

Texas Higher Education Coordinating Board Budget Summary Strategy Descriptions and Estimated Impacts of Funding for the 2014-15 Biennium

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. For each budget strategy, this document presents the adjusted baseline amount for FY12-13 (including any supplemental appropriations made by the 83rd Legislature, Regular Session) and the amount included for FY14-15 in SB 1 (Enrolled). For appropriate strategies, impact statements are provided regarding the level of services the agency will be able to provide at the SB 1 (Enrolled) funding level.

Budget Goal A: Coordinate Higher Education

A.1.1. College Readiness and Success

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Difference*	
			Dollar +/-	Percent +/-
Total Biennial	\$5,134,123	\$3,727,042	-\$1,407,081	-27%

**Decreases to Goal A strategies due to restructuring of administrative strategies and decreases in federal and other funds.*

Strategy Description:

This strategy includes funding for the administration of all college readiness and success programs and initiatives that support the goals of Closing the Gaps by 2015. Funding under this Strategy is designed (1) to support professional development activities for pre-service and in-service teachers who teach in public high schools with low college-going rates, and (2) to increase college readiness and student success.

A.1.2. State Loan Programs

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-
Total Biennial	\$10,245,034	\$11,300,000	\$1,054,966	10%

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 funds for this program are generated by self-supporting bond proceeds and loan repayments. For FY2012, 8,548 students received \$104,563,240 in loans for an average amount of \$ 10,207. For FY 2013, as of May 2013, the Coordinating Board has disbursed 11,447 loans totaling \$67,625,158. The CB estimates that \$115,000,000 in loans will be dispersed each year of the 2014-15 biennium serving approximately 8,500 students per year.

A.1.3. Student Grants and Special Programs

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-
Total Biennial	\$1,850,602	\$1,850,602	\$0	0%

Strategy Description:

This strategy includes funding for the administration of all grant and success programs and initiatives that support the goals of Closing the Gaps by 2015. Funding under this Strategy is designed to increase student success and decrease the number of students enrolling in developmental education at institutions of higher education.

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Difference*	
			Dollar +/-	Percent +/-
A.2.1. Workforce, Academic Affairs, and Research				
Total Biennial	\$4,593,143	\$3,390,510	-\$1,202,633	-26%

**Decreases to Goal A strategies due to restructuring of administrative strategies and decreases in federal and other funds.*

Strategy Description:

This strategy includes funding for academic and research program responsibilities. The strategy includes funding for the personnel whose primary responsibility is institutional program review, administration of trustee funds (including the residency programs and the grant programs supported by the tobacco settlement funding included in Goal H), Norman Hackerman Advanced Research Program (NHARP), Research Assessment Program, Research Development Fund (RDF), and the THECB efforts to close the gaps in excellence and research.

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-
A.3.1. Planning, Information, & Evaluation				
Total Biennial	\$4,867,793	\$4,379,956	-\$487,837	-10%

**Decreases to Goal A strategies due to restructuring of administrative strategies and decreases in federal and other funds.*

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, review of the state's higher education facilities and establishment of standards, in conjunction with the institutions higher education, 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.

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-
A.3.2. Higher Education Policy Institute				
Total Biennial	\$640,733	\$846,120	\$205,387	32%

Strategy Description:

This funding is provided through a grant from Houston Endowment, Inc. to conduct research and analysis of critical higher education issues that challenge Texas.

Budget Goal B: Close the Gaps – Affordability

B.1.1. TEXAS Grant Program

	FY12-13 Adjusted Base*	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-
Total Biennial	\$579,697,826	\$724,617,824	\$144,919,998	25%

* Includes FY12-13 donations received and other transfers. Appropriated amount was \$559M.

The Coordinating Board submitted a \$163.7M exceptional item request for this strategy. This request was fully funded.

Strategy Description:

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 are Texas residents, complete the Recommended or Advanced High School Program, and enroll on at least a three-quarter basis in an undergraduate degree or certificate program. Beginning in fall 2013, students who achieve 2 out of 4 academic criteria in high school will receive priority over otherwise eligible students. To remain eligible, a student must complete at least 75 percent of his/her coursework, complete at least 24 semester credit hours per year and maintain at least a 2.5 college GPA. A student cannot receive a TEXAS Grant for more than 150 hours or five years if enrolled in a 4-year degree plan; six years if enrolled in a degree plan of more than four years. 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. In FY12, 75,966 students received an average award of \$3,770. In FY13, 77,673 students have received an average award of \$3,779, as of June 2013.

Impact of SB 1 (Enrolled) Funding Level

The funding levels included in SB 1, which include a \$30M commitment from Texas Guaranteed Student Loan Corporation, will allow approximately 145,800 students with an Expected family Contribution (EFC) up to \$4,000 to receive a TEXAS Grant in the biennium. This will fund an estimated 84% of entering eligible students at target average award amounts of \$5,000 for university students. With the passage of SB 215 making TEXAS Grant a university-only program, the Coordinating Board will transfer approximately \$33.9M in FY2015 from TEXAS Grant to TEOG so that community college students will continue to have access to their proportional share of state financial aid.

B.1.2. TEXAS B-On-Time Program

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-
Total Biennial	\$107,060,726	\$111,965,791	\$4,905,065	5%

Strategy Description:

The Texas B-On-Time Loan Program, which provides 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. In FY12, 9,452 students received a BOT Loan at an average amount of \$6,164. Through May 2013, 6,429 students have received loans averaging \$6,475. Since the program's inception in FY04, 36% of student participants have met the forgiveness requirements.

