



## **AGENCY STRATEGIC PLAN**

**For the Fiscal Years  
2011-2015 Period**

**By  
The Texas Higher Education  
Coordinating Board**

June 18, 2010

# AGENCY STRATEGIC PLAN

For the Fiscal Years 2011-15 Period

By

## The Texas Higher Education Coordinating Board

Board Members	Dates of Term	Hometown
Fred Heldenfels, <i>Chair</i>	2007-2013	San Marcos
Elaine Mendoza, <i>Vice Chair</i>	2006-2011	San Antonio
Eric Rohne, <i>Student Representative</i>	2010-2011	Corpus Christi
Durga D. Agrawal	2009-2015	Houston
Dennis Golden	2009-2015	Carthage
Wallace Hall, Jr.	2009-2015	Dallas
Joe B. Hinton	2006-2011	Crawford
Brenda Pejovich	2007-2013	Dallas
Lyn Bracewell Phillips	2005-2011	Bastrop
A. W. "Whit" Riter	2005-2011	Tyler

June 18, 2010

Signed:   
Dr. Raymond A. Paredes, Commissioner of Higher Education

Approved:   
Fred Heldenfels, Chair

## TABLE OF CONTENTS:

STATEWIDE STATEMENTS OF PURPOSE	1
Vision of Texas State Government	1
Mission of Texas State Government	2
Philosophy of Texas State Government	2
Statewide Priority Goal for Higher Education	3
State-Level Benchmarks for Higher Education	3
 AGENCY STATEMENT OF PURPOSE	 9
Mission of the Coordinating Board	9
Philosophy of the Coordinating Board	9
 AGENCY STATEMENT OF DIRECTION	 11
A Vision for Texas Higher Education: <i>Closing the Gaps</i>	11
Supporting the Vision: The Texas Higher Education Coordinating Board	12
Major Statutory Responsibilities	13
Legislative Activities and Trends	15
Legislative Impact on Participation and Success	16
Financial Aid	16
College Readiness: End of Course Assessments and Public School Accountability	17
College Readiness: Adult Basic Education and Developmental Education	18
Higher Education Efficiencies	20
Legislative Impact on Excellence and Research	21
Norman Hackerman Advanced Research Program	21
Research and Technology	22
Targeted Critical Fields	22
Performance Incentive Funding	23
Governor's Impact on the Goals of <i>Closing the Gaps</i>	23
Governor's Competitive Council	23
Advisory Committee on Higher Education Efficiency	24
External/Internal Assessment	25
The Challenges Ahead	25
Comprehensive Shared Responsibility Model	26
Achieving Closing the Gaps Goals: Opportunities and Threats	27
Closing the Gaps: Participation and Success	27
Opportunities Related to Participation and Success	28
Threats Related to Participation and Success	41
Closing the Gaps: Excellence	46
Opportunities Related to Excellence	46
Threats Related to Excellence	48
Closing the Gaps: Research	50

Opportunities Related to Research	50
Threats Related to Research	53
Other Opportunities and Threats to the Coordinating Board's Success	54
Opportunities Related to Agency Operations	54
Threats Related to Agency Operations	55
<b>AGENCY STATEMENTS OF IMPACT</b>	<b>61</b>
Objectives and Outcome Measures, Strategies and Output, Efficiency, and Explanatory Measures	61
<b>TECHNOLOGY RESOURCE PLANNING</b>	<b>69</b>

**APPENDICES:**

Appendix A Agency Planning Process	A-1
Appendix B Organizational Chart	B-1
Appendix C Five-Year Projections for Outcomes	C-1
Appendix D Performance Measure Definitions	D-1
Appendix E Workforce Plan	E-1
Appendix F Historically Underutilized Business Plan	F-1
Appendix G Current Year Activities	G-1
Appendix H Workforce Development System Strategic Plan	H-1
Appendix I <i>Closing the Gaps by 2015</i>	I-1
Appendix J <i>Closing the Gaps Accelerated Plan</i>	J-1

## STATEWIDE STATEMENTS OF PURPOSE

Required elements and presentation format instructions for the Texas Higher Education Coordinating Board's Strategic Plan for Fiscal Year (FYs) 2011-2015 are provided in *Strengthening our Prosperity: The Statewide Strategic Planning Elements for Texas State Government* from the Legislative Budget Board and the Governor's Office of Budget, Planning and Policy. Required state agency strategic plans cover a five-year period that begins approximately two months after submission. The internal process used at the Coordinating Board for developing its Strategic Plan is provided in Appendix A.

The Texas Higher Education Coordinating Board (Coordinating Board or the agency) also engages in planning outside of this strategic planning process, such as through the development, adoption, and implementation of *Closing the Gaps by 2015*, the state's higher education plan, and its current efforts to develop short-term strategic priorities for accelerating progress toward *Closing the Gaps by 2015* and a long-term vision that will make Texas higher education a national and international leader in excellence and student success by 2030.

This section of the Coordinating Board's Strategic Plan begins with the vision, mission, and philosophy<sup>1</sup> of statewide government as provided by the Governor's Office. This section concludes with a table providing linkages to *Closing the Gaps* goals and strategies, state benchmarks for higher education, and agency strategies.

### Vision of Texas State Government

Priority goals for Texans:

- Ensuring the economic competitiveness of our state by adhering to principles of fiscal discipline, setting clear budget priorities, living within our means, and limiting the growth of government;
- Investing in critical water, energy, and transportation infrastructure needs to meet the demands of our rapidly growing state;
- Ensuring excellence and accountability in public schools and institutions of higher education as we invest in the future of this state and ensure Texans are prepared to compete in the global marketplace;
- Defending Texans by safeguarding our neighborhoods and protecting our international border; and

---

<sup>1</sup> The vision, mission, and philosophy of Texas state government are provided in *Strengthening our Prosperity: The Statewide Strategic Planning Elements for Texas State Government*.

- Increasing transparency and efficiency at all levels of government to guard against waste, fraud, and abuse, ensuring that Texas taxpayers keep more of their hard-earned money to keep our economy and our families strong.

## **Mission of Texas State Government**

Texas state government must be limited, efficient, and completely accountable. It should foster opportunity and economic prosperity, focus on critical priorities, and support the creation of strong family environments for our children. The stewards of the public trust must be men and women who administer state government in a fair, just, and responsible manner. To honor the public trust, state officials must seek new and innovative ways to meet state government priorities in a fiscally responsible manner.

Aim high. . .we are not here to achieve inconsequential things!

## **Philosophy of Texas State Government**

The task before all state public servants is to govern in a manner worthy of this great state. We are a great enterprise, and as an enterprise, we will promote the following core principles:

- First and foremost, Texas matters most. This is the overarching, guiding principle by which we will make decisions. Our state, and its future, is more important than party, politics, or individual recognition.
- Government should be limited in size and mission, but it must be highly effective in performing the tasks it undertakes.
- Decisions affecting individual Texans, in most instances, are best made by those individuals, their families, and the local government closest to their communities.
- Competition is the greatest incentive for achievement and excellence. It inspires ingenuity and requires individuals to set their sights high. Just as competition inspires excellence, a sense of personal responsibility drives individual citizens to do more for their future and the future of those they love.
- Public administration must be open and honest, pursuing the high road rather than the expedient course. We must be accountable to taxpayers for our actions.
- State government has a responsibility to safeguard taxpayer dollars by eliminating waste and abuse and providing efficient and honest government.
- Finally, state government should be humble, recognizing that all its power and authority is granted to it by the people of Texas, and those who make decisions wielding the power of the state should exercise their authority cautiously and fairly.

## Statewide Priority Goal for Higher Education

To prepare individuals for a changing economy and workforce by:

- providing an affordable, accessible, and quality system of higher education; and
- furthering the development and application of knowledge through teaching, research, and commercialization.

## State-Level Benchmarks for Higher Education

State-level priorities have been defined in *Strengthening our Prosperity: The Statewide Strategic Planning Elements for Texas State Government*. Operational definitions of measures associated with the state-level priorities are provided in Appendix D.

Sources of data that are used (or derived) to serve as output measures are described with agency goals and objectives in a separate section of this document. Projected outcomes for 2011-2015 are provided in Appendix C. The state-level benchmarks for higher education include:

- Percentage of first-time, full-time freshmen who graduate within four years
- Percentage of first-time, full-time freshmen who graduate within six years
- Percentage of two-year college students who transfer to four-year institutions
- Percentage of two-year transfer students who graduate from four-year institutions
- Percentage of first-time, full-time freshmen who graduate with an associate degree within three years (NEW)
- Percentage of two-year college students that complete required developmental courses
- Percentage of population age 24 and older with vocational/technical certificates as highest level of educational attainment
- Percentage of population age 24 and older with two-year college degree as highest level of educational attainment
- Percentage of population age 24 and older with four-year college degree as highest level of educational attainment
- Number of baccalaureate graduates in science, technology, engineering, and mathematics
- Percentage of M.D. graduates remaining in Texas for residency
- Percentage of nursing graduates employed or enrolled in nursing graduate programs in Texas
- Texas public colleges and universities cost per student as a percentage of the national average
- Percentage change in average tuition over past biennium
- Percent of TEXAS grant recipients who graduate within six years

- Percentage of total federal research and development expenditures received by Texas institutions of higher education
- Percentage increase in research and development expenditures in emerging technologies over previous biennium
- Number of patents obtained in emerging technologies
- Number of patents obtained by institutions of higher education that are commercialized
- Number of private sector companies created as a result of activities at public institutions of higher education.

These benchmark elements have evolved over time to reflect public policy emphases. Accordingly, these priorities may require information for which no current means of collecting supporting data exist. In such cases, the best available proxies must be found until directly applicable data can be generated.

The following table aligns the state-level benchmarks identified above with agency strategies and the goals of *Closing the Gaps by 2015*, the state's higher education plan (Appendix I). These agency strategies are provided in context with agency objectives and performance measures in the Agency Statement of Impact section of this document.



**Agency Strategies Linked to State Benchmarks  
and *Closing the Gaps* Goals**

**PARTICIPATION**

Texas Higher Education Coordinating Board Higher Education Plan <i>Closing the Gaps by 2015</i>	State Benchmarks Linked to <i>Closing the Gaps</i>	Agency Strategies Linked to State Benchmarks
<b>PARTICIPATION GOAL:</b> By 2015, close the gaps in participation rates across Texas to add 630,000 more students.	Percentage of two-year college students who complete required developmental courses	Close the gaps in participation by conducting a public awareness and outreach campaign.  Close the gaps in participation and success by: <ul style="list-style-type: none"> <li>• Developing and promoting student participation and success;</li> <li>• Administering programs designed to promote college readiness and success;</li> <li>• Administering programs designed to promote effective public and higher education teaching;</li> <li>• Administering grants, scholarships, and work-study programs;</li> <li>• Administering loan, loan forgiveness, and loan repayment programs;</li> <li>• Administering programs which provide financial assistance: Top 10% Scholarships, Toward EXcellence, Access, &amp; Success (TEXAS) Grants, Tuition Equalization Grants (TEG), Texas College Work-Study, License Plate Scholarships, Doctoral Incentive Program, Fifth-Year Accounting Students Scholarships, Early High School Graduation Scholarships, Temporary Assistance to Needy Families (TANF) Scholarships, Educational Aide Grants, Teach for Texas Loan Repayments, Border Faculty Loan Repayments, Texas Armed Services Scholarship Program, Tuition Reimbursement for Children of Military Deployed to Combat, Office of Attorney General (OAG) Lawyers Loan Repayment Program, Texas Career Opportunity Grants Program, Engineering Recruitment Program, Higher Education Performance Incentive Initiative, Texas Education Opportunity Grant (TEOG), Texas B-On-Time Loans, Baylor College of Medicine, Baylor College of Medicine Graduate Medical Education (GME), Family Practice Residency Program, Preceptorship Program, Primary Care Residency Program, Graduate Medical Education Program, Joint Admission Medical Program, Physician Education Loan Repayment, Professional Nursing Aid, Dental Education Loan Repayment Program, Vocational Nursing Aid, Adult Basic Education Community College Grants; and</li> <li>• Providing federal funds to institutions and students: Student Financial Assistance, Career and Technical Education, Teacher Quality Grants, College Access Challenge Grants, and Other Federal Grants.</li> </ul>
Participation Strategies: Promote the Recommended High School Program, train and hire well-qualified educators, improve citizens' understanding of the benefits of higher education, establish affordability policies.	<p>Percentage of TEXAS grant recipients who graduate within six years</p> <p>Percentage change in average tuition over past biennium</p> <p>Percentage of M.D. graduates remaining in Texas for residency</p> <p>Percentage of nursing graduates employed or enrolled in nursing graduate programs in Texas</p> <p>Texas public colleges and universities cost per student as a percentage of the national average</p>	<p>Provide planning, information services, and a performance and accountability system.</p> <ul style="list-style-type: none"> <li>• Review and recommend changes to funding formulas, and approve state-funded new construction, renovations and property acquisitions at public institutions of higher education.</li> <li>• Provide higher education information to governmental entities and the public.</li> </ul>

