship Program. LEAP provides funds to states for grants to needy students after those funds have been matched by state funds. LEAP awards were received by 2,358 students in FY10, and an estimated 2,350 students will receive LEAP awards in each of the next three fiscal years (FY11, FY12, and FY13). SLEAP funds are identical to LEAP funds except they require a 2-for-1 match. SLEAP awards were received by 2,804 students in FY10, and an estimated 2,800 students will receive SLEAP awards in FY11. Thereafter, SLEAP will be replaced with the new Grants for Access and Persistence (GAP) grant program. The Robert Byrd Scholarship Program provides funds to states for making grants to students selected solely on the basis of demonstrated outstanding academic achievement. Byrd awards were received by 2,366 students in FY10, and an estimated 2,400 students will receive Byrd awards in each of the next three fiscal years.

Impact Statement

Federal funding levels were increased by 38 percent to reflect actual expenditures recorded in the programs during FY2010.

F.1.2. Career and Technical Education Programs

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$73,748,732	\$73,748,732	0%

Strategy Description:

Carl D. Perkins Career and Technical Education Improvement Act funds support programs that help students matriculate to higher education by providing career exploration opportunities to earn college credit in high school, and seamless educational pathways that lead to associate and baccalaureate degrees. Perkins funds are used to develop and enhance career and technical programs that lead to high-skill, high-wage, or high-demand careers. The THECB annually allocates Carl D. Perkins Career and Technical Education Improvement Act funds to the state's public two-year colleges. Funds for Title I of the Perkins IV Act are allocated to the state and divided between secondary and postsecondary education according to a formula developed by the Texas Education Agency. These funds support Basic Grants and State Leadership activities. Title II Tech Prep funds are allocated by the THECB to the eligible recipient institutions based on a formula that is approved annually by the THECB. Tech Prep programs bridge secondary and postsecondary education and provide alternatives to traditional college prep pathways.

Impact Statement

Funding amount is only an estimate of federal funds expected to be received.

F.1.3. Teacher Quality Grants Programs

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$12,484,415	\$12,484,416	0%

Strategy Description:

The Teacher Quality Grants Program provides federal funds to states. Institutions of higher education (IHEs) provide courses and sessions designed to deepen the content knowledge of teachers and improve instructional quality in core academic courses. The funds are allocated to IHEs through a competitive grant process under criteria in No Child Left Behind (NCLB) and priorities established by the federally-approved Consolidated State Plan developed by the Texas Education Agency. Teacher Quality projects provide content-intensive summer courses in mathematics and science, and academic year sessions in discipline-related instructional methods. The program serves approximately 1,500 teachers each year and improves the quality of instruction for approximately 150,000 classroom students in high-need ISDs each year. Consistent with federal regulations, the program focuses primarily on teachers who are teaching an academic subject or grade level for which they are not adequately prepared.

Impact Statement

Funding amount is only an estimate of federal funds expected to be received.

F.1.4. College Access Challenge Grants Program

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$17,149,581	\$22,497,778	31%

Strategy Description:

The purpose of the College Access Challenge Grant Program is to foster partnerships among federal, state, and local governments and philanthropic organizations through matching challenge grants that are aimed at increasing the number of low-income students who are prepared to enter and succeed in postsecondary education. Projects are authorized to: provide information to students and families regarding postsecondary education and career preparation; promote financial literacy and debt management; conduct outreach activities; assist students in completing the Free Application for Federal Student Financial Aid (FAFSA); provide need-based grant aid; conduct professional development for guidance counselors at middle and secondary schools, financial aid administrators, and college admissions counselors; and offer student loan cancellation or repayment or interest rate reductions for borrowers who are employed in a high-need geographical area or a high-need profession. (Funds cannot be used to promote any lender's loans.) The Governor designated the THECB to administer this federal program.

Impact Statement

Funding amount is only an estimate of federal funds expected to be received.

F.1.5. Other Federal Grants Programs

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$3,532,546	\$505,500	-86%

Strategy Description:

This strategy provides funding for other federal grants programs. In April 2009 the Texas Education Agency (TEA) received a Statewide Longitudinal Data System (SLDS) grant from the U.S. Department of Education Institute of Education Sciences (IES). The grant involves expanding the existing TEA and THECB data collection systems to include staff and student data at the classroom level, as well as course completion data for all grade levels. This data, beginning with the 2010-11 school year, will provide a basis for future analysis and reporting on aggregate student performance. The first data submission by higher education institutions will be for the Summer 2011 reporting cycle. The total grant was \$3.5 million for five years and the THECB received \$1.2 million of the SLDS grant funds in June of 2009 to implement a four-year endeavor to accomplish the objectives of the SLDS grant.

Impact Statement

Funding amount is only an estimate of federal funds expected to be received.

