

**TEXAS HIGHER EDUCATION COORDINATING BOARD**

**MINUTES**

**Board Planning Session**

**Airport Hilton  
9515 Hotel Drive  
Austin, TX 78719**

**September 26, 2012**

**The Texas Higher Education Coordinating Board convened at 10:09 a.m. on September 26, 2012, with the following members present: Fred Heldenfels, presiding; Durga Agrawal; Ryan Bridges; Dennis Golden; Harold Hahn; Bobby Jenkins; Munir Lalani; Jim Lee; Janelle Shepard; and David Teuscher.**

<b>AGENDA ITEM</b>	<b>ACTION</b>
<b>I. Goals for the Meeting</b>	Fred Heldenfels, Chair of the Board, provided the overall goal of the meeting – to have a discussion, and provide feedback, on the staff legislative recommendations for the 83rd Legislature, which will be considered for final adoption at the October 25 Board meeting.
<b>II. Overview of Staff Legislative Recommendations</b>	Raymund Paredes, Commissioner of Higher Education, provided an overview of the staff legislative recommendations. He explained that the Tier I recommendations were the most important priorities to improve access, success, and cost efficiencies.
<b>A. Tier I Recommendations (Major Priorities)</b> <b>1. Outcomes-Based Funding</b> <b>2. Time-to-Degree</b> <b>3. Student Financial Aid</b>	Susan Brown, Assistant Commissioner for Planning and Accountability, provided an overview of the outcomes-based funding model recommended by the General Academic Institutions Formula Advisory Committee; the student success model recommended by the Texas Association of Community Colleges; and the TSTC return-value model. Board members agreed with the models as presented and expressed the desire to maintain a metric for community college students who complete an English course (which TACC had not included in its model). Board members also directed staff to work with the community colleges in determining a timeline for collecting ABE and ESL data. Finally, Board members expressed a desire not to define critical fields in statute so that the Coordinating Board (CB), in consultation with the Texas Workforce Commission, institutions of higher education, and business industry have the flexibility to review and define critical fields periodically.

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	<p>David Gardner, Deputy Commissioner for Academic Planning and Policy, provided an overview of the recommendations relating to capping the total number of credit hours required for an Associate’s degree at 60 hours; allowing institutions to charge out-of-state tuition for hours earned in excess of 135 for a 120 hour Bachelor’s degree and limiting formula funding to 135 hours. There was a consensus among the Board members relating to these recommendations.</p> <p>Dan Weaver, Assistant Commissioner for Business and Support Services, provided an overview of the recommendations relating to changes to the TEXAS Grant program and restructuring the B-on-Time program. Board members agreed with the recommendations. Board members agreed that the award amount should be set based on a statewide average of tuition and fee charges, rather than the actual tuition and fees charged by each institution.</p>
<p><b>B. Tier II Recommendations (Programmatic Changes)</b></p> <ol style="list-style-type: none"> <li><b>1. Student Financial Aid</b></li> <li><b>2. College Readiness</b></li> <li><b>3. Other Miscellaneous</b></li> </ol>	<p>Dan Weaver, Assistant Commissioner for Business and Support Services, provided an overview of the recommendations relating to making changes to the Hazelwood Act for the benefit of veterans and their families; making changes to tuition exemption and waiver programs to make them more efficient and effective; and expanding the eligibility requirements for the Texas Educational Opportunity Grant program. Board members agreed with the recommendations and directed staff to move the TEOG recommendation under Tier I recommendations relating to changes to the TEXAS Grant program. Bill Franz, General Counsel, also explained that the Attorney General recently issued an opinion relating to the stacking of federal and state benefits under the Hazelwood program, so staff will remove changes relating to this.</p> <p>Judy Loreda, Assistant Commissioner for P-16 Initiatives, provided an overview of the recommendations relating to requiring TEA and the CB to review and revise the College and Career Readiness Standards on a regular basis and clarifying statutory authority for the CB to set the Texas Success Initiative exemption based on the college readiness standard on the End of Course Exams. Board members agreed with the recommendations.</p> <p>David Gardner, Deputy Commissioner, provided an overview of the recommendations relating to requiring institutions to report deferred maintenance data to the CB; authorizing the CB to collect fees from private institutions pursuing a certificate of authorization; establishing a dual credit crosswalk that shows which high school credits should be awarded for college courses offered for dual credits; and establishing a readiness standard for high school students to take dual</p>

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	<p>credit college courses based on their performance on End of Course exams. Board members agreed with the recommendations and directed staff to move the deferred maintenance recommendation as #2 under Tier II recommendations.</p>
<p><b>C. Tier III Recommendations (Statutory Updates and Agency Cost Efficiencies)</b></p> <ol style="list-style-type: none"> <li><b>1. Graduate Medical Education</b></li> <li><b>2. Student Financial Aid</b></li> <li><b>3. Other Miscellaneous</b></li> </ol>	<p>Stacey Silverman, Deputy Assistant Commissioner for Workforce, Academic Affairs, and Research, provided an overview of the recommendation relating to the creation of the GME Physician Resident Expansion Program. Board members agreed with the recommendation and directed staff to move this recommendation as #1 under Tier II recommendations.</p> <p>Dan Weaver, Assistant Commissioner for Business and Support Services, provided an overview of the recommendations relating to the methodology and responsibility for setting non-resident undergraduate tuition rates; the statutory expiration clause for TEG program requirements prior to 2005; the authority to block certain licensure renewals for persons in default of a state student loan; the Texas Supreme Courts rules to block renewal of law license for persons in default of a state student loan; the court venues for persons subject to legal proceedings related to state student loans in default status; the creation of a financial need requirement for the Texas Armed Services Scholarship Program; and the reimbursement to institutions for costs associated with Hazelwood exemptions. Board members agreed with these recommendations.</p> <p>David Gardner, Deputy Commissioner, briefly pointed out the recommendations relating to the consolidation of statutory requirements of the Higher Education Assistance program and plan and transferring responsibility to institutions; granting the CB authority to conduct facility audits at health related institutions; the elimination of the CB authority to approve administrative units such as departments and schools within institutions of higher education; the elimination of the CB advisory committee charged with creating standards and accounting methods for restricted research funds; the elimination of Compensation of Resident Physicians program and the Tech Prep Program; the elimination of the CB authority to approve off-campus courses offered outside of Texas; and the removal of the CB as a pass-through agency for legislative appropriations used to support the African American Internship Program. Board members agreed with these recommendations.</p>
<p><b>D. How LAR aligns with Legislative Recommendations</b></p>	<p>Arturo Alonzo, Deputy Commissioner for Finance and Administration, provided an overview of how the staff's legislative recommendations align with the agency's Legislative Appropriations Request (LAR) which was adopted by the Board in July.</p>

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<b>III. Cost per Degree</b>	Lee Holcombe, Director of the Higher Education Policy Institute, provided an overview of the Institute's work on determining the cost per degree.
<b>IV. Other Legislative Activities</b>	Linda Battles, Associate Commissioner/Chief of Staff, and Dominic Chavez, Senior Director of External Relations, provided an overview of the nominations process for newly appointed Board members, and the process for adopting higher education impact statements.
<b>V. Wrap-up and Adjournment</b>	<p>Linda Battles, Associate Commissioner/Chief of Staff, provided an overview of the follow-up items requested by the Board.</p> <p>With no further business, Chairman Heldenfels adjourned the meeting at approximately 3:57 p.m.</p>

Respectfully Submitted,

Dennis Golden  
Secretary of the Board