**Agency Strategies Linked to State Benchmarks  
and *Closing the Gaps* Goals  
SUCCESS**

Texas Higher Education Coordinating Board Higher Education Plan <i>Closing the Gaps by 2015</i>	State Benchmarks Linked to <i>Closing the Gaps</i>	Agency Strategies Linked to State Benchmarks
<p><b>SUCCESS GOAL:</b> By 2015, award 210,000 undergraduate degrees, certificates, and other identifiable student successes from high quality programs.</p>	<p>Percentage of first-time, full-time freshmen who graduate within four years</p> <p>Percentage of first-time, full-time freshmen who graduate within six years</p> <p>Percentage of two-year college students who transfer to four-year institutions</p> <p>Percentage of two-year transfer students who graduate from four-year institutions</p> <p>Percentage of first-time, full-time freshmen who graduate with an associate degree within three years</p> <p>Percentage of population age 24 and older with vocational/ technical certificates as highest level of educational attainment</p> <p>Percentage of population age 24 and older with two-year college degree as highest level of educational attainment</p> <p>Percentage of population age 24 and older with four-year college degree as highest level of educational attainment</p>	<p><i>(As indicated above, many of the strategies that promote closing the gaps in participation also promote closing the gaps in success.)</i></p> <p>Developmental Education Program</p> <p>Baccalaureate Degree Study</p>
<p><b>Success Strategies:</b> Increasing graduates in education, engineering, computer science, math, physical science, allied health, nursing and other critical fields; uniform recruitment and retention strategy, reward increases in retention and graduation, and seamless student transitions, community, and business partnerships</p>	<p>Number of baccalaureate graduates in science, technology, engineering, and mathematics</p> <p>Percentage of nursing graduates employed or enrolled in nursing graduate programs in Texas</p>	<p>Performance Incentive Funding</p> <p>Centers for Teacher Education</p> <p>Professional Nursing Shortage Reduction Program</p> <p>Engineering Recruitment Program</p> <p>Alternative Teaching Certificate Programs at Community Colleges</p> <p>Hospital-based Nursing Education</p>

**Agency Strategies Linked to State Benchmarks  
and Closing the Gaps Goals  
EXCELLENCE**

Texas Higher Education Coordinating Board Higher Education Plan <i>Closing the Gaps by 2015</i>	State Benchmarks Linked to <i>Closing the Gaps</i>	Agency Strategies Linked to State Benchmarks
<b>EXCELLENCE GOAL:</b> By 2015, substantially increase the number of nationally recognized programs or services at colleges and universities in Texas.		Close the gaps in excellence by coordinating and evaluating: <ul style="list-style-type: none"> <li>• university programs and health-related programs;</li> </ul>
Excellence Strategies: Establish ladders of excellence, programs nationally recognized, identify peer institutions, fund competitive grants		<ul style="list-style-type: none"> <li>• public two-year college programs;</li> <li>• federal career and technical education programs; and</li> <li>• career schools and college programs.</li> </ul>

**Agency Strategies Linked to State Benchmarks  
and Closing the Gaps Goals  
RESEARCH**

Texas Higher Education Coordinating Board Higher Education Plan <i>Closing the Gaps by 2015</i>	State Benchmarks Linked to <i>Closing the Gaps</i>	Agency Strategies Linked to State Benchmarks
<b>RESEARCH GOAL:</b> By 2015, increase the level of federal science and engineering research and development obligations to Texas institutions to 6.5 percent of obligations to higher education institutions across the nation.	<p>Percent of total federal research and development expenditures received by Texas institutions of higher education</p> <p>Number of patents obtained in emerging technologies</p> <p>Percentage increase in research and development expenditures in emerging technologies over previous biennium</p> <p>Number of patents obtained by institutions of higher education that are commercialized</p> <p>Number of private sector companies created as a result of activities at public institutions of higher education</p>	Close the gaps in research by administering and evaluating research programs.  Texas Research Incentive Program (TRIP)
Research Strategies: Universities to retain all overhead income from grants, establish the Texas Science and Engineering Collaborative, increase funding for ARP/ATP, establish a competitive grant program, establish Education Research Centers		Provide programs to promote research at Texas institutions: <ul style="list-style-type: none"> <li>• Advanced Research Program</li> <li>• Alzheimer’s Disease Centers</li> </ul>

**Agency Strategies Linked to State Benchmarks  
and *Closing the Gaps* Goals  
PERFORMANCE SYSTEM**

Texas Higher Education Coordinating Board Higher Education Plan <i>Closing the Gaps by 2015</i>	State Benchmarks Linked to <i>Closing the Gaps</i>	Agency Strategies Linked to State Benchmarks
<b>PROGRESS TOWARD THE GOALS:</b> Develop benchmarks and measures to assess progress toward goals of the plan by each institution and by higher education as a whole.		Close the higher education gaps by providing planning and information services

**Additional Coordinating Board Budgeting Strategies  
(with no direct link to *Closing the Gaps* or State Benchmarks)**

Provide trustee funds to institutions through special programs designed to improve the quality and delivery of instruction and also increase the participation and success of Texans: Two-Year Institution Enrollment Growth, General Academic Enrollment Growth, New Community College Campuses African American Museum Internship, Children's Medicaid Loan Repay Program.
Special Programs Related to Tobacco Settlement Receipts: Earnings-Minority Health, Earnings-Nursing/Allied Health, Earnings-HECB for Baylor College of Medicine, earnings from Permanent Health Fund for Baylor College of Medicine.
Indirect Administration: Central Administration, Information Resources, Other Support Services.

## **AGENCY STATEMENT OF PURPOSE**

The *Agency Strategic Plan Instructions* define an agency's mission as "the reason for an agency's existence" and the agency's philosophy as "the expression of core values and principles for the conduct of the agency in carrying out its mission." This section provides the current mission and philosophy of the Coordinating Board.

### **Mission of the Coordinating Board**

The Texas Higher Education Coordinating Board's mission is to work with the Legislature, Governor, governing boards, higher education institutions, and other entities to help Texas meet the goals of the state's higher education plan, *Closing the Gaps by 2015*, and thereby provide the people of Texas the widest access to higher education of the highest quality in the most efficient manner.

### **Philosophy of the Coordinating Board**

The Texas Higher Education Coordinating Board will promote access to quality higher education across the state with the conviction that access without quality is mediocrity and that quality without access is unacceptable. The Coordinating Board will be open, ethical, responsive, and committed to public service. The Coordinating Board will approach its work with a sense of purpose and responsibility to the people of Texas and a commitment to the best use of public monies. The Coordinating Board will engage in actions that add value to Texas and to higher education. The agency will avoid efforts that do not add value or that are duplicated by other entities.



## AGENCY STATEMENT OF DIRECTION

### A Vision for Texas Higher Education: *Closing the Gaps*

*Every Texan educated to the level necessary to achieve his or her potential; no one is left behind, and each can pursue higher education; colleges and universities focus on the recruitment and success of students while defining their own paths to excellence; education is of high quality throughout; and all levels of education, the business community, and the public are constant partners in recruiting and preparing students and faculty who will meet the state's workforce and research needs.*

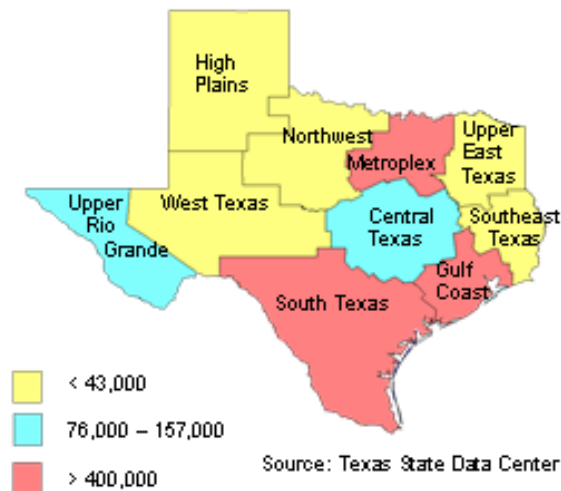
Source: *Closing the Gaps by 2015: The Texas Higher Education Plan, 2000.*

Education has never been more important for the future of Texas and its people, no matter where they live. People with more education tend to earn much higher incomes, help build and sustain strong communities and economies, have a higher quality of life, and are better prepared to contribute to an increasingly global society. While progress is encouraging on many fronts, Texas remains behind other states in education outcomes, and educational gaps continue to exist among its people and regions. Clearly, Texas must close these gaps to ensure a brighter future for all the people of the state.

Texas is projected to experience substantial population growth (see map), yet higher education enrollment may not keep the state's college-going rate at current levels. If this trend materializes, workforce educational levels will be insufficient to attract and retain the businesses and industries that offer the best jobs. The state's total annual household income will drop, perhaps by as much as an estimated \$60 billion annually by 2040. The need for social and government services would grow as tax revenue falls, and inadequate support for a vibrant economy would reduce the quality of life for all Texans. To prevent that undesirable outcome, higher education participation and success rates for all Texans will have to rise more rapidly than ever.

In response, Texas higher education is answering this challenge with a plan called *Closing the Gaps by 2015*. *Closing the Gaps* lays out four goals: to close the gaps – within the state and between Texas and other states – in student participation, student success, excellence, and research.

Coordinating Board Planning Regions  
15-34 Population Change 2000 to 2015



Since *Closing the Gaps*' adoption by the Coordinating Board in 2000, the plan has been widely accepted and supported across the state. Sustained and diligent efforts to promote and support the plan are needed continually to ensure its success – especially as personnel changes occur in leadership and other key positions in the higher education community.

*Closing the Gaps* is a dynamic plan. The participation and success goals were revised in October 2005 to reflect revised population figures released by the Texas State Data Center. The research goal was changed to focus on improvement relative to other states.

The revised *Closing the Gaps*' goals are:

- Close the Gaps in Participation – By 2015, close the gaps in participation rates across Texas to add 630,000 more students.
- Close the Gaps in Success – By 2015, award 210,000 undergraduate degrees, certificates, and other identifiable student successes from high quality programs.
- Close the Gaps in Excellence – By 2015, substantially increase the number of nationally recognized programs or services at colleges and universities in Texas.
- Close the Gaps in Research – By 2015, increase the level of federal science and engineering research and development obligations to Texas institutions to 6.5 percent of obligations to higher education institutions across the nation.