Budget Goal G: Tobacco Settlement Endowment Funds

G.1.1. Tobacco Earnings - Minority Health Research and Education

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$3,298,035	\$4,798,035	45%

Strategy Description:

This program provides grants to institutions, including Centers for Teacher Education, that conduct research or educational programs that address minority health issues or that form partnerships with minority organizations, colleges, or universities to conduct research and educational programs to address minority health issues. Funding is provided by the Permanent Fund for Minority Health Research and Education (endowment fund established with tobacco settlement monies).

Impact Statement

The Coordinating Board will award three more grants at approximately \$377,000 each in support of educational pipeline activities that promote recruitment and retention of Hispanics and African Americans to health degree programs.

G.1.2. Tobacco Earnings - Nursing, Allied Health, and Other

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$5,401,577	\$7,301,577	35%

Strategy Description:

This program provides grants to public institutions that offer upper-level instruction and training in nursing, allied health, or other health-related education. Amendments to the legislation have directed that all funds be used for nursing education through 2011. Funding is provided by the Permanent Fund for Higher Education Nursing, Allied Health, and Other Health-Related Programs (endowment fund established with tobacco settlement monies).

Impact Statement

The Coordinating Board will award more grants in support of new academic models that increase enrollment capacity and student retention efforts in health degree programs at the state's public universities.

G.2.1. Tobacco Earnings - Baylor College of Medicine

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$2,250,000	\$2,300,000	2%

Strategy Description:

This strategy provides funding from the Permanent Endowment Fund for Health-Related Institutions that was established with tobacco settlement monies for Baylor College of Medicine (BCM). The endowment is directed by BCM and invested by the State Comptroller. BCM may use the funds to support programs that benefit medical research, health education or treatment programs.

Impact Statement

N/A

G.2.2. Tobacco Earnings - Permanent Health Fund for Baylor College of Medicine

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$3,831,660	\$3,881,660	1%

Strategy Description:

This strategy provides for the distribution of investment returns from the Permanent Health Fund for Higher Education, an endowment created with tobacco settlement funds to Baylor College of Medicine (BCM). This endowment is administered by the board of regents of the University of Texas System. BCM may use the funds for programs that benefit medical research, health education or treatment programs.

Impact Statement

N/A

Budget Goal H: Indirect Administration

H.1.1. Central Administration

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$9,730,849	\$7,912,672	-19%

Strategy Description:

This strategy funds the budgets for administration of the agency, including the Commissioner’s Office, Deputy Commissioners’ Offices, External Relations, General Counsel, Internal Audit, Human Resources, and Business Services. It includes both General Revenue and non-General Revenue sources.

Impact Statement

The reduction to the Central Administration strategy will necessitate consolidation of duties in order to accommodate FTE reductions. In addition to FTE reductions, the agency will implement other reductions in travel, membership fees, and other expenditures.

H.1.2. Information Resources

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$9,898,896	\$7,640,733	-23%

Strategy Description:

This strategy includes the Information Technology Services (ITS) department. This department is responsible for information technology planning, coordination of computer operations provided under the state-wide Data Center Services contract, network operations, security and confidentiality of data, PC/network support, business process improvement, systems development and support, and the agency’s web sites. This strategy provides division, program, and agency staff with information resources technologies needed to support the state’s higher education plan, *Closing the Gaps by 2015*, and supports all agency goals. Data-driven evaluation of programs related to *Closing the Gaps* continues to increase the demand for electronic communications and exchange of information and for expanded data collection and sharing between P-16 stakeholders.

Impact Statement

Since most of the funds appropriated to the IT strategy are for the DCS contract and for the student loan software program (costs that cannot be eliminated), the reductions will be absorbed by reducing agency IT FTEs. This will severely hinder the ITS Division's ability to support agency operations. Cuts will take place in security, project management, quality assurance and testing, business analysis, database and reporting services, data administration, systems development, and customer support. Opportunities being pursued to improve IT governance and reduce costs will have to be delayed.

H.1.3. Other Support Services

	2010-11 Base	2012-13 GAA	% Diff
Total Appropriation	\$4,810,330	\$2,967,041	-38%

Strategy Description:

This strategy includes Building Services, Purchasing and Supply, Mail Services, and Copy Services. Operating and support costs are allocated based on the percentage of operating budget associated with each direct strategy, with the exception of building rent, which is allocated based on the FTEs associated with each direct strategy.

Impact Statement

The majority of the expenditures in this strategy are for the building lease. The Texas Facilities Commission executed a 10-year lease on behalf of the Coordinating Board, effective July 2010. Non-lease expenditures such as support services in the area of purchasing, mail services, and copy services will be impacted. All possible consolidation of duties will be explored in order to provide minimal basic services to agency staff.