Overview of THECB Trusteed Programs

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Presentation to the House Committee on Appropriations Subcommittee on Article III
May 13, 2014
TRUSTEED FUNDS ACCOUNT FOR 97% OF COORDINATING BOARD APPROPRIATED BUDGET

THECB FY14/15 Appropriated Funding by Goal

- Financial Aid: 75%
- Federal Programs: 4%
- Health Programs: 7%
- Administrative Functions: 3%
- Baylor COM: 6%
- Tobacco Funds: 1%
- Quality and Participation: 2%
- Research Programs: 2%

Source: Fiscal Size-up 2014-15 Biennium, Legislative Budget Board
TRUSTEED PROGRAMS HAVE DIFFERENT GOALS AND SERVE DIFFERENT ENTITIES

• For FY14/15, Coordinating Board has 37 trustee budget strategies totaling $1.44 billion in All Funds
• Some of the largest trustee programs include:
  – Financial aid for students currently in higher education
  – Student loan repayment programs for certain career fields
  – Research funds for individual researchers and institutions
  – Graduate Medical Education funds for residency programs
  – Pass-through funding to Baylor College of Medicine
  – Federal Perkins Grants to support vocational and technical education
SB 215 (83rd Legislature):

The board shall engage institutions of higher education in a negotiated rulemaking process . . . when adopting a policy, procedure, or rule relating to:

(2) the allocation or distribution of funds, including financial aid or other trusteed funds. . .

Negotiated Rulemakings begun or completed as of 5/13/14:

- TEXAS Grants
- B-on-Time Loan Program (GR portion)
- Tuition Equalization Grant
- Texas Educational Opportunity Grant
- Texas College Work-Study
- Primary Care Innovation Grant Program
- Resident Physician Expansion Program
ALLOCATION: TEXAS GRANT

Goals of TEXAS Grant Allocations

Prioritize all eligible renewal students

Distribute funding for initially eligible students such that an equal share of students is served at each institution

Serve the neediest students (defined in terms of Expected Family Contribution (EFC))
**Determine Renewal Student Funding**
Identify number of current recipients at the institution
Adjust for graduation, attrition, award size and other factors
Multiply by target award amount for institution’s renewal student total

**Determine Initial Student Funding**
Identify students at institution who are:
- Texas residents
- At least ¾-time
- Below EFC cap ($4,800 for FY15)
Award initial student funding proportional to institution’s share of sector population meeting above criteria

**Institution Funding**
Renewal Student Funding + Initial Student Funding = Institution’s Total TEXAS Grant Allocation
FACTORS IMPACTING TIMING OF ALLOCATIONS

• CB gives institutions until February 20 to make awards
  – Reallocate unused funds (which impacts renewal award estimates).
• CB uses most recent and complete data sources.
  – Availability of data can impact timing of allocations.
• In odd years, CB waits until appropriations are final (target June notification).

In even years, allocations are typically announced in late March/early April.
STATUS OF NEGOTIATED RULEMAKING ON TEXAS GRANT ALLOCATION METHODOLOGY

• Negotiated rulemaking committee of financial aid officers held initial meeting on March 5 to revise rules regarding the TEXAS Grant allocation process
• Committee examining ways to make process quicker, such as using previous years’ data
• Negotiated rulemaking process designed to build stakeholder consensus behind allocation methodology that meets institutions’ needs
• Scheduled to reconvene April 30 (after these materials were submitted)
ALLOCATION: PROFESSIONAL NURSING SHORTAGE REDUCTION PROGRAM

Goals of PNSRP Allocations

Provide incentive funding to institutions to:

• Increase the number of professional nursing graduates in Texas

• Increase initial licensure nursing enrollment in Texas
PNSRP COMPOSED OF THREE PROGRAMS WITH DIFFERENT ALLOCATION METHODOLOGIES

“Under 70” Program
- For nursing programs with less than 70% graduation rate
- Programs set targets for increasing graduations
- Institutions are advanced funds based on projected increases
- Unearned funds must be returned to Coordinating Board
- FY14/15 funding: $3.6 million

“Over 70” Program
- For nursing programs with greater than 70% graduation rate
- Programs must meet increased enrollment targets set by statute
- Institutions are advanced funds based on targets
- Unearned funds must be returned to Coordinating Board
- FY14/15 funding: $7.7 million

Regular Program
- Allocations are based on the institution’s increase in nursing graduates compared to the prior year
- Institutions receive a prorate share of the available funding for each year
- FY14/15 funding: $5.3 million