### **Supporting the Vision: The Texas Higher Education Coordinating Board**

Created by the Texas Legislature in 1965 to ensure quality and efficiency in public higher education, the Texas Higher Education Coordinating Board works closely with the state's higher education institutions, public education entities, businesses, community groups, and others to achieve the goals of *Closing the Gaps*.

The Coordinating Board is currently comprised of nine members from all geographic regions of the state who are appointed to overlapping six-year terms by the Governor and confirmed by the Texas Senate. The Coordinating Board meets quarterly in Austin.

Board members appoint a Commissioner of Higher Education as the chief executive officer for the agency, which has 307.9 authorized full-time (FTE) positions. The Commissioner acts as the state's chief expert on higher education, making recommendations and carrying out higher education initiatives on behalf of the Coordinating Board.

Achievement of the *Closing the Gaps*' goals is the agency's central mission. To better support that mission, the agency was reorganized in early 2005 into two units that mirror the elements of *Closing the Gaps*: Participation and Success, and Academic Excellence and Research. To better streamline agency functions, in June 2007, these two units were reorganized as Business and Finance, and Academic Planning and Policy. (The agency's organizational chart is provided in Appendix B.) The Business and Finance



Unit currently consists of two divisions: Business and Support Services, and Information Technology Services. The Academic Planning and Policy Unit consists of three divisions: Academic Affairs and Research, Planning and Accountability, and P-16 Initiatives.

The Coordinating Board also actively monitors and encourages institutional progress toward the goals of *Closing the Gaps* and other significant performance measures through its Higher Education Accountability System. The Accountability System, first developed in 2004 through a Governor's Executive Order, includes targeted levels of performance for institutional groups. This system, described below in the Peer and Benchmark Systems section, tracks institutions' progress toward improvement and efficiency.

### **Major Statutory Responsibilities**

Most of the Coordinating Board's statutory authority is found in the Texas Education Code, Chapter 61, Section 61.002(a). The Coordinating Board is directed to "provide leadership and coordination for the Texas higher education system, institutions, and governing boards, to the end that the state of Texas may achieve excellence for college education of its youth through the efficient and effective utilization and concentration of all available resources and the elimination of costly duplication in program offerings, faculties, and physical plants."

To meet these broad obligations to all of the people of Texas, the Coordinating Board's wide range of statutory duties include:

- Develop and update the state's higher education plan, *Closing the Gaps by 2015*;
- Review and recommend changes in formulas for allocating legislative appropriations to higher education institutions;
- Approve institutions' requests for new academic programs to meet academic needs, ensure quality, and eliminate unnecessary duplication;
- Approve and monitor postsecondary career technical/workforce educational programs and adult education offerings;
- Administer the Carl D. Perkins federal grant funds for the purpose of improving career technical/workforce education, including inter-agency initiatives for cooperative administration of Tech Prep and School-to-Work programs;
- Develop and administer the programs created in House Bill 51 of the 81<sup>st</sup> Texas Legislature to elevate additional universities to Tier 1, or National Research University, status;

- Collect, analyze, and report higher education data, undertake studies, and develop recommendations for improving higher education;
- Report to the Legislature on policy issues and legislatively mandated issues;
- Approve new construction, renovations, and property acquisitions funded with state money at public institutions of higher education;
- Prescribe changes in the roles and missions of public higher education institutions;
- Administer the state's student financial aid programs, including the Toward EXcellence, Access, & Success (TEXAS) Grant Program, the Texas B-On-Time Student Loan Program, the Top 10% Scholarship Program, the Hinson-Hazlewood College Student Loan Program, and other financial aid strategies;
- Administer College Readiness Initiatives stemming from House Bill 1, 79th Texas Legislature, Special Called Session, and other legislation designed to improve the P-16 educational pipeline to include summer bridge programs, implementation of the College and Career Readiness Standards, and other similar programs, many of which are in close coordination with the Texas Education Agency.
- Administer state-funded competitive grants to Texas college and university researchers for projects expected to enhance economic development in the state; and
- Approve degree programs at career colleges and schools, monitor compliance of institutions operating under a Certificate of Authorization, and regulate unaccredited private postsecondary institutions.

These and other duties and responsibilities affect the state's public higher education community, which includes students, faculty, administrators, and others at 38 universities, 50 community college districts, three state colleges, one technical college system, and nine health-related institutions.

Texas also has a thriving private and independent higher education sector – including 39 independent senior colleges and universities, two junior colleges, one independent medical school, and 46 degree-granting private career colleges and schools. The contributions of independent institutions are incorporated into *Closing the Gaps*.

## Legislative Activities and Trends

Texas' higher education plan, *Closing the Gaps by 2015*, was adopted by the Coordinating Board in 2000. Since then, the Texas Legislature has demonstrated steadfast support to achieve the plan's goals in Participation, Success, Excellence and Research.

Against this backdrop of economic uncertainty, the 81st Texas Legislature continued to show remarkable commitment to higher education and the students of Texas. The All Funds appropriation to higher education for 2010-2011 rose to \$22.8 billion, a \$1.56 billion (7.4 percent) increase over the 2008-2009 biennium. The Legislature made unprecedented investments in state student financial aid, which passed the \$1 billion mark for the first time. This includes \$186.4 million in new funding for TEXAS Grant, \$10 million more in Texas Education Opportunity Grants for community college students, and a \$63 million increase for the B-On-Time Student Loan Program. A scholarship program for students who have graduated with a grade point average in the top 10 percent of their high school graduating class received \$54 million, an increase of \$34 million over the last biennium. The 34 percent increase in state financial aid over last biennium will give an estimated 33,600 new students the opportunity to pursue a postsecondary education and help Texas take another step forward toward achieving the goals of *Closing the Gaps by 2015*.

The Legislature also made significant investments in efforts designed to increase access to higher education, expand research on campuses, develop additional national research institutions, and target key degree programs to encourage graduates in urgently needed fields. The state allocated \$49.7 million for the Professional Nursing Shortage Reduction Program, more than tripling previous available funding for producing nursing graduates. Further, the Legislature appropriated \$5 million for demonstration projects at community colleges and public technical institutions to develop and demonstrate new effective models for developmental education. Finally, \$80 million in Federal American Recovery and Reinvestment Act funds were appropriated to the Higher Education Performance Incentive Initiative for the improvement of teaching and educational excellence at public general academic teaching institutions.

Aside from significant strides in funding, the Legislature addressed a number of policy-related issues that impact statewide education policy. This legislation included improving public education accountability, curriculum, and promotion requirements, capping the first time entering top 10 percent enrollment at The University of Texas at Austin at 75 percent, providing incentives for emerging public research institutions to achieve national status, and improving undergraduate excellence. Additionally, legislation was approved to create additional institutions of higher education, including a law school in Dallas and a medical school in South Texas.

It is projected that policymakers will continue to invest in financial aid programs in ways that will support student persistence and success to achieve the *Closing the Gaps*

goals. Other major trends have been in the areas of improving college and workforce readiness by continued and increased partnerships between the Texas Education Agency (TEA) and the Coordinating Board, improving cost efficiency and accountability in higher education, and meeting the state's needs in science, technology, engineering, and math (STEM) and other designated shortage fields.

### **Legislative Impact on Participation and Success**

Legislators recognized the state's changing demographics and the need to bring more students into higher education to meet participation and success goals. The 81st Texas Legislature appropriated \$1.01 billion for the state's five main financial aid programs. This represents a \$260 million or 35 percent increase over the previous biennium. The Legislature also committed to improve college participation and success by expanding P-16 initiatives that support Texas students as they prepare for college and improving higher education efficiencies through incentives to reduce time-to-degree.

#### ***Financial Aid --***

Funding for the **TEXAS Grant Program** was increased by \$186.4 million to \$615 million for the current biennium. The program is available to financially needy students who have completed at least the Recommended High School Program or have completed an associate's degree. Additionally –

- Students must meet their institutions' academic progress requirements at the end of their first year in the program, and thereafter complete a minimum of 24 hours per year with an overall grade point average of 2.5 on a 4.0 scale to continue their eligibility.
- Eligibility for students enrolled in four-year degree programs ends on the 5th anniversary of the students' initial awards.

**Texas B-On-Time (BOT) Loan Program** was appropriated about \$140 million for 2010-2011 biennium. This is made up of \$52 million from general revenue and \$88 million from tuition set-aside required of the institutions under tuition deregulation legislation. B-On-Time loans are forgiven for students who graduate "on time" with at least a 3.0 grade point average (GPA); otherwise, loans must be repaid, but no interest is charged on the loans. For students to continue in the program, they must be enrolled full time in an undergraduate degree or certificate program at an eligible institution, complete at least 75 percent of the semester credit hours attempted in the most recent academic year, and have a cumulative GPA of at least a 2.5 on a 4.0 scale (or the equivalent) on all course work previously attempted at institutions of higher education.

**Tuition Equalization Grants (TEG)**, available to qualified students at independent institutions, remained constant at \$212 million. Continued eligibility for Tuition Equalization Grants is similar to the TEXAS Grant program. Students at independent institutions may only receive a TEXAS Grant if they had received their first TEXAS

Grant prior to the 2005 fall semester. A student may not receive both a TEXAS Grant and a TEG.

**Texas Education Opportunity Grant** was increased from \$14 million to \$24 million. The program is available to students attending community or technical colleges as well as state colleges, and assists both traditional and non-traditional students.

- Students must meet their institutions' academic progress requirements at the end of their first year in the program, and thereafter complete 75 percent of the courses attempted with an overall grade point average of 2.5 on a 4.0 scale to continue their eligibility.
- Eligibility for students ends on the 4th anniversary of the students' initial awards.

**The Texas College Work-Study (TCWS) Program** was modified to allow institutions to use a portion of their TCWS funds for students to serve as mentors for undergraduate students and high school students.

### ***College Readiness: End of Course Assessments and Public School Accountability***

With passage of House Bill 1 during the Third Called Session (2006) of the 79th Texas Legislature, Texas built on its education reform efforts that began in the 1970s with significant movement of the state's education system in preparing young Texans for college and career readiness. On the heels of House Bill 1, the 80th (2007) Texas Legislature mandated the development of end-of-course assessments for secondary-level courses with the passage of Senate Bill 1031. Required in each of the four content areas, these assessments must include questions that measure college readiness. The 81st (2009) Texas Legislature raised the bar yet again with the passage of House Bill 3 impacting both the state's assessment program and the public school accountability system.

**End-of-Course Assessments.** Beginning with students entering the ninth grade during the 2011-2012 school year, end-of-course (EOC) assessments will be administered to high school students in Algebra I, Algebra II, geometry, biology, chemistry, physics, English I, English II, English III, world geography, world history, and United States history. This next generation of assessments will be called the State of Texas Assessments of Academic Readiness (STAAR) and will replace the Texas Assessment of Knowledge and Skills (TAKS) assessment program in place since 2003. The STAAR assessments not only address the 12 EOC assessments mandated in the 2007 legislative session but also the new grade 3-8 assessments mandated by House Bill 3 in 2009.

House Bill 3 also provides both the Commissioner of Education and the Commissioner of Higher Education with the responsibility for setting the level of performance required

on English III and Algebra II EOC assessments that indicate college readiness. In addition, both the TEA and the Coordinating Board must (1) conduct correlation studies to substantiate the required performance on the standards for college readiness, (2) conduct research studies to determine if college readiness for science and social studies can be measured and correlated, and (3) periodically review the college readiness performance standards comparing them to performance standards established nationally and internationally.

**Public School Accountability System.** Because of the changes to the state's assessment program as a result of House Bill 3, indicators of the quality of learning and student achievement included in the state's public school accountability system will be impacted. In addition to indicators of student achievement for high school completion, the accountability system must include student achievement on the college readiness performance standards for English III and Algebra II EOC assessments. Although changes to the accountability system must be implemented during the 2011-2012 school years, the assignment of accreditation status or any other academic accountability designations required by House Bill 3 will be effective with the 2012-2013 school year.