Impact of SB 1 (Enrolled) Funding Level

This level of funding will allow approximately 9,650 students to participate in the BOT Loan Program during the biennium. 6,750 students at public universities, which would include 1,325 new students each year funded from the tuition set aside portion of the appropriation. 2,900 students at private colleges and universities, including almost 800 new students each year, would be funded from the general revenue portion of the appropriation. With the passage of SB 215 making BOT a university-only program, the Coordinating Board will work with the community colleges to determine an equitable amount to be transferred in FY2015 from BOT to TEOG so that community college students will continue to have access to their proportional share of state financial aid.

B.1.3. Tuition Equalization Grants

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-
Total Biennial	\$168,845,654	\$180,095,654	\$11,250,000	7%

Strategy Description:

The Tuition Equalization Grant Program provides grants to needy students attending independent nonprofit institutions in Texas. To qualify, recipients must be Texas residents or National Merit Finalists and enroll on at least a three-quarter basis. To remain eligible, a student must complete at least 75 percent of his/her coursework, complete at least 24 semester credit hours per year (18 if the recipient is a graduate student) and maintain at least a 2.5 college GPA. Maximum award amounts equal half the per-student appropriation in the public university sector during the most recently completed biennium. However, students with exceptional need may receive 150% of the basic maximum award. Tuition Equalization Grant Program is the state’s primary assistance program for students attending independent institutions. In FY12, 25,474 students received an average award of \$3,309. In FY13, 24,387 students have received an average award of \$3,371 as of June, 2013.

Impact of SB 1 (Enrolled) Funding Level

The SB1 appropriation levels will fund about 27,800 students each year at an average award amount of \$3,239. (The maximum award in the program will decrease for the coming biennium from \$3,518 to \$3,239 due to decreases in public university appropriations per student.)

B.1.4. Texas Educational Opportunity Grant Program

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-
Total Biennial	\$23,147,818	\$27,811,600	\$4,663,782	20%

Strategy Description:

The Texas Educational Opportunity Grant Program 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. 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 Texas Educational Opportunity Grant for more than 75 hours or four years. 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. Texas Educational Opportunity Grant Program is the state's second largest assistance program for students attending public two-year institutions. In FY12, 5,801 students received an average award of \$1,586. In FY13, 6,552 students have received an average award of \$1,776 as of June 2013.

Impact of SB 1 (Enrolled) Funding Level

The SB1 appropriation levels will allow about 6,703 students to receive a Texas Educational Opportunity Grant in FY2014 at an average award of \$2,074. Approximately \$33,920,000 will be transferred from TEXAS Grant to TEOG in FY2015 and an amount TBD will be transferred from BOT to TEOG in FY2015 as a result of the passage of SB 215. At the average TEOG award amount, 16,352 new community college students will receive a TEOG grant in FY2015 that would previously have received a TEXAS Grant.

B.1.5. College Work Study

	FY12-13 Adjusted Base*	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-
Total Biennial	\$17,673,060	\$18,809,278	\$1,136,218	6%

**Includes transfers. Appropriated amount was approximately \$15M.*

Strategy Description:

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 75 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. In FY12, 4,352 students earned an average of \$1,288 excluding employer matching funds). In FY13, an estimated 3,263 students have earned an average of \$1,529 (excluding employer matching funds) as of June 2013. Institutions have the authority to make smaller awards to a larger number of students, or make larger awards to fewer students.

Impact of SB 1 (Enrolled) Funding Level

The SB1 appropriation level will support 4,603 students each year of the biennium at an average amount of \$1,500.

B.1.6. License Plate Scholarships Program

	FY12-13 Adjusted Base*	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-
Total Biennial	\$1,099,000	\$1,120,548	\$21,548	2%

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);
- Cotton Boll License Plate Scholarship (§ 504.636);
- Mothers Against Drunk Driving (§ 504.608); and
- Texas Section American Water Works Association (§504.801)

Impact of SB 1 (Enrolled) Funding Level

The appropriation represents estimated receipts. Funds collected will be distributed to each cognizant agency.

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-
B.1.7. Teach for Texas Loan Repayment Assistance Program				
Total Biennial	\$1,000,000	\$4,425,000	\$3,425,000	343%

The Coordinating Board submitted a \$9 million exceptional item request for FY14-15 for this strategy. This request was partially funded.

Strategy Description:

The Teach for Texas Loan Repayment Assistance Program provides student loan repayments for Texas public school teachers who provide full-time instruction in a subject for which there is a critical shortage of teachers or at a campus having a critical shortage of teachers. Teachers may receive loan repayment for each year of service for up to five years. The Commissioner of Higher Education determines the maximum annual award amount, taking into account the amount of available funding. The annual award amount was reduced from \$5,000 in FY2010-2011, to \$2,500 for 2012-2013, due to a 91% reduction in funding. Additionally, only prior year recipients were invited to apply for the limited funds. A total of 567 teachers received awards for up to \$2,500 in FY2012. Over-subscription of the program before the severe budget cuts indicates program success. 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 of SB 1 (Enrolled) Funding Level

At this level of funding, the Coordinating Board will be able to make annual loan repayment awards in the amount of \$2,500 to 885 teachers in each year of the biennium. The CB anticipates making awards to approximately 300 additional teachers, if conditional grant program receipts authorized by rider remain in line with those received for FY2012. This will require the application of ranking criteria defining the highest priorities of application acceptance.

