



Texas Higher Education  
Coordinating Board

## **Written Testimony for the Joint Hearing of the Senate Committee on Higher Education and House Committee on Higher Education**

*Interim Hearing – August 19, 2010*

**Charge #9: Higher Education Legislation Introduced by the 81st Texas  
Legislature**

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### **Panel #1: Overview of Higher Education Legislation**

#### **I. The Texas Legislature continues to make higher education a top priority**

- a. The economic prosperity and global competitiveness of Texas depends heavily on the educational attainment of its citizens.
- b. Despite the challenges and competing demands facing the 81st Texas Legislature, policy makers continued to invest in higher education.
- c. Significant investments in higher education programs and initiatives have contributed significantly to Texas' progress toward achieving *Closing the Gaps by 2015* goals.

#### **II. Investments in higher education are increasing access, enhancing research, and improving college and career readiness**

##### **a. Increasing Access**

- i. Unprecedented investments in student financial aid passed the **\$1 billion** mark for the first time.
- ii. Critical investments include:
  - 43.7% (or \$186.9M) increase in **TEXAS Grant** funding which will serve an additional 78,400 new students (Total number of new and renewal students = 113,228)
  - 71.4% (or \$10M) increase in **Texas Educational Opportunity Grant** which will serve 8,515 students compared to 5,749 in 2008-2009 or 14,108 total awards compared to 8,973.

##### **b. Enhancing Research**

- i. The 2015 *Closing the Gaps* goal in research calls for increasing the level of federal science and engineering research funding. HB 51 helps Texas get closer to achieving this goal.

- ii. HB 51 created a variety of structures to spark competition between the seven emerging research institutions to pursue national research university status, such as the Texas Research Incentive Program (TRIP), Research University Development Fund (RUDF), and the National Research University Fund (NRUF).
  - iii. Texas Research Incentive Program (TRIP) (Texas Education Code, Sec. 62.122 -62.124) - The \$50 million appropriated for the TRIP allowed the seven emerging research institutions to vie for matching funds awarded based on how much an institution raises in private gifts and endowments to enhance research activities.
  - iv. TRIP funding was oversubscribed. In addition to the limited funds, the TRIP was subject to the 5% cuts.
  - v. Due to budget reductions, the \$50 million originally appropriated to TRIP has been reduced to \$47.5 million. As \$25 million was distributed in FY 2010, only \$22.5 million remains in FY 2011. Institutions submitted donations with eligible matches of \$48,892,390.14. The FY 2011 distribution will cover only slightly more than 97 percent of the eligible match.
  - vi. Other programs developed in the legislation were created to help raise the quality of programs to the level of national excellence at general academic institutions that are not classified as research or emerging research institutions (Texas Education Code, Sec. 61.0596(a)).
  - vii. Voters approved the repurposing of the Higher Education Fund (HEF) to the National Research University Fund (NRUF) created by HB 51. The unused HEF funds are now dedicated to fund the seven emerging research institutions. The legislation states that no NRUF funds may be distributed before September 1, 2011. Funds may be awarded based on an institution meeting benchmarks in the following areas:
    - Expenditure of at least \$45 million in restricted research;
    - Four of the following:
      - \$400 million endowment;
      - 200 Ph.D.'s awarded annually;
      - freshmen class with high academic achievement;
      - membership in Association of Research Libraries, Phi Beta Kappa or equivalent national recognition;
      - high quality faculty;
      - commitment to high quality graduate education.
- iii. The NRUF eligibility measures will be considered by the Coordinating Board in October. The Legislature, however, will need to determine a distribution methodology for NRUF when one or more institutions meet the eligibility requirements.

- iv. The Research University Development Fund (RUDF) shall provide funding to research universities and emerging research universities for the recruitment and retention of highly qualified faculty and the enhancement of research productivity at those universities. The Legislature did specify the methodology for the distribution of funds, however, no appropriations were provided last session.
- viii. Implementation of HB 51 has gone smoothly. Coordinating Board staff has convened meetings with institutional representatives, business and community leaders, and other stakeholders to discuss rules and processes for the various programs and funds developed.
- ix. Even in a tough economic environment, it is critical the state continue to invest in these programs. It's going to take time for the seven emerging research institutions to achieve national research status.
- x. Some of the best institutions in the country have virtually no or limited graduate programs so in the midst of investing in and enhancing emerging research institutions, it is critical the state incentivize and recognize undergraduate excellence.

**c. Improving College Readiness and Enhancing Accountability**

- i. Strengthening the education pipeline from P-16 is critical. Legislators mandated significant changes in both the student accountability system of public education through HB 3 and educator preparation programs through SB 174 during the 81st Texas Legislature.
- ii. The Coordinating Board has been working closely with the Texas Education Agency to implement provisions in HB 3. We are looking forward to continue our partnership in implementation of the End-of-Course exams when we are consulted regarding the college and career readiness standards.
- iii. Texas must do more to prepare teachers. SB 174 requires the State Board for Educator Certification (SBEC) to make changes to its evaluation and accountability process for educator preparation programs.
- iv. The Coordinating Board is committed to improving educator quality through continued collaboration with institutions of higher education and public education leaders.

**II. Legislative support, coordinated effort, and continued investments in higher education will ensure Texas continues to make great strides toward a more educated and prosperous populace.**

- a. Despite the projected budget deficit and a tough economic environment, this is not the time to turn away from investing in higher education.

- b. Texas higher education leads the way nationally in many ways – Accountability system, college and career readiness standards, higher education plan, etc. but many challenges still remain.
- c. This year marked the largest enrollment increases in the history of our state. The increasingly diverse and largely poor population in Texas will require more resources in order to have access to higher education and succeed. In turn, institutions of higher education will require additional funding to simply sustain processes and programs.