**Impact of House Bill 3 on Higher Education.** Because EOC assessments in English III and Algebra II will include measures of college readiness, by statute, student performance on EOC assessments must be used to establish a student's readiness to enroll in entry-level college courses without the need for developmental education. Except for the state's public research institutions, all public colleges and universities will be required to exempt from the requirements of the Texas Success Initiative those students who achieve the college readiness performance standard on English III and Algebra II assessments. The outcome of the research studies on college readiness in science and social studies will determine what impact, if any, EOC assessments will have on the student's readiness for entry-level college science and social science.

### ***College Readiness: Adult Basic Education and Developmental Education***

**Adult Basic Education (ABE).** Texas faces serious challenges in promoting the human capital of the least educated Texas citizens. Funding and services for adult learners in Adult Basic Education programs across the state is uneven and in some areas ineffective. Because adult education transition to postsecondary is an economic issue for the state of Texas, joint efforts by the TEA, Coordinating Board, and Texas Workforce Commission (TWC) must be more focused, more effective, and better coordinated.

As reported by the U.S. Department of Education (2007), the earning potential of adults with low literacy skills or with less than a high school diploma or GED is significantly lower than adults with some postsecondary education. To provide better alignment of ABE programs with postsecondary opportunities, Rider 45 of the General Appropriations Act (Senate Bill 1) of the 81st Texas Legislature directed the Coordinating Board to collaborate with the TEA to develop and implement a coordinated

long-range action plan to align ABE and postsecondary education. The purpose of the action plan is to significantly increase the number of students that enroll and persist to completion in postsecondary education and training programs. The required action plan builds on Rider 50 for higher education and Rider 77 for public education from the General Appropriations Act (House Bill 1) from the 80th Texas Legislature.

- **Adult Basic Education Innovation Grant Program.** With appropriations provided for implementation of Rider 50, the Coordinating Board, in collaboration with TEA and TWC, will implement the ABE Innovation Grant Program. The program builds on the results of TWC's pilot of a workforce training program that integrates English language instruction into workforce training programs. Under the Innovation Grant Program, selected providers will offer lower level adult education students the opportunity to concurrently enroll in adult education programs while completing a Level 1 vocational certificate, continuing education, or a customized training program. Adult students will receive basic skill instruction, intensive counseling, and other support services. This program will require partnerships with local workforce development boards and community-based adult literacy providers.

**Developmental Education.** As nearly half of all first-time college students are not college ready in at least one of the core academic areas of math, reading or writing, Texas colleges face many challenges with bringing students up to college readiness standards. Overall, developmental education data demonstrates that students who persist in their sequence of coursework eventually meet or exceed their college-ready peers on successfully completing college-level courses. With evidence that students are not succeeding in the developmental education system, additional reforms to the system are the key to ensuring that Texas colleges — especially Texas community colleges with the largest share of underprepared college students — can successfully prepare students based on their individual needs rather than through a one-size fits all approach.

As many students are deterred from attempting developmental education because of the time and cost, new developmental education approaches can help colleges target specific student needs without requiring lengthy coursework and losing students due to the burden of repeating basic courses without contributing to their degree completion. Increasing persistence rates among developmental education students and promoting greater college success through degree completion will help Texas increase economic opportunities for college students and will give Texas the competitive advantage of having a higher skilled workforce.

Recognizing these challenges, the 81st Texas Legislature appropriated \$5 million for the 2010-2011 biennium for the purpose of establishing demonstration projects for developmental education in Texas public two-year colleges. The demonstration projects will use technology and diagnostic assessments to determine student's needs and college readiness and use educational methods, including non-course based, that improve developmental education outcomes.

**Developmental Education Demonstration Project.** The primary strategy to drive systemic reform for developmental education is through large-scale developmental education demonstration projects. The goal of the demonstration projects is to develop a comprehensive model of developmental education for use in Texas. Successful institutions will make significant structural and curricular changes in their developmental education programs. Institutional changes will be evident in department placement of developmental education programs, creation and/or expansion of services available to students, creation and/or expansion of course-based and non course-based developmental education programs, and creation and/or expansion of dedicated leadership assignments to support and oversee developmental education programs at the institution.

### ***Higher Education Efficiencies***

- **Semester credit hours (SCH) required for the baccalaureate degree** are limited to the minimum required by the Commission on Colleges of the Southern Association of Colleges and Schools, unless the institution determines that there is a compelling academic reason for requiring more hours.
- Institutions are permitted to charge **higher tuition for repeated or excessive undergraduate hours** (those in excess of 30 SCH beyond that required for a degree program).
- The Coordinating Board has overseen initial implementation of a pilot project to encourage students to **graduate in a timely manner** using a contract with incentives between the institution and student. Two universities, Texas Tech University and the University of Houston, and one community college, Grayson County College, have contracted with students as of January 2008. The University of Texas at San Antonio and The University of Texas at Tyler elected to participate in 2009. Because of the time needed for students to complete coursework and graduate, only a few students who signed contracts have completed their degrees.
- Students graduating on time receive a **tuition rebate if they graduate within four years** with a four-year degree, and within three hours of the SCH required for their degree program requirements.
- Students entering public universities in fall 2007 or later may not drop more than six courses, with certain exceptions.
- General academic institutions must provide students **on-line progress reports**, which compare the courses taken and credit received to the courses required for degrees.



- The Coordinating Board will implement an entry-level, lower-division academic **course redesign project** with a summary report to be prepared by 2011.

## **Legislative Impact on Excellence and Research**

To support *Closing the Gaps* goals in excellence and research, the 81st Texas Legislature maintained funding for the Norman Hackerman Advanced Research Program, increased funding for institutions participating in the Competitive Knowledge Fund, and continued, though reduced the funding provided to institutions through the Research Development Fund.

**Norman Hackerman Advanced Research Program (NHARP).** The 81st Texas Legislature appropriated \$16.6 million for NHARP, a peer-reviewed grant competition that supports individual faculty at public and independent higher education institutions. The 2009 grant competition incorporated two new requirements, as a result of the passage of House Bill 58 and Senate Bill 44 by the 81st Texas Legislature. HB 58 expanded participation of the NHARP competition to Texas independent higher education institutions, and HB 44 requires all funded projects provide research opportunities for undergraduate students and/or graduate students, depending on the institutional level. A total of 2,387 pre-proposals from 60 Texas public and independent higher education institutions were submitted for consideration in October 2009. Of those, a total of 586, or 24 percent of the investigators who submitted pre-proposals, were invited to submit a full proposal. In January 2010, 573 full proposals were submitted and following a rigorous peer review process, 95 proposals were selected.

**Competitive Knowledge Fund.** In 2007, the 80th Texas Legislature Competitive Knowledge Fund was established to enhance the support of faculty for the purpose of instructional excellence and research. The fund provides additional resources to four Texas higher education institutions: The University of Texas at Austin, Texas A&M University, Texas Tech University, and the University of Houston. Eligibility is reserved for institutions with total research expenditures of more than \$50 million and funding is appropriated based on a ratio of \$1 million for each \$10 million in research expenditures between 2003 and 2005. The Texas Legislature appropriated \$93.2 million for the 2008-2009 biennium and \$126.2 million for the 2010-2011 biennium.

**Research Development Fund.** In 2001, the Texas Legislature created the Texas Excellence Fund and the University Research Fund to enhance research. In 2003, the Texas Legislature combined the two funds to establish the Research Development Fund (RDF), effective September 1, 2005, for FY 2006. The RDF supports increased research capacity at eligible public universities (all public institutions, except UT- Austin, Texas A&M University, and Prairie View A&M), distributing funds by a set allocation formula to faculty for individual projects, such as laboratory and equipment upgrades and graduate student tuition. For the 2006-2007 biennium, \$42.8 million was appropriated, and funding was increased to \$80.9 million for the 2008-2009 biennium. In the 2010-2011 biennium, \$42.8 million was appropriated.

## ***Research and Technology***

The Governor's Office administers the **Texas Emerging Technology Fund** for research and development activities involving emerging technology industries. The fund will expedite innovation and commercialization, as well as increase higher education's applied technology research capabilities.

### ***Targeted Critical Fields***

The **Professional Nursing Shortage Reduction Program**, Texas Education Code, Sections 61.9621-61.9628, establishes key initiatives for relieving the nursing shortage and promotes innovation in nursing education. Consistent with one of those initiatives, a rider from the 80th Texas Legislature, House Bill 1, Section 40, page III-54, trustees funds to the Coordinating Board to support nursing programs that increase the number of enrollees and graduates at the initial-licensure level of nursing education. The funds may be used by these programs for enrollment of additional students, nursing faculty enhancement, encouraging innovation in the recruitment and retention of students, including the recruitment and retention of Spanish-speaking and bilingual students, identifying, developing, or implementing innovative methods to make the most effective use of limited professional nursing program faculty, instructional or clinical space, and other resources, including, sharing curriculum and administrative or instructional personnel, facilities, and responsibilities between two or more professional nursing programs located in the same region of this state, and using preceptors or part-time faculty to provide clinical instruction in order to address the need for qualified faculty to accommodate increased student enrollment in the professional nursing program.

The Appropriations Act also directs the State P-16 Council to oversee the implementation of the **strategic plan to increase the number of certified teachers in Texas**. The P-16 Council is co-chaired by the Commissioner of Education and the Commissioner of Higher Education. Other members include the Executive Director of the Texas Workforce Commission, the Commissioner of the Department of Assistive and Rehabilitative Services, and three members who represent public education, higher education, and the business sector. In 2007, the Council's P-16 Educator Quality Committee developed a working plan for the state to implement specific policies and programs addressing issues of educator quality. Recommendations include providing tools to recruit more high quality teachers; requiring structured quality experiences aligned with classroom needs and more emphasis on content knowledge and pedagogy tied to rigorous scientific research; implementing comprehensive, research-based induction and mentoring programs; enacting a comprehensive, systemic statewide strategy for job-embedded, results-driven, and differentiated professional development; promoting policies and practices that support quality work and learning environments; developing multiple career advancement opportunities for teachers; and developing a compensation structure that addresses compression and extends the salary schedule.

## ***Performance Incentive Funding***

In addition to other amounts appropriated by the 81st Texas Legislature, \$80 million was designated for FYs 2010 and 2011 for incentive funding for the public universities. The performance incentive funding program was included with several new education initiatives in House Bill 51. The source of funding for this program is a part of the federal state stabilization fund stimulus program; in FY09, it was funded with General Revenue.

## **The Governor's Impact on the Goals of *Closing the Gaps***

### ***Governor's Competitiveness Council***

On November 29, 2007, Governor Rick Perry named 29 industry leaders, public and higher education officials, and representatives of key state regulatory agencies to the Governor's Competitiveness Council. The Council has been charged with identifying significant issues affecting Texas' economic competitiveness in the following six targeted industry clusters:

- 1) Aerospace and Defense;
- 2) Advanced Technologies and Manufacturing;
- 3) Biotechnology and Life Sciences;
- 4) Energy;
- 5) Information and Computer Technology; and
- 6) Petroleum Refining and Chemical Products.

The Council also has been charged with making recommendations to the Governor that will establish an agenda for action, whereby opportunities for increasing Texas' competitiveness are leveraged, and barriers or weaknesses are eliminated or minimized. Given these charges, and membership consisting of industry, education, and state agency leaders, the Council represents an outstanding opportunity to further advance the goals of *Closing the Gaps by 2015*.