B.1.8. Border Faculty Loan Repayment Program	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-

Total Biennial	\$375,626	\$375,626	\$0	0%
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Strategy Description:

This program provides educational loan repayments for faculty members who earned their doctorates after 1994 and teach at institutions located in Texas counties that border Mexico. Each eligible institution submits to the THECB at least four applications from selected members of the faculty who may receive loan repayment for up to \$5,000 for each year of service, for up to 10 years. The program has been fully subscribed every year since its inception. The appropriated annual amount of \$187,813 funded awards to 38 faculty members in FY12 and 39 faculty in FY13.

Impact of SB 1 (Enrolled) Funding Level

At this level of funding, the Coordinating Board will be able to make annual loan repayment awards in each year of the biennium, in the amount of \$5,000 to approximately 40 faculty members serving the 10 institutions located in counties that border Mexico.

B.1.9. OAG Lawyers Loan Repayment Program	Difference			
	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Dollar +/-	Percent +/-
Total Biennial	\$496,072	\$496,072	\$0	0%

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. Selected applicants may receive annual loan repayment awards of up to \$6,000, for a period of no more than three years. The OAG selects the recipients and recommends the award amounts based on years of service and other factors.

For FY2011 the THECB was authorized under Rider 43 to use unexpended dedicated set-aside funds in the amount of \$279,589 from prior years in addition to set aside funds received during the biennium in the amount of \$276,313. Additionally \$150,000 in non-dedicated GR was appropriated, allowing for the expenditure of \$705,902 for loan repayment awards to 122 attorneys.

Although dedicated tuition set aside funds continue to be deposited into the account for this program, there is no rider authorizing expenditure of these funds, estimated at \$276,300 for FY2012-2013. The GR appropriation for each year of the 2012-2013 biennium is \$248,036.

Impact of SB 1 (Enrolled) Funding Level

At this level of funding, the Coordinating Board will be able to make 82 annual loan repayment awards for approximately \$3,000, for each year of the biennium. The OAG determines award amounts and selects the employees/applicants who benefit from the awards.

B.1.10. Engineering Recruitment Program	Difference			
	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Dollar +/-	Percent +/-
Total Biennial	\$0	\$500,000	\$500,000	N/A

The Coordinating Board submitted a \$500,000 exceptional item request for FY14-15 for this strategy. This request was fully funded.

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 engineering through the Engineering Summer Program (ESP). 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 ESP is an early intervention initiative to engage and encourage middle and high school students to consider engineering as a profession.

Impact of SB 1 (Enrolled) Funding Level

The last year it was funded (FY 2011), the ESP received an appropriation of \$500,000 and supported 25 summer programs with 790 middle and high school students participating. At half that funding (\$250,000 per year in FY14-15), SB 1 will support about 12 summer programs and 395 students.

B.1.11. Top Ten Percent Scholarships	Difference			
	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Dollar +/-	Percent +/-
Total Biennial	\$39,624,892	\$39,624,892	\$0	0%

Strategy Description:

The Top 10% Scholarship is a need-plus-merit program to encourage high achieving Texas high school students to go to college in Texas. Scholarships are valued at \$2,000 per year and 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 satisfactorily complete at least 75% 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. In FY12, 18,410 students received an average award of \$2,092. In FY13, 15,919 students have received and average award of \$2,046 as of June 2013.

Impact of SB 1 (Enrolled) Funding Level

At SB1 funding, all current renewal students who meet the priority awarding deadline of March 15th will be able to receive a full \$2,000 award. Approximately 9,300 new students (about 72% of the eligible student population and 100% of those that meet the priority deadline) will receive a new reduced value award (\$1,500 instead of \$2,000) each year of the biennium. 24,900 students will receive Top 10% scholarships in the biennium. There are insufficient funds appropriated to award students that miss the priority deadline and to award bonus amounts in the biennium.

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-
Total Biennial	\$7,120,000	\$7,120,000	\$0	0%

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 Texas Armed Services Scholarship. The first disbursement of these fund occurred in FY11. In FY12, 106 nominations were received and 76 students were awarded the scholarship.

Impact of SB 1 (Enrolled) Funding Level

At current participation rates, the baseline funding will cover all renewal students and newly appointed students in the biennium. The Coordinating Board is authorized through rider to transfer all unused funds to the TEXAS Grant Program.

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-
Total Biennial	\$9,497,500	\$6,000,000	-\$3,497,500	-37%

Amounts in both FY12-13 and FY14-15 reflect donations from Texas Guaranteed Student Loan Corporation (TG). The Coordinating Board submitted a \$3.5 million exceptional item request for FY14-15 as a state match to TG donations. This request was not funded.

Strategy Description:

The Texas Science, Technology, Engineering, and Math (T-STEM) Challenge Scholarship Program was established by House Bill 2910, passed by the 82nd Legislature, Regular Session in 2011. The T-STEM program is funded through a grant provided to the Texas Higher Education Coordinating Board from the Texas Guaranteed Student Loan Corporation. Grants awarded under the T-STEM program allow community and technical colleges to provide merit-based scholarships to qualifying, high-achieving full-time students pursuing careers in STEM and related fields

Impact of SB 1 (Enrolled) Funding Level

The T-STEM statute requires that at least 50 percent of funding provided through grant awards come from private funds. For the 2012-2013 biennium, the first of the program's operation, the Texas Guaranteed Student Loan Corporation (TG) provided 100 percent of funding to the THECB to support the program. TG considered its support of T-STEM to be seed funding and anticipated that state general revenue would be appropriated to help support the program for the 2014-2015 biennium. Because state general revenue is not provided in SB 1, it is uncertain whether the T-STEM program cannot be sustained or expanded. Staff will work with TG to pursue continued funding for the program.