Following months of research, competitive positioning assessments, outreach to the public and private sector, and deliberation, the Governor's Competitiveness Council hosted a summit on August 6, 2008, and presented the Council's Texas State Energy Plan and Report to the Governor. Governor Perry spoke to nearly 500 summit attendees in the public and private sectors about the challenges and opportunities facing Texas in a fast-paced global marketplace and encouraged state and industry leaders to help create a culture of change by better aligning state resources with the needs of industries to ensure a prosperous future for the state's economy and all Texans. The Council's reports provide a road map for the governor, legislature, state agencies, and industry leaders to enhance Texas' competitive position in the global economy.

## **Advisory Committee on Higher Education Cost Efficiencies**

In September 2009, Governor Perry issued an executive order (RP73) mandating that the Coordinating Board, “in cooperation with Texas public institutions of higher education, shall undertake a broad and comprehensive review of system-wide opportunities for achieving cost efficiencies, including, but not limited to:

- state funding based on student course completion;
- restructuring the state’s financial aid programs to improve administrative efficiencies and to provide financial aid to students who work hard to academically prepare for college;
- academic program consolidation and elimination of programs that produce relatively few graduates;
- faculty workload;
- articulation agreements between two-year and four-year institutions
- distance learning;
- alternatives to creating new campuses;
- course redesign to improve quality and reduce instructional costs for more courses;
- cooperative, cross-system contracting and purchasing
- space utilization;
- energy use; and
- cost of instructional materials.”

To fulfill this mandate, the Coordinating Board established the Advisory Committee on Higher Education Cost Efficiencies. The Committee has 20 members, including 10 business leaders, with a representative of the Governor’s Business Council, and 10 education leaders, with the chair of the Council of Public University Presidents and Chancellors ( CPUPC) and the chair of the Texas Association of Community Colleges (TACC). It began meeting in December 2009. Topics for the Committee’s first five meetings are: national and state cost efficiencies overview, outcomes-based funding, academic productivity and efficiency, facilities, and operations.

Based on the findings of this review, the Committee will develop practices, policies and recommendations for cost-containment among public institutions of higher education in Texas that will be considered by the Coordinating Board. A final report is due to the Governor by November 1, 2010.

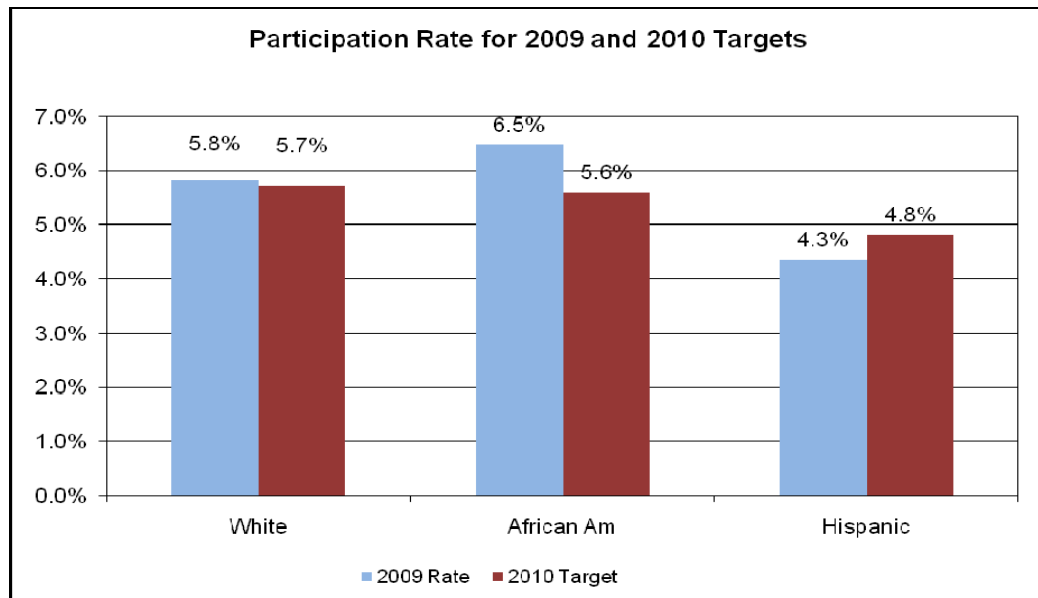
## External and Internal Assessment

### The Challenges Ahead

The state's public and independent colleges, universities, and health-related institutions are acutely aware of the sobering challenges that face Texas higher education. Enrollment currently exceeds 1.4 million students, but institutions must enroll 16 percent more students to achieve the participation goal of *Closing the Gaps by 2015*.

The target population in *Closing the Gaps* is Texans age 15 and older. The ethnic make-up of the traditional college-going age group is changing, as are the entire state's demographics. Texas has become a minority-majority state. If the goals of *Closing the Gaps* are to be achieved, higher education must attract students from ethnic groups that have not enrolled at high rates in the past.

- The state's Hispanic population, which has the lowest college-going rate among large population groups, is the fastest growing. These demographic changes could mean that a smaller proportion of the state's population would go to college if successful strategies to increase participation are not implemented.

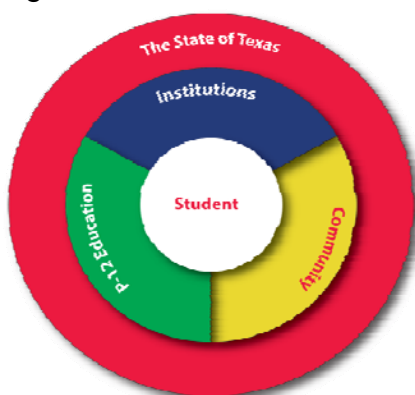


- African Americans have the highest higher education enrollment rate of the three major ethnic groups at 6.5 percent of the population. But this impressive rate masks great differences between male and female attendance. African American females' college-going rate is 7.8 percent, but for males it is only 5.1 percent. African American males are targeted in the Coordinating Board's Accelerated Action Plan to emphasize the importance of improving their attendance.

- Rising costs may deter many students from pursuing higher education. Although the Legislature appropriated more money for student financial aid, the aid available is not sufficient given the household income levels of fast-growing population segments.

### Comprehensive Shared Responsibility Model

Improving educational outcomes in higher education is predicated on strategic, sustained effort by a partnership that has a vested interest in achieving the goals of *Closing the Gaps by 2015*. The partnership includes the P-12 sector, the state, institutions of higher education, the student, and the community. Each party has a shared responsibility to achieve success. No one component can accomplish Texas' goals on its own.



- First, the state must fund higher education, including student financial aid, at appropriate levels, while also helping to identify and scale cost-efficient, successful programs that help the state close the education gaps.
- Second, public education must prepare students to do college-level work. According to ACT's latest statistics, only 22 percent of Texas high school graduates are college ready. That is an improvement over four years ago when it was 18 percent, but Texas primary and secondary schools must do better.
- Third, students have the responsibility to invest a level of commitment and hard work that is commensurate with the investment the state is making via their subsidized education and state financial aid programs. like the TEXAS Grant program.
- Fourth, communities throughout Texas, which represent a critical component of the shared responsibility model, must help create a college-going culture in their communities in recognition of the importance of educational attainment to their future as well as the future of the state.
- The final component is the role and responsibility of institutions. Institutions of higher education must be guided by a fundamental philosophy that if a student is admitted, the institution must have a singular focus on helping that student earn a credential. While there are many other factors involved in student success, institutions can have a direct and meaningful impact.

Changes to the formula funding methodologies, such as funding universities based on course completion and funding community and technical colleges based on milestones of students' progress towards credential completion or transfer, will more closely align the higher education culture with student success and achieve greater cost efficiencies for the state and the student.

## **Achieving *Closing the Gaps* Goals: Opportunities and Threats**

After the nine years of *Closing the Gaps*, Texas has made substantial progress in improving higher education participation, success, excellence, and research; however, on key indicators, Texas has not made enough progress. The opportunities that will help, and threats that will hinder, achievement of *Closing the Gaps* goals during the 2011-2015 timeframe of this plan are presented below. The Coordinating Board planning process is provided in Appendix A.

### ***Closing the Gaps*: Participation and Success**

The first two *Closing the Gaps* goals – directed at recruiting, retaining, and graduating more students – share many of the same opportunities and threats. This analysis considers them together.

*Goal 1: By 2015, close the gaps in participation rates across Texas to add 630,000 more students. Approximately 5.0 percent of the state's population was enrolled in higher education in 2000, compared to a national average of 5.9 percent. To raise the state's participation rate to 5.7 percent – comparable to the participation rate today in some other large states – Texas will have to enroll 630,000 more students (above fall 2000 enrollment figures) in 2015.*

*Goal 2: Close the Gaps in Success – By 2015, award 210,000 undergraduate degrees, certificates, and other identifiable student successes from high quality programs.* In addition to enrolling more students in college, Texas must also ensure the success of those students in college. Enrolling 630,000 more students annually suggests a proportionately similar increase in success rates – meaning at least an 80 percent increase in the number of degrees and certificates awarded and other indicators of success in college. A *Closing the Gaps* target calls for increasing the number of students earning bachelor's degrees, associate's degrees, and certificates from 116,000 in 2000 to 210,000 annually by 2015.

With its new organization and the urgency of making accelerated progress needed to achieve *Closing the Gaps*, the Coordinating Board is reexamining all agency activities and responsibilities to weigh their relevance to the plan. In all its endeavors, the Coordinating Board is using its data resources to help explain and evaluate educational trends. The items in the opportunities and threats section appear as discrete listings. In reality, they are overlapping parts that affect the participation and success goals in four broad categories: student preparation, recruitment and retention, completion, and support services.

## ***Opportunities Related to Participation and Success***

The goals of Participation and Success included in *Closing the Gaps by 2015* are directed toward increasing the participation and success of underrepresented student populations in higher education. In order to close the gaps in minority and first-generation participation and success, the Coordinating Board is focusing its efforts to “close the gaps” through which students leave the education system before completing high school or college, by strengthening and building P-16 pathways. This requires systemic change to the P-16 education continuum, strongly supported by legislative initiative described above, and must be addressed on multiple fronts. Initiatives designed to “close the gaps” in P-16 pathways target the macro- and micro-level of the system: 1) state policies addressing alignment, 2) secondary-postsecondary curriculum alignment, 3) secondary and postsecondary faculty training and development, and 4) student preparation for success in higher education.

**State Policies Addressing Alignment.** In order to streamline students’ movement through the education system, where college credits earned by students serve them in their pursuit of postsecondary credentialing, P-16 and 13-16 articulation and alignment needs support and structure statewide. Policies that strengthen alignment between secondary and postsecondary education and within the postsecondary education system that are currently under development, review, or revision at the Coordinating Board include: dual credit offerings and advising; transfer and reverse transfer; lower division courses for academic transfer; design of the common academic core; value-added assessments; learning outcomes for lower division courses; lower division course sequences for select majors; course clusters; and secondary alignment for CTE pathways (“Career Clusters”).

Innovations in developmental education initiated through supporting legislation outlined under Developmental Education (see page 19) that pertain to efforts at curricular alignment and successful student participation are being supported by review of the Texas Success Initiative, with the aim to develop a more accurate and consistent means of assessing college readiness.

- **Alignment of the Texas Success Initiative (TSI) Assessments with the CCRS.** The Coordinating Board completed a review of current TSI assessments to determine whether and to what degree the assessments are alignment with the CCRS. Results of the study indicate that the Coordinating Board approved TSI assessments provide coverage of some, but not all, the knowledge and skills specified in the CCRS and that, overall, the CCRS were more rigorous and cognitively demanding than the test items across all TSI assessments. Based on the results of the review and analysis, the Coordinating Board must determine what revisions will be necessary to the TSI statute and Coordinating Board rules and the impact of K-12 EOC assessments on TSI.

**Secondary-Postsecondary Curriculum Alignment.** The development, refinement, and implementation of the CCRS, begun with passage of House Bill 1 during the Third Called Session (2006) of the 79th Texas Legislature, has provided a basis and impetus



for secondary-postsecondary curricular alignment. The eventual full integration of the CCRS into the state's public education curriculum (TEKS) will ensure that more students will be graduating postsecondary ready. Regional curriculum alignment projects undertaken by educators seek to identify and redress particular misalignments between institutions in student expectations and skill mastery. Efforts toward credit and credential articulation and curriculum alignment will help smooth secondary to postsecondary and postsecondary to postsecondary transitions, effectively closing gaps in the P-16 continuum.

- **Pathways Project.** The Coordinating Board currently collaborates with public institutions of higher education and public education districts in San Antonio, Houston, and El Paso to gather additional data on individual students (including student courses and grades) to determine patterns of performance and achievement from eighth grade through participation in four-year institutions of higher education. The data suggest successful course sequences that best prepare students for college. Teams of school district personnel and higher education faculty teaching in the four foundation areas of the public school curriculum analyze the data and develop interventions to address indications of curricular misalignment. Interventions range from discipline-based professional development to postsecondary faculty involvement in the revision of district curricula. Faculty teams utilize resources and lessons learned developed through other Pathways Projects and Coordinating Board initiatives. Coordinating Board staff are currently assisting educators in other regions of the state who have expressed interest in establishing Pathways Projects.
- **College Readiness Assignments.** College Readiness Assignments (CRAs) are performance-based assignments designed to implement CCRS and engage students in critical thinking. Eighty CRAs were developed in seven subject areas by vertical teams of secondary and postsecondary faculty for use in high school, developmental education, and entry-level college classes. The CRAs are divided into three sections: 1) Instructor Task Information, which provides an overview, instructional plan, scaffolding/instructional support, and solutions; 2) student notes, which include an introduction, the problem, and directions, and 3) student handouts. Following the initial pilot project in spring 2010, scoring guides will be developed, and an expanded pilot will be implemented. College Readiness Assignments are expected to be field tested further by districts and higher education institutions participating in Pathways Projects, whereby data reflecting efficacy over time can be generated. CRAs will provide a means to instruct students in particular objectives delineated in the CCRS, allowing for targeted instruction to more efficiently make more students college ready.
- **College Readiness Special Advisors (CRSAs).** College Readiness Special Advisors serve as academic liaisons between institutions of higher education (IHEs) and the Coordinating Board on various academic activities relative to college readiness. The CRSAs promoted the CCRS on their campuses and recommended faculty to assist on Phase II and III of the CCRS Project. They continue to facilitate other academic activities within their institutions of higher education or region that

will promote alignment of P-16 curricula with CCRS and promote educator/faculty professional development for CCRS. *Regional* College Readiness Special Advisors, a select group of CRSAs representing regions across the state, are executive staff from institutions of higher education and education service centers who liaise with the Coordinating Board, CRSAs at other institutions in the higher education region, ESC representatives, P-16 Councils, school districts, and other education stakeholders to coordinate and collaborate on strategies to strengthen P-16 alignment and the successful implementation of the CCRS.

- **Model Vertical Alignment Projects.** The purpose of the Model Vertical Alignment Projects is to further develop and expand regionally-specific CCRS alignment and professional development for public education and/or higher education faculty. Model Vertical Alignment Projects developed according to local need are being implemented by institutions of higher education in Austin, in the Rio Grande Valley, and in ESC regions 14, 15, and 16. Currently these institutions are facilitating workshops to address the unique needs of each region: to align instruction with the cross-disciplinary standards delineated in the CCRS; to align instruction in math and English across and between school districts and postsecondary institutions; and to increase awareness among K-12 and IHE administrators and curriculum administrators of the need for curriculum development and revision to ensure the success of students in post-secondary education.

**Secondary and Postsecondary Faculty Training and Development.** In order to implement curricular modifications and integrate student success and participation initiatives (college-going culture, cross-disciplinary, college-knowledge skills, and the CCRS) in the classroom, secondary and postsecondary faculty, equally, require in- and pre-service development. National surveys and student success rates show that all too often secondary teachers are unaware of the expectations of higher education coursework. Equally so, higher education faculty have misperceptions of the challenges teachers must manage from multiple fronts – the community, parents, school boards, superintendents, principals, and the public school accountability system. To address the needs of both higher education and public education faculty, the Coordinating Board provides support and training for educators at all levels.

- **Math, Science, and Technology (MST) Teacher Preparation Academies.** Established by House Bill 2237 during the 80th Texas Legislative Session, the MST Teacher Academies are designed to improve the instructional strategies and content expertise of new and experienced teachers in science, technology, engineering and math (STEM) fields. Funded programs must incorporate the CCRS into their instruction. Also, programs must target high-need districts that typically contain a majority of the target populations of *Closing the Gaps by 2015*. There are currently 14 funded academies across the state.
- **The College and Career Readiness (CRI) Faculty Collaboratives.** The CRI faculty collaboratives provide information, instructional tools, and professional development related to the CCRS to faculty members associated with

educator preparation programs. One collaborative for each of the four content areas in the standards serves both education and arts and sciences faculty as they work to improve educator preparation programs.

- **Texas Educator Preparation Demonstration Projects.**

Two demonstration projects, one at Texas A & M University and a second at Stephen F. Austin University, bridge educator preparation theory and practice using the CCRS as the focus for program redesign. Each grant includes the educator preparation program, a community college and at least two school districts. Participants in the demonstration sites are college faculty and teacher candidates as well as the high school teacher and administrators involved in their preparation programs. The demonstration sites are charged with developing tools that can be shared with other preparation programs to support redesign compatible with the CCRS.

- **Teacher Quality Professional Development Program.**

Teacher Quality Professional Development Program emphasizes P-16 partnerships to provide professional development for teachers in core academic subject areas in high-need school districts. The Texas Education Agency and the Coordinating Board are required to develop a joint plan for awarding these grants. TEA-Coordinating Board Requests for Proposals have focused on assisting mathematics and science teachers in grades six through twelve to become “highly qualified” as defined in the federal No Child Left Behind Act. It is expected that on-going joint Teacher Quality RFPs from the Texas Education Agency and the Coordinating Board will continue with similar proposals.

Another opportunity to increase the number of certified teachers is to expand the educational aide exemption program to independent institutions. The program, which covers tuition and some fees for education aides who enroll in college to become certified Texas teachers, has proven to be very successful in the state’s public institutions of higher education, and would be equally successful in the independent sector of higher education.

**Student Preparation for Success in Higher Education.** The focus of the Coordinating Board on addressing misalignments along the P-16 education continuum includes the strategy of addressing gaps in student preparation for successful entry into and completion of postsecondary education. At the system level, academic preparedness is being addressed through curriculum alignment and teacher and faculty development. Specific student populations require additional interventions to assist their successful entry into the system and to help them reach higher levels of success. Developing the postsecondary preparedness of students takes many forms, from accelerating math skills to developing note-taking and time management skills to fostering the "college knowledge" necessary for participation and success in higher education. Programs focusing on student preparedness provide the most vulnerable student populations the tools needed to enter and succeed in higher education.

- **Campaign to Develop a College-Going Culture.** The CCRS are the heart of the Coordinating Board's commitment to create a college-going culture in every school in Texas. They significantly increase expectations of student performance. This is an effort to clarify and expand the number of students who are ready to succeed in postsecondary options, that is, ready for college, ready for work, and ready for life. However, the goals stated by the Board for participation and success in *Closing the Gaps by 2015* can only be met if all Texans commit to the high standards included in the CCRS.

The need to create a college-going culture suggests that more students, particularly those who are the first in their families to go to college, will need to understand the admission and student financial aid process for attending and paying for college. Unfortunately, the process of applying for admission and student financial aid is extremely complex and requires a great deal of knowledge about how the system works. It is expected that the promotional campaign will both encourage Texans to go to college and clarify the process by which students and their families can obtain information about the college application and admission process and student financial aid.

The Campaign to Develop a College-Going Culture is a joint federal and state project designed to increase awareness of and build support for the CCRS, to develop a commitment to prepare all students for all post-secondary options, and to clarify the processes of applying for admission and student financial aid. The creation of a college-going culture throughout Texas means that students from pre-kindergarten through the 12th grade, their parents, educators, and business and community leaders will understand what students must know and be able to do to succeed in entry-level college courses and the skilled workplace. All Texans must commit their support of the CCRS and their attainment by all students in all schools by the time young Texans graduate from high school.

- **Higher Education Enrollment Assistance Program.** Under House Bill 400 passed by the 77th Texas Legislature, public institutions of higher education partner with school districts that have high schools among the lowest 10 percent college-going rates in the state. The program is to ensure that both public school districts and institutions are working together to increase the school districts college-going rates. The list of House Bill 400 high schools are provided to institutions who receive funding for outreach projects like P-16 Councils and the Work-Study Mentorship Program to specifically target these high schools in their efforts.
- **College For All Texans Web Portal.** The use of technology to spread the college-going message is critical in reaching today's youth. The [CollegeForAllTexans.com](http://CollegeForAllTexans.com) website will be enhanced to include more information on Adult Education, Transfer Students, and Military Veterans, as well as the following applications: Financial Aid Calculator, ONTRACK for College Readiness, and a Counselor dashboard to track real-time FAFSA and ApplyTexas completion.

- **Foster Care Outreach.** As mandated by Senate Bill 6 of the 79<sup>th</sup> Texas Legislature, the Coordinating Board, in coordination with TEA, is required to develop outreach programs to ensure that students in grades 9-12 who are currently in foster care and those adopted students who were in foster care are made aware of the availability of the exemption from the payment of tuition and fees. The Coordinating Board will continue to work with the Department of Family and Protective Services (DFPS) to provide the tuition exemption information to foster youth in and out of the system and actively participates in the Austin Community College's Foster Care Alumni student organization.
- **P-16 Regional Councils.** Organized groups formed by stakeholders in P12, higher education, civic, and business communities, P-16 Councils are designed to foster systemic change in how educational institutions and communities work together to create and sustain a college-going culture. Councils address issues from levels of pre-school to completion of postsecondary education and beyond like teacher preparation and quality, curriculum alignment, workforce development, remedial education, and early childhood education. Councils are often organized with several subcommittees to address specific issues in the local education community and are often informed by data assessment, local expertise, and building awareness around local community assets. The Coordinating Board supports the work of the Councils hosting annual P-16 Council Institutes to share regional data and provide opportunities for Councils to share their work with each other.
- **Texas College Work-Study Mentorship Program.** With passage of Senate Bill 1050 by the 80th Texas Legislature, the Coordinating Board established a Work-Study Mentorship Program. Through the program, eligible college students are employed by institutions of higher education on a part-time basis to serve as mentors in GO Centers, local community centers, high schools, and institutions of higher education. The legislation also authorized nonprofit organizations to partner with institutions of higher education to pursue the objectives of the program.
- **AVID (Advancement Via Individual Determination) Postsecondary Pilot Project.** This model supports a challenging academic curriculum in middle and high school by supplementing academics with elective courses focusing on writing, inquiry, collaboration, and reading. It use AVID student mentors and professional development for instructors. Research conducted by state partners and independent evaluators concur that AVID students take more Advanced Placement (AP) courses, complete a college preparatory curriculum, and are accepted into four-year universities at higher rates than non-AVID students. Because its goals closely align with the goals of participation and success in *Closing the Gaps*, and because of its success in working with first generation college students, a postsecondary partnership with AVID will accelerate student participation and success in higher education.
- **Higher Education Bridge and Intensive Programs.** Higher education bridge and intensive programs are designed to determine if short-term academic interventions

during a summer program or other timeframes during the academic year can positively impact the college readiness and persistence of high school and adult students. These programs are designed to decrease the need for developmental education and increase student persistence and success. With appropriated funds, participating Texas public institutions of higher education provide rigorous academic instruction and support to eligible participants in the subject areas of English/ Language Arts, mathematics, and/or science during the summer, weekends, or in before or after school timeframes. Generally, selected programs address the needs of four populations of students:

- Adult Students – for GED completers transitioning to higher education
  - High School Students – for 11th and 12th graders not college ready
  - High School Graduates – for recent high school graduates not college ready
  - First Year Students – for first year students at risk of dropping out of college.
- **Texas Governor’s Schools.** The Coordinating Board is authorized by statute to establish Texas Governor's Schools for high-achieving high school students in a summer residential setting on a public university campus for a minimum of three (3) weeks. With appropriated funds, participating Texas public universities offer accelerated instruction to eligible students in any or all of the following educational curricula:
    - Mathematics and Science
    - Fine Arts
    - Humanities
    - Leadership and Public Policy.