Budget Goal C: Close the Gaps – Research

C.1.1. Norman Hackerman Advanced Research Program

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-
Total Biennial	\$1,000,000	\$1,000,000	\$0	0%

The Coordinating Board submitted an \$8 million exceptional item request for FY14-15 for this strategy. This request was not funded.

Strategy Description:

The Norman Hackerman Advanced Research Program (NHARP) was established by the 70th Texas Legislature (1987, TEC Chapter 142) and helps close the gap in research by providing competitive, peer-reviewed grants for basic research at Texas higher education institutions. The established peer-review process ensures that selected research projects are at the forefront of science: research that attracts and retains the best faculty and students and develops the knowledge base needed for continuing innovation. Norman Hackerman Advanced Research Program funds enable investigators to do initial studies necessary to secure additional funding from the federal government, private industry, not-for-profit organizations, and private donors. The expected multiplier for external funds is about 3.5. On average, 5 to 7 students participate on each project. Funding for the biennium 2012-2013 was \$1 million and 12 projects were supported. Funding is appropriated in the first year of the biennium and the projects are supported for two years, with the ability to have no-cost extensions.

Impact of SB 1 (Enrolled) Funding Level

At SB 1 (Enrolled) funding level, the competition could award approximately 12 grants of \$80,000 each. This funding level for a two-year period is too small to realistically achieve major scientific results. However, the THECB will maintain its current focus of strategically targeting funding to early career investigators (non-tenured, tenure-track faculty) and will limit the scientific disciplines supported, most likely to two research areas. Approximately five percent of Texas institutions would benefit. This funding level would allow about 50 undergraduate students to participate in research projects.

C.1.2. Texas Research Incentive Program

	FY12-13 Adjusted Base*	FY14-15 SB 1 (Enrolled)	Difference*	
			Dollar +/-	Percent +/-
Total Biennial	\$70,025,000	\$35,625,000	*	*

**There is no real decrease in funding between biennia because HB 1025 (FY13 supplemental appropriations) added \$34.4M to this strategy for FY12-13, increasing the original FY12-13 base of \$35.625M.*

Strategy Description:

This strategy includes funding for the Texas Research Incentive Program (TRIP), which was established by HB 51, 81st Texas Legislature, to provide funding and incentives to support emerging public research universities in developing and maintaining programs of the highest tier.

Impact of SB 1 (Enrolled) Funding Level

As of June 11, 2013 there were \$76.6 million in unfunded match requests in the queue. The additional \$34.4 million provided in supplemental FY13 funding would reduce the unfunded amount to \$42.2 million. The \$35.6 million provided in SB 1 will further reduce the unfunded amount to \$6.5 million.

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)*	Difference	
			Dollar +/-	Percent +/-
<i>VETOED</i> C.1.3. Water Aquifer Research				
Total Biennial	N/A	\$3,000,000	\$3,000,000	N/A

**Subsequent to enrollment, this item was line-item vetoed by the Governor.*

Strategy Description:

This new strategy was added to the Coordinating Board's budget by the conference report on SB 1. A new rider was added to the agency's appropriation that reads, "**Aquifer Research**. Out of funds appropriated above in Strategy C.1.3, Water Aquifer Research, \$1,500,000 in general revenue for fiscal year 2014 and \$1,500,000 in general revenue for fiscal year 2015 shall be transferred to the Houston Area Research Council."

Impact of SB 1 (Enrolled) Funding Level

This budget strategy was line-item vetoed by the Governor and will not be funded in FY14-15.

Budget Goal D: Close the Gaps – Health Programs

	FY12-13 Adjusted Base*	FY14-15 SB 1 (Enrolled)**	Difference	
			Dollar +/-	Percent +/-
D.1.1. Family Practice Residency Program				
Total Biennial	\$13,350,000	\$5,030,000	*	*

**There is no real decrease in funding because HB 1025 (Supplemental appropriations for FY13) added \$7.75M to the original FY12-13 base of \$5.6M. The CB is provided with authority to carry any unexpended balances from FY13 into FY14-15.*

***The Coordinating Board submitted a \$14 million exceptional item request for this strategy. This was partially funded in HB 1025.*

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. Since its inception in 1979, 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 of SB 1 (Enrolled) Funding Level

The program provides needed support for family medicine residency programs located statewide. The per resident funding level in FY 2013 was \$3,840 and supported 716 residents. During the 83rd Legislature, the FPRP received a total appropriation of \$12,780,000: \$5,030,000 from Senate Bill 1 and \$7,750,000 in FY13 supplemental appropriation from House Bill 1025 (with authority to carry unexpended FY13 funding into FY14-15). The appropriation will provide \$6,390,000 in funding for FY2014 and \$6,390,000 in awards for FY2015. The per resident funding level will increase to approximately \$10,000 per resident, while the number of residents will likely remain near 716 for both FY 2014 and FY 2015.

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-
Total Biennial	\$7,006,794	\$10,206,794	\$3,200,000	46%

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 Joint Admission Medical Program 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 Joint Admission Medical Program Council, which is composed of one faculty representative from each Texas medical school. The enabling legislation designates the administrative functions of Joint Admission Medical Program 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 of SB 1 (Enrolled) Funding Level

The program will continue to operate in the same manner as the 2012-13 biennium. Funding for the program was increased and will allow the program to maintain support for its current participants and add another 150 sophomores to the program each year.

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-
Total Biennial	\$5,683,709	\$33,800,000	\$28,116,291	495%

**The CB submitted a \$4.7M exceptional item request for this strategy. This was more than funded in the introduced bill so the CB withdrew its request.*

Strategy Description:

The purpose of the program is to encourage qualified physicians to practice medicine for at least four years in designated health professional shortage areas (HPSAs) of Texas. The program provides loan repayment amounts to up to \$160,000 over the four-year commitment period, or payment in full over a four-year period, for student loan debt under \$160,000. A total of 130 physicians are continuing to fulfill their service commitments; awards will continue to be disbursed from FY2011 funds through 8/31/2013.

Because the funding for FY2012-2013 was reduced to \$5.6 million (compared with \$22m for FY2010-2011), no new participants were accepted into the program after June of 2011, and all of the appropriated funds will be used to honor third and fourth-year service commitments. Revenue from dedicated medical school tuition set asides, in addition to tobacco tax receipts, continue to be deposited into the Physician Education Loan Repayment Program account. The amount deposited in the account for FY2012 was \$34.6 million.

Impact of SB 1 (Enrolled) Funding Level

The appropriation will serve 41 physicians completing a fourth year of service in FY2014-2015, in addition to enrollment of 100 new participants in each year of the biennium, for a total of 200 new physician participants during the biennium. The funding will be to support four years State can make a firm financial commitment to physicians through 8/31/2017. Thus, service must begin before 8/31/2013 to qualify for a four-year financial commitment. Those beginning service during the period 9/1/2013 - 8/31/2015 will be accepted into the program, with the understanding that awards for service periods completed after 8/31/2017 will be contingent upon continued legislative appropriations for the program.

For every physician practicing in a primary care HPSA, 3,000 patients who otherwise would not have access to primary health care are served. Thus, up to 600,000 Texans could have access to primary health care as result of enrolling 200 new physicians.

If, at the end of each fiscal year there are remaining uncommitted funds, physicians not practicing in HPSAs may enroll in the program on the basis of meeting yet-to-be-defined targets for serving Medicaid and Texas Woman's Health Program enrollees (HB 2550). Additionally, if uncommitted funds remain after all physician applications have been considered at the end of a fiscal year, PELRP funds may be reallocated to an account for student loan repayment for Nursing Faculty (HB2099). We are unable to estimate how many physicians or nursing faculty may qualify on the basis of this new legislation.

D.1.4. Professional Nursing Shortage Reduction Program	Difference			
	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Dollar +/-	Percent +/-
Total Biennial	\$29,625,000	\$33,750,000	\$4,125,000	14%

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 of SB 1 (Enrolled) Funding Level

In FY12-13, there were 71 awards made under the regular program, 67 awards made under the "Over 70 Program" and 30 awards made under the "Under 70 Program." Because awards are dependent on institutions applying and achieving their targets, it is impossible to say how many awards will be made in FY14-15. However, the additional funding could allow institutions to receive larger award amounts should the number of recipients hold steady.

D.1.5. UNT HSC College of Pharmacy	Difference			
	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Dollar +/-	Percent +/-
Total Biennial	N/A	\$5,400,000	\$5,400,000	N/A

Strategy Description:

This new strategy was added to the Coordinating Board's budget in the conference report for SB 1. A rider was added to the Coordinating Board's budget that states, "**UNT HSC College of Pharmacy**. Out of funds appropriated above in Strategy D.1.5, UNT HSC College of Pharmacy, \$2,700,000 in general revenue for fiscal year 2014 and \$2,700,000 in general revenue for fiscal year 2015 shall be transferred to the University of North Texas Health Science Center to support the new UNT System College of Pharmacy at the University of North Texas Health Science Center. In order for the University of North Texas Health Science Center to be eligible for this funding, the Texas Higher Education Coordinating Board must certify the actual number of students enrolled in the UNT System College of Pharmacy.

For fiscal year 2014, the Texas Higher Education Coordinating Board shall provide funding in an amount not to exceed \$2,700,000 upon certifying up to 100 students have enrolled in the new University of North Texas System College of Pharmacy for the Fall of 2013. For fiscal year 2015, the Texas Higher Education Coordinating Board shall provide funding in an amount not to exceed \$2,700,000 upon certifying up to 100 students have enrolled in the new University of North Texas System College of Pharmacy for the Fall of 2014."

Impact of SB 1 (Enrolled) Funding Level

Staff will work with the institution and provide funding once the required number of students are certified as enrolled. Staff will contract to transfer funding to the institution.

New	Graduate Medical Education (GME) Expansion		Difference	
	FY12-13 Adjusted Base*	FY14-15 SB 1 (Enrolled)**	Dollar +/-	Percent +/-
Total Biennial	\$9,250,000	\$7,100,000	*	*

**No funding was included in the original FY12-13 baseline. HB 1025 added \$9.25M for GME Expansion in FY13, and gives the Coordinating Board two years to expend the funds.*

*** The Coordinating Board submitted an \$11.5M exceptional item request for GME expansion. This was more than funded through the additions to HB 1025 and SB 1.*

Strategy Description:

There were several sources of funding added to support new GME programs. SB 1 includes \$7.1 million in contingency funding for SB 143 (which passed as an amendment to HB 2550). This funding includes \$5 million to fund a new Primary Care Graduate Medical Education Expansion Program and \$2.1 million for a new Primary Care Innovation Program to provide funding support for medical schools that develop innovative programs to increase the number of primary care physicians in Texas. Supplemental appropriations of \$9.25 million were included to fund GME planning grants and programs to fill unfilled residencies and create new residency programs.