**Teacher Quality Professional Development Program**, that emphasizes P-16 partnerships to provide professional development for teachers in core academic subject areas in high-need school districts, was discussed earlier on page 32 of this Plan.

The **Uniform Recruitment and Retention Strategy (URRS)** calls for each institution to set enrollment and graduation goals that reflect its area’s population or the state, depending on its primary service area. This requirement originally impacted only undergraduate programs, but was extended to include graduate, medical, and dental programs by the 79th Texas Legislature. The strategy’s purpose is to make higher education enrollment and graduation mirror the population of Texas. Beginning in 2006, the *Closing the Gaps by 2015* annual report was linked to the Uniform Recruitment and Retention Strategy to give the Texas Legislature and other stakeholders a better understanding of the recruitment and retention efforts of underrepresented students in higher education by the state's institutions.

In an effort to use the URRS more effectively and aggressively to help close the gaps in participation and success, the Coordinating Board refocused the URRS beginning in FY 2008 by requiring that student recruitment and retention programs be provided to a wider audience of students and that institutions make progress towards the participation

and success targets for *Closing the Gaps by 2015*. Currently, many successful programs are very small, and consequently provide limited improvements in overall success rates. Institutions will be required to design and implement programs that work for a larger share of the students. The staff will rely more heavily on these strategies and identify best practices that can be replicated across the state.

**Review Process.** External reviewers were selected to review institutional reports using an evaluation matrix. The reviewers will be asked to provide recommendations and suggestions during their review of the institutional reports. Coordinating Board staff also reviewed the reports internally and provided feedback on the reports. Reviewers were selected from organizations such as the ones listed below:

- Texas Association of Collegiate Registrars and Admissions Officers (TACRAO)
- Texas Association of Institutional Researchers (TAIR)
- Society of College and University Planners (SCUP)
- American Association of Collegiate Registrars and Admissions Officers (AACRAO)

**Connection to Closing the Gaps Institutional Targets and Other Coordinating Board Efforts.** The *Closing the Gaps* institutional targets are intended to reflect an institution's efforts to increase the size and success of their student body by:

- Expanding the racial/ethnic diversity of their campus,
- Improving student persistence and graduation rates,
- Succeeding with developmental education students,
- Drawing transfer students, and
- Using other initiatives.

The Coordinating Board will evaluate the effectiveness of the Uniform Recruitment and Retention Strategy plans on a statewide basis and with respect to each institution based on how the Uniform Recruitment and Retention Strategy help institutions meet their targets for *Closing the Gaps by 2015*.

The Coordinating Board approved rules which will incorporate the Uniform Recruitment and Retention Strategy into:

- Standards for new Baccalaureate and Master's Degree Programs;
- The review of low-producing degree programs;
- The approval process for doctoral and health-related degree programs;
- The evaluation methodology for Tuition Revenue Bond Projects; and
- The review and evaluation of request for proposals and request for applications from institutions of higher education.

For noncompliance with any Closing the Gaps by 2015 reporting requirements, including the Uniform Recruitment and Retention Strategy, the Coordinating Board shall

withhold program approvals, all Coordinating Board grant funding, and up to 22 points in the Tuition Revenue Bond approval process.

**Pathways Model and the Creation/Expansion of Higher Education Institutions.**

Because state financial support for higher education is limited, the Coordinating Board pursues its mission of coordinating the Texas higher education system through efficient and effective utilization of all available resources. The Coordinating Board's goal is to ensure that state resources are spent in an efficient manner while at the same time providing students in underserved areas access to instruction. Factors that affect efficiency include the elimination of costly duplication in program offerings, faculties, and physical plants, and achievement of economies of scale.

Small universities expend a significantly higher percentage of state funds on administration rather than instruction, meaning less of their state funding is devoted to their primary mission. The establishment of a small university is not the most economically efficient way of bringing educational opportunities to locations with student demand sufficient to warrant services but insufficient to justify a stand-alone institution.

The Coordinating Board's "Supply/Demand Pathway" model guides decisions on when sufficient student demand justifies establishment of a new university. The Pathway threshold that triggers Board consideration of a reclassification recommendation for an off-campus location, such as a higher education center, is 3,500 full-time student equivalents (FTSE) for four fall semesters.

The threshold was set at 3,500 FTSEs because that is the enrollment level necessary for an institution to efficiently deliver a moderate range of degree programs and to benefit from economies of scale. It is also roughly equivalent to 5,000 individual students, the number that has triggered the \$750,000 small size supplement appropriation in past years.

**Higher Education Centers.** Even before *Closing the Gaps*, the Coordinating Board recognized that access to upper-level and graduate educational opportunities needed to be expanded to increase participation, especially for non-traditional students. Higher Education Centers, operated by public universities and systems, were conceived as the best use of state resources. The Centers could offer access to students in a manner that is flexible, cost effective, and appropriately gauged to the geographic area served. They offer geographic distribution of courses and programs without the creation of new, free-standing institutions.

The two primary types of Higher Education Centers are multi-institution teaching centers (MITCs) and university system centers (USCs). MITCs are administered under a formal agreement between two or more public higher education institutions from multiple university systems, and possibly some private institutions and community colleges. USCs are units of a public university or a university system. Texas is a national leader in these evolving and adaptable approaches to expanding access to higher education.



## **Completion and Success**

**Tracking Time-to-Degree.** General academic teaching institutions are required to report to their governing boards on the length of time it took undergraduates to complete degrees and on institutional efforts to promote timely graduation. To assist with undergraduate time-to-degree reports, the Coordinating Board traces back for 10 years every student who earned a baccalaureate degree at a public general academic institution. The number of graduates by field, the average number of undergraduate credit hours attempted, and the average number of fall and spring semesters attended are calculated for each institution's graduates. These data are provided to institutions and their boards so that they can compare their students' progress toward graduation with those of other universities.

In a related effort, The University of Texas System has focused on time-to-degree as a measure that will be used to evaluate institutions' presidents. The importance placed on this measure will help ensure that institutional decisions on curricula and course availability will assist timely graduation.

**Tracking of Graduates.** The Coordinating Board annually monitors the placements of graduates of four-year and two-year institutions using the Automated Student and Adult Learner Follow-Up Systems (ASALFS), and each community college manually follows up on graduates not located. ASALFS is a component of the Texas Workforce Investment Council's (TWIC) Strategic Plan. The Coordinating Board matches records of graduates with wage records received from the Texas Workforce Commission (TWC), Department of Defense, Office of Personnel Management, and U.S. Post Office. A graduate is considered "placed" if he or she is employed (has a wage record), is pursuing further education, or has entered the military in the fourth quarter of the calendar year after the student has graduated. To supplement the matched records, the Coordinating Board asks institutions to follow up on graduates who could not be found through the electronic matching of records.

The placement standards used for community college technical programs are the targets negotiated with the Department of Education for the Perkins Basic Grant. The negotiations are taking place every year and the target represents Texas performance as it contributes to the US goal of 100 percent placement rate. Currently there is no state standard for placement of academic programs graduates in Texas.

**Tracking Students with Many Hours and No Degree.** During summer 2009, the Coordinating Board identified 40,715 former students who have attempted a minimum of 100 semester credit hours (SCH) but have not graduated and are no longer enrolled in an institution of higher education in Texas. Another 165,598 former students have 55 or more attempted SCH at community colleges.

The Commission on Colleges of the Southern Association of Colleges and Schools (SACS) has a requirement that the last 30 SCH be earned at a particular institution for an individual to earn a degree from that institution. This SACS requirement can prove a

barrier to adult students who leave an institution with fewer than 30 SCH remaining to complete a degree.

The Coordinating Board proposes to address this barrier with the creation of a consortium of universities, with one institution designated to provide transcript analysis and award degrees. By SACS-accreditation standards, this is acceptable if 25 percent of the SCH were earned at any combination of the consortium institutions. If this arrangement can be accomplished, and the courses needed for completion could be offered online from host institutions, it could make a significant difference for adults who are near degree completion. A similar consortium of community colleges could make the same option available for the 165,598 former community college students.

***Closing the Gaps Accelerated Action Plan.*** The 2009 *Closing the Gaps* Progress Report concluded that, although there had been good progress toward meeting some of the targets for higher education by 2015, Texas needed to take “more bold steps” to meet other targets. Coordinating Board staff began to take those bold steps in late 2009 by formulating an accelerated action plan focused on CTG areas where progress was lagging. The areas addressed in the action plan were:

- African American male and Hispanic participation,
- Hispanic and African American success (degrees and awards),
- Nursing awards,
- Technology (STEM field) degrees and awards, and
- Research.

In late 2009, the Coordinating Board engaged FSG Social Impact Advisors, a nonprofit research and consulting firm, to refine the agency staff’s plan based on collected research and feedback and to obtain critical feedback from key stakeholders. FSG worked closely with the board and staff of the Coordinating Board and gathered external input from over 70 Texas stakeholders and national experts.

FSG identified strategies for key stakeholders including the Coordinating Board, the Legislature, higher education institutions, the Texas Education Agency, the P-12 system, the business community, and others. The Coordinating Board’s role is to provide leadership, support, and coordination to help achieve the *Closing the Gaps* goals. FSG narrowed the topics of most importance to:

- Participation of Hispanic Students and African American Male Students,
- Success of Hispanic and African American Students,
- Science, Technology, Engineering, and Math (STEM) Degrees, and
- Teachers Initially Certified through All Teacher Certification Routes and Teacher Effectiveness.

In addition to the above areas, improvements in developmental education outcomes and emphasis on community colleges as the gateway to increasing numbers of students were highlighted.

In order to effectively implement the strategic priorities highlighted above, the Coordinating Board will provide legislative recommendations, strengthen its partnerships with key stakeholders, and use data strategically to encourage changes in practice and behavior. Closing the Gaps highlights the opportunity that Texas must bring its higher education outcomes to national parity, to significantly improve the accessibility and quality of education for its populace, and to enrich the future of both individuals and the state. These approaches will help make Closing the Gaps a priority for all Texans and will lead the state towards achieving 2015 goals.

The new Accelerated Action Plan is found in Appendix J.

### **Support Services**

**Information Access Initiative** is incorporated into a website known as the *Texas Public Education Information Resource* (TPEIR), located at <http://www.texaseducationinfo.org/tpeir/>, is the face of the initiative and is the most comprehensive P-16 information system currently online in the United States. The public availability of this resource is vital to better understand student participation and success trends from pre-kindergarten through college. No other programs or projects in the state offer the potential benefits of this data sharing and analysis initiative.

The website provides stakeholders in education with ready access to data from the Coordinating Board, TEA, and the State Board for Educator Certification for research, planning, and decision-making. Integrated databases, composed of historical to present data collections, support ad hoc query and reporting functions; allow for research, including comparative and longitudinal analyses (by institution and statewide); and facilitate end-user access to formatted parameterized reports.