Impact of SB 1 (Enrolled) Funding Level

The 83rd Texas Legislature, Regular Session, created several new programs to support medical and graduate medical education (GME). House Bill 2550 (HB 2550) establishes six new grant programs: 1) planning grants, 2) grants for unfilled positions at existing GME programs, 3) grants for new positions or new residency program, 4) grants for additional years of residency, 5) Primary Care Innovation Grant Program, and 6) Resident Physician Expansion Grant Program. The funding for the programs is provided in Senate Bill 1 (SB 1) through an appropriation in two riders. The first is in Article III, Rider 54, which provides a \$5 million appropriation for fiscal year 2014 to implement the provisions of HB 2550. The second rider is in Article IX, Contingency and Other Provisions, Rider 18.34 and provides \$2.1 million for the Primary Care Innovation Grant Program. In addition to the funding in SB 1, House Bill 1025 (HB 1025) provides \$9.25 million to fund the first three types of grants established in HB 2550 (planning grants, grants for unfilled positions at existing GME programs and grants for new positions or new residency programs). The Coordinating Board is working to develop rules and procedures for these new programs.

	Physician and Nurse Trauma Care		Difference	
	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)*	Dollar +/-	Percent +/-
Total Biennial	\$4,500,000	\$4,500,000	\$0	0%

**Contingent on HB 7, which provides the Coordinating Board authority to access the Trauma Fund account.*

Strategy Description:

The Emergency and Trauma Care Education Partnership Program (ETEP), was established by passage of Senate Bill 7 during the First Called Session of the 82nd Legislature in 2011. Funding of \$4.5 million will support the program in Fiscal Years 2012 and 2013. The program will provide funding support for partnerships of emergency medicine and trauma care residency programs and fellowships and hospitals to increase training opportunities in these medical specialty areas. The program will provide similar support for partnerships of graduate nursing programs and hospitals to increase the education and training experiences in emergency and trauma care for registered nurses pursuing graduate training.

Impact of SB 1 (Enrolled) Funding Level

Senate Bill 2, 82nd, Leg., 1st Called Session, appropriated funding for the Emergency and Trauma Care Education Partnership Program (ETEP) to the Department of State Health Services (DSHS) from General-Revenue-Dedicated Account 5111, Designated Trauma Facility and EMS. DSHS provided the Coordinating Board with funding through a Memorandum of Understanding. Senate Bill 1 appropriates the funds directly to the agency under Rider 51, reducing administrative burden. As of January 2013, 64 additional nurses and residents/fellows have begun this advanced training at 16 programs.

<i>Removed</i>	Consortium of Alzheimer's Disease Centers	Difference			
		FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Dollar +/-	Percent +/-
Total Biennial	\$5,230,625	\$0	-\$5,230,625	-100%	

This budget strategy was removed from the Coordinating Board and transferred to the University of Texas System.

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 2012-2013 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 of SB 1 (Enrolled) Funding Level

This strategy has been removed from the Coordinating Board's budget.

Budget Goal E: Baylor College of Medicine

E.1.1. Baylor College of Medicine UGME	Difference			
	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Dollar +/-	Percent +/-
Total Biennial	\$75,864,812	\$73,683,904	-\$2,180,908	-3%

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.

	E.1.2. Baylor College of Medicine GME		Difference	
	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Dollar +/-	Percent +/-
Total Biennial	\$10,353,014	\$11,944,222	\$1,591,208	15%

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 graduate medical education formula funding provided to the public health-related institutions. This funding is trustee to the THECB and disbursed to Baylor College of Medicine through a contractual arrangement.

	E.1.3. Tobacco Earnings - Perm Endowment Fund for Baylor College of Medicine		Difference	
	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Dollar +/-	Percent +/-
Total Biennial	\$2,836,851	\$2,850,000	\$13,149	0%

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 Baylor College of Medicine and invested by the State Comptroller. Baylor College of Medicine may use the funds to support programs that benefit medical research health education or treatment programs.

	E.1.4. Tobacco Earnings - Permanent Health Fund for Baylor College of Medicine		Difference	
	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Dollar +/-	Percent +/-
Total Biennial	\$4,150,627	\$4,050,000	-\$100,627	-2%

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. Baylor College of Medicine may use the funds for programs that benefit medical research, health education or treatment programs.

Budget Goal F: Quality, Access and Success

F.1.1. Developmental Education Program

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)*	Difference	
			Dollar +/-	Percent +/-
Total Biennial	\$4,000,000	\$4,000,000	\$0	0%

**A new rider in the Coordinating Board's budget directs that \$1,200,000 per year be transferred to The University of Texas at Austin for the purpose of implementing the New Mathways Project.*

Strategy Description:

This strategy focuses on scaling best practice findings from previously-funded demonstration projects that determined the most effective strategies to 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 of the demonstration projects as well as results from the new TSI Assessment will be used to inform changes to the Texas Success Initiative statute (TEC §51.3062) to address systemic developmental education reform. Reform focus areas include: assessment and placement, adult basic education alignment, student advising and counseling, course redesign, non course-based remediation, and faculty development.

Impact of SB 1 (Enrolled) Funding Level

After transferring the \$1.2 million each year of the biennium to The University of Texas, the \$1.6 million appropriated will only be able to provide professional development activities for approximately 400-600 faculty statewide, addressing a combination of reading and writing instruction and holistic advising. Internal resources will be utilized to maintain the yearly campus Developmental Education Program Survey. Any work directed by Rider 44 in SB 1 related to assessment and placement, Adult Basic Education alignment, and non-course based remediation will not be addressed due to lack of funding.

F.1.2. Centers for Teacher Education

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-
Total Biennial	\$3,040,706	\$3,040,706	\$0	0%

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). Current Rider 39 in the General Appropriations Act requires consideration to be given to teacher education centers at Huston-Tillotson University, Jarvis Christian College, Paul Quinn College, Texas College, and Wiley College. These funds shall be used (1) for scholarships for students admitted into a teacher education program through to completion of the program and certification, at no less than 50 percent of the amount allocated to the institution, and (2) to redesign curriculum to ensure each institution provides curriculum and instruction on how to teach to the rigor of the Texas College and Career Readiness Standards. In the last 5 years, these institutions have produced only 289 initially-certified teachers total, well below the expectation of 300-350 annually.

Impact of SB 1 (Enrolled) Funding Level

Using the funding amount provided in SB 1, the agency will seek to produce more initially-certified teachers by providing specific best practices technical assistance and more monitoring and accountability to support the participating institutions of the Texas Association of Developing Colleges (TADC). A portion of the funds will be discretionary, based on performance outcomes with the remaining amount of funds supporting scholarships, an external review team and program redesign.

	F.1.3. Adult Basic Education Community College Grants FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-
Total Biennial	\$4,000,000	\$4,000,000	\$0	0%

Strategy Description:

This strategy implements the recommendations in the Rider 29 report to the Governor, *Building Bridges to Success: An Update on the Action Plan to Transition Adult Basic Education Students to Postsecondary Education and Training* (Jan. 2012). Texas has 4 million adults who lack a secondary credential or are limited English proficient. Of this number, 100,000 are served by AEFLA-funded programs and about 3,500, or 3.5 percent of the 100,000, transition to postsecondary institutions or training programs. For Texas to compete in the global economy, it is critical that education and training programs be available to develop the human capital of all segments of the population. Recommendations of the Rider 29 report include: integrating basic skills instruction and CTE programs at two-year institutions, expanding the number of community colleges that provide adult basic education programs, and eliminating the redundancy of teaching basic skills classes within developmental education programs.

Impact of SB 1 (Enrolled) Funding Level

Funding will support twenty-nine programs, serving approximately 4,500 adult education students transitioning to higher education. The funds support the agency's efforts to effectively align adult basic education to postsecondary education and to provide each community college district with a means to address the needs of lower skilled students. The funds will continue to help serve approximately 1800 ABE-IG students, 295 staff/faculty, generate an estimated 1500 workforce training certificates in high demand occupations in certain regions, transition almost 1200 recent GED graduates and returning adults (not college ready) into college credit programs, and impact 81 staff/faculty.

New	F.1.4. UTB TSC Transition Funding FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-
Total Biennial	\$0	\$15,672,025	\$15,672,025	N/A

Strategy Description:

This is a new strategy added to the Coordinating Board's budget by SB 1. This is formula funding for the University of Texas at Brownsville and Texas Southmost College being trusteeed to the agency. This formula funding will be allocated to the institutions based on updated semester credit and contact hour data.

New	Educator Excellence Preparation Program	Difference			
		FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)*	Dollar +/-	Percent +/-
Total Biennial		\$0	\$1,298,305	\$1,298,305	N/A

Strategy Description:

This new budget strategy was added to SB 1 contingent on enactment of HB 1752, which would establish a Texas Teacher Residency Program at an institution of higher education that will award a master's degree and lead to a teacher certification. The Coordinating Board will choose the institution to host the program. Funding will help defray staff and technology costs at the institution as well as provide a stipend to teacher residents participating in the program.

Impact of SB 1 (Enrolled) Funding Level

The THECB would establish a Texas Teacher Residency Program at an institution of higher education (IHE). The institution selected would form a partnership with an area school district or open enrollment charter school to provide employment to residents in the program. The program would be designed to provide 15-30 teaching residents participating in the program a livable stipend, award a master's degree, and lead to certification for participating teaching residents who are not already certified teachers. Funding provided would serve about 15 residents: however, the partnering IHE may be able to generate additional funds and serve more residents.

Removed	African American Museum Internship	Difference			
		FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)*	Dollar +/-	Percent +/-
Total Biennial		\$133,432	\$0	-\$133,432	-100%

**This budget strategy was removed from the Coordinating Board and transferred to The University of Texas at Dallas.*

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 of SB 1 (Enrolled) Funding Level

This program is removed from the Coordinating Board by SB 1.

Removed	College Readiness Grants	Difference			
		FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Dollar +/-	Percent +/-
Total Biennial		\$2,159,748	\$0	-\$2,159,748	-100%

Strategy Description:

This strategy includes funding to provide professional development for in-service and pre-service teachers in high schools with low college going rates called for in Texas Education Code, Section 29.904, Plan to Increase Enrollment in Institutions of Higher Education, for those high schools located in the Dallas and Houston higher education regions. Other funds appropriated or otherwise available in Strategy F.1.9, College Readiness Grants, may be used for initiatives called for in Texas Education Code, Sections 61,0762, Programs to Enhance Student Success.

Impact of SB 1 (Enrolled) Funding Level

This budget strategy is removed from the Coordinating Board's bill pattern in SB 1.

Budget Goal G: Federal Grant Programs

G.1.1. Career and Technical Education Programs			Difference	
	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Dollar +/-	Percent +/-
Total Biennial	\$65,784,248	\$48,000,000	-\$17,784,248	-27%

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.

Impact of SB 1 (Enrolled) Funding Level

Estimated level funding from this program will allow continued federal support for career and technical education initiatives at current levels.

G.1.2. Teacher Quality Grants Programs			Difference	
	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Dollar +/-	Percent +/-
Total Biennial	\$12,454,557	\$5,768,000	-\$6,686,557	-54%

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 1,100 teachers each year and improves the quality of instruction for approximately 125,000 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 of SB 1 (Enrolled) Funding Level

The funding amount provided in SB 1 will allow institutions of higher education (IHEs) to continue providing courses and sessions designed to deepen the content knowledge of teachers and improve instructional quality in core academic courses. Due to the reduction in federal funds, the number of teachers served will decrease from an estimated 1,500 teachers to 900 each year.

G.1.3. College Access Challenge Grants Program	Difference			
	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Dollar +/-	Percent +/-
Total Biennial	\$23,458,156	\$224,000	-\$23,234,156	-99%

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 of SB 1 (Enrolled) Funding Level

Currently the state is not meeting certain federal MOE requirements related to funding. CACG funds are currently used to address college participation by funding Advise TX, Gen TX, Adult Degree Completion outreach and the Comprehensive Student Success Program. Without additional state funding to meet MOE requirements, or a waiver from MOE requirement by the Department of Education, these programs will be eliminated. The funding level provided is the non-federal matching funds from state staff salary and fringe for CACG grant management. All CACG programs (federally and non-federally match funded) served 405,734 students.

G.1.4. Other Federal Grants Programs

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-
Total Biennial	\$772,000	\$554,000	-\$218,000	-28%

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 THECB received a significant portion of the Statewide Longitudinal Data System grant funds in June of 2009 to implement a four-year endeavor to accomplish the objectives of the Statewide Longitudinal Data System grant.

Impact of SB 1 (Enrolled) Funding Level

Estimated federal funding will continue to support operation of the Statewide Longitudinal Data System at current levels.

Budget Goal H: Close the Gaps - Tobacco Funds**H.1.1. Tobacco Earnings - Minority Health Research and Education**

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-
Total Biennial	\$5,402,235	\$2,950,000	-\$2,452,235	-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 of SB 1 (Enrolled) Funding Level

The interest earnings from the Permanent Fund would allow the Board to award approximately two additional grants during the 2014-15 biennium. In 2013 the program provided 4 grants to 4 institutions. The estimated number of additional grants is based on the average award from 2012-13 biennium, which was \$363,372.

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

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Difference	
			Dollar +/-	Percent +/-
Total Biennial	\$6,951,123	\$5,400,000	-\$1,551,123	-22%

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 of SB 1 (Enrolled) Funding Level

The estimated increase in interest earnings from the Permanent Fund would allow the Board to award approximately nine additional grants during the 2014-15 biennium. In 2013 the program provided 31 grants to 29 institutions. The estimated number of additional grants is based on the average award from the 2012-13 biennium, which was \$118,233.

Budget Goal I: Indirect Administration

I.1.1. Central Administration

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)*	Difference	
			Dollar +/-	Percent +/-
Total Biennial	\$9,960,337	\$9,676,058	-\$284,279	-3%

* The Coordinating Board submitted an exceptional item request to support four compliance monitoring specialists as required by sunset legislation (SB 215). This funding and an increase of 4 FTE were included in SB 1.

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 of SB 1 (Enrolled) Funding Level

Additional funding provided in rider will allow the Coordinating Board to fully implement the compliance monitoring function established in the agency's Sunset legislation (SB 215). Two FTE were hired using FY13 funding in anticipation of this requirement, and they as well as two additional FTE will be funded through this contingency rider during the FY14-15 biennium.

I.1.2. Information Resources

	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)*	Difference	
			Dollar +/-	Percent +/-
Total Biennial	\$8,503,847	\$7,901,291	-\$602,556	\$0

*A Coordinating Board exceptional item request of \$1.15M for IT resources was not funded.

Strategy Description:

This strategy involves the Information Solutions and Services (ISS) division. The role of the Division is to partner with the agency's business and program areas in the delivery of business solutions, information services and continuous improvement to the agency and its stakeholders. This includes 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 maintenance of the agency's web sites. This strategy provides 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.

I.1.3. Other Support Services	Difference			
	FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Dollar +/-	Percent +/-
Total Biennial	\$3,830,468	\$2,869,808	-\$960,660	-25%

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.

Funds Without Identified Budget Goal

New	Hazelwood Exemption	Difference			
		FY12-13 Adjusted Base	FY14-15 SB 1 (Enrolled)	Dollar +/-	Percent +/-
Total Biennial		\$30,000,000	\$0	-\$30,000,000	-100%

Strategy Description:

HB 1025 (Supplemental Appropriations for FY13) trustees \$30M to the Coordinating Board to allocate among institutions to defray the cost of the Hazelwood exemption. The Board is required to allocate the funding according to the proportion of each institution's respective share of the aggregate cost of the exemption for students under the Legacy Program, subject to input by institutions for their respective share, and present a plan for allocation to the Legislative Budget Board no later than August 1, 2013.

Impact of SB 1 (Enrolled) Funding Level

The Coordinating Board has contacted all institutions of higher education and given them the opportunity to review and correct their Hazelwood Legacy data as reported through the Hazelwood Database, with a deadline of July 15 for institutions to correct any misreported data. This updated data will be used to develop the allocation recommendation that will go to the LBB by August 1.