The Information Access Initiative was initially proposed by the Coordinating Board with the goal of following the progress of graduates from Texas public high schools through college graduation. The expanded scope, which now includes data from Pre-K through college graduation, resulted from legislative support for an active information partnership among the three participating agencies. The ongoing partnership between the agencies means data will extend from public colleges and universities down to Pre-K, rather than to only high school graduates.

Development of additional data resources and queries, plus an expanding range of report selections is ongoing. The Texas workforce data, now shared with the Coordinating Board, are included in locating baccalaureate graduates in the workforce and are used in the Higher Education Accountability System. Collection of Texas independent college and university enrollment and graduation data began in FY 2003. Those data have been and continue to be incorporated into a variety of high school to college reports as well as longitudinal higher education graduation rates, all available online. Online query capabilities including drill-down options, free-form ad hoc allowing column and sort selections, and geographic presentations of data are planned.

**The Statewide Longitudinal Data Systems (SLDS) Grant Program**, as authorized by the Educational Technical Assistance Act of 2002, Title II of the statute that created the Institute of Education Sciences (IES), is designed to aid state education agencies in developing and implementing longitudinal data systems. These systems are intended to enhance the ability of states to efficiently and accurately manage, analyze, and use education data, including individual student records. The data systems developed with funds from these grants should help states, districts, schools, and teachers make data-driven decisions to improve student learning, as well as facilitate research to increase student achievement and close achievement gaps.

In April 2009, TEA received a Statewide Longitudinal Data System (SLDS) grant from the U.S. Department of Education. The grant involves expanding the existing TEA and Coordinating Board data collections 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 the basis for future analysis and reporting on aggregate student performance. The first data submission by higher education institutions would be for the summer 2011 reporting cycle.

The SLDS grant will accomplish the following objectives.

- Expand Coordinating Board data collection to include course data by individual student;
- Improve accessibility of new and existing data - and functionality of systems - for basic level research and reporting, leading to improved student performance;
- Facilitate the use of data for decision-making and research to improve student performance by working with key stakeholders to demonstrate the data's value; and
- Develop aggregate reports that will provide information to administrators regarding how individual districts are performing in higher education by subject.

**Higher Education Research Centers.** College Readiness legislation, passed in 2006 by the 79th Texas Legislature, authorized the Coordinating Board and the Commissioner of Education to jointly establish up to three Education Research Centers (ERCs) to conduct research on the impact of state and federal education programs, the performance of educator preparation programs, and best practices of school districts in classroom instruction, bilingual education, special language programs, and business practices.

Following a Request for Proposals process, Texas A&M University, The University of Texas at Austin, and The University of Texas at Dallas were selected as the three ERCs. Contracts were negotiated and signed by the Commissioner of Higher Education and the Commissioner of Education. An appropriation of \$3 million was made to implement the Centers. The term of the contract is five years with no obligation for additional funding. Each of the ERCs has collaborative partnerships with other universities to assist with the research.

Data continues to be prepared by TEA and Coordinating Board for sharing with each of the ERCs. The data is first modified to protect individual students' and staff confidentiality. Communication with the Federal Policy Compliance Office ("FPCO") at the U.S. Department of Education has taken place to ensure that all Family Education Rights and Privacy Act (FERPA) requirements are being met. Coordinating Board staff have developed and implemented security measures to protect confidentiality at consortium locations other than the main ERC for submission to FPCO.

A Joint Advisory Board was appointed by the Commissioner of Higher Education and the Commissioner of Education to provide policy oversight, approve additional research projects, and allocate data access to researchers not affiliated with the Centers or a consortium member. Procedures have been developed for updating data, obtaining additional data, tracking Research Projects, and developing an ERC website.

The Educational Research Centers and the Joint Advisory Board are now fully operational and continue to provide new research for the benefit of Texas education.

### ***Threats Related to Participation and Success***

Not surprisingly, most of the threats to improving higher education participation and success are economic. This is somewhat ironic because not achieving higher education participation rates has equally threatening economic consequences. The state's total annual household income could drop by an estimated \$60 billion annually by 2040 if the education level by underrepresented ethnic groups remains unchanged.<sup>2</sup>

**Higher Education Affordability.** The difference in the cost of attending college (tuition, fees, books, room and board, and transportation) and the aid received by students continues to grow. In FY 2001, the difference was \$566 million in constant dollars. By FY 2006 that difference had grown to \$1.386 billion. The projected increases in the proportion of college-age students from groups that are often financially needy, coupled with steadily rising tuition and fees, suggest that the difference between financial resources and the cost of attending college will continue to grow for the state's students. Texas must eliminate or substantially reduce this discrepancy to meet the student participation and success goals of *Closing the Gaps*. Although the Texas Legislature has continued to significantly increase funding for state financial aid, the state must continue to substantially increase financial aid to keep up with the growing demand.

- **Tuition and fees.** The *Closing the Gaps* initiative recognizes the need to maintain affordability in Texas higher education. Affordability depends on several factors, including the cost of tuition and fees and the amount of financial aid that is available to students. Tuition and fees for a full-time undergraduate student enrolled in 30 hours per year have increased for 11 consecutive years.

---

<sup>2</sup> Steve H. Murdock, *The Texas Challenge: Population Change in Texas, Implications for Human and Socioeconomic Resources in the 21<sup>st</sup> Century*.

[www.tsssa.org/images/downloads/DemographerReport.ppt](http://www.tsssa.org/images/downloads/DemographerReport.ppt)

Students' college costs have increased as the burden of paying for higher education has shifted from the state to students and their families (see Table 1). Although data for community/state/technical college tuition and fees are not included in the table, they have also increased – but more modestly and with a less dramatic shift from the state to the student. Two-year institutions are commended for keeping tuition affordable. However, since 70 percent of new students are expected to enter higher education through the community college route, increases in tuition and fees at community colleges, regardless of how modest, will have a negative impact.

Although the extent of a cause-and-effect relationship between college costs and enrollment cannot be determined, the Coordinating Board is concerned about the effect of rising costs on enrollment. The affordability policy strategy contained in *Closing the Gaps* can help policymakers in Texas ensure an appropriate balance between student financial aid and tuition. The affordability policy has several principles, including ensuring state funds do not lessen the availability of federal funds available to Texas students; encouraging institutions to achieve operational efficiencies; and ensuring that revenue sources, including tuition and fees, are sufficient to ensure high quality courses and programs.

Table 1

Fiscal Year	Median Indebtedness of Students Leaving or Graduating from Four-Year Public Institutions	Median Indebtedness of Students Leaving or Graduating from Two-Year Public Institutions	Total Texas Guarantee Loan Borrowers (Public & Independent Institutions and Career Schools/Colleges)
2000	\$12,935	\$3,844	261,000
2001	\$13,394	\$4,000	271,000
2002	\$13,750	\$3,938	308,000
2003	\$13,801	\$3,938	373,000
2004	\$13,723	\$4,375	432,000
2005	\$14,125	\$4,813	465,000
2006	\$15,125	\$5,009	491,000
2007	\$15,518	\$5,250	519,000
2008	\$15,805	\$5,250	716,000

Source: Texas Guaranteed Student Loan Corporation

- Financial Aid.** Students attending college in Texas received \$6.42 billion in financial aid in FY 2009. Primary sources of financial aid include the federal government, state government, foundations and other private entities, and higher education institutions. Although several state and federal programs provide grants and scholarships, loans account for approximately 58 percent of the aid received by students. Many students must borrow money to pay for higher education, leaving them with substantial debt as they leave college. Student debt burdens, particularly at the state's public institutions, have risen substantially, as demonstrated in the previous page.

*Federal Financial Aid.* Federal grant programs, including Pell Grants, Supplemental Educational Opportunity Grants, Leveraging Educational Assistance Grants, and Special Leveraging Educational Assistance Grants, provided \$1.16 billion – 47percent of the gift aid (grants and scholarships) provided students in Texas in FY 2009. Overall, federal financial aid (including loans) accounted for 73 percent of all aid provided to students in Texas.

*State Financial Aid.* The TEXAS Grant program, created in 1999, offers grants to academically prepared and financially needy Texas students. Recipients must have completed the Recommended or Distinguished High School Program (college-preparatory courses) in high school. Funds awarded through the program significantly increased from \$20 million in FY 2000 to \$615 million in FY 2010. As of FY 2006, over 207,000 students have benefited from the program. Funding for the program has risen to \$615 million for the 2010-2011 biennium.

The state's Hinson-Hazlewood College Student Loan Program, administered by the Coordinating Board, provides approximately \$115 million in loans to approximately 13,000 students annually. The program is vital to the state because it ensures a continuing, stable source of low-interest alternative loans for students. It is self-funded through loan repayments and through the sale of general obligation bonds authorized by the Texas Legislature, and is subsequently approved by Texas voters.

**Community College Tax Bases.** Community colleges are expected to enroll the majority of new students that will help the state meet its *Closing the Gaps* goals, placing a financial and capacity strain on most community college districts. Many community college districts might not have large enough tax bases to adequately support their enrollment growth. The state does not fund community colleges for building construction or maintenance. In 2009, only 40 of the state's 50 community college districts would meet a statutory provision requiring a taxable property evaluation of at least \$2.5 billion for the creation of a new community college district.

**Creation and Expansion of Higher Education Institutions.** The Coordinating Board pursues its mission of coordinating the Texas higher education system through efficient and effective utilization of all available resources, including the elimination of costly duplication in program offerings, faculties, and physical plants. While the Pathway Model discussed earlier in this report provides guidance on efficient expansion, the Coordinating Board does not have final authority in this regard.

In 2003, the 78th Texas Legislature authorized the expansion of Texas A&M University-Texarkana. It also approved the conversion of three Higher Education Centers (Texas A&M University-Kingsville System Center-San Antonio, the University of North Texas System Center at Dallas, and Tarleton State University System Center-Central Texas) to stand alone universities when they achieve specified full-time student enrollments that are lower than the Coordinating Board's Pathway thresholds.

During the 79th Texas Legislative Session in 2005, the number of full-time-student equivalents (FTSE) required for Tarleton State University System Center-Central Texas to become a university was reduced again from 2,500 FTSE to 1,000 FTSE. Texas A&M University-Kingsville System Center-San Antonio's conversion FTSE were similarly lowered if the entity receives tuition revenue bonds for construction of a separate campus.

During the spring of 2009, Texas A&M University-Kingsville System Center-San Antonio, the University of North Texas System Center at Dallas, and Tarleton State University System Center-Central Texas all reached their legislatively set student enrollment thresholds and achieved status as stand-alone four year universities. In July 2009, the Coordinating Board approved the mission statements of Texas A&M University-Central Texas and Texas A&M University-San Antonio. The Board approved the mission statement of the University of North Texas-Dallas at its October 2009 meeting.

**Carl D. Perkins Career and Technical Education Improvement Act Funding.** The Carl D. Perkins Vocational and Technical Education Act of 1998 was amended and reauthorized by the Carl D. Perkins Career and Technical Education Improvement Act of 2006 (Perkins IV) for the purpose of the advancement and improvement of Career Technical Education (CTE) programs in the states. Under the Obama Administration's proposed budget for FY 2011, programs funded through the federal Carl D. Perkins Act would be flat funded and the Tech Prep State Grants would be consolidated into the larger CTE State Grants program.

The purpose of the Tech Prep program is to support development and implementation of programs of sequential courses of study that incorporate secondary education and postsecondary education with work-based learning experiences. According to the Obama Administration, the Career and Technical Education (CTE) State Grants program also requires states to develop these types of programs and to do so within the larger context of CTE programs in Texas, consistent with the state's CTE plan. Consequently, the Obama Administration has proposed that a separate Tech Prep program is unnecessary and the Tech Prep (Title II) funding should be redirected to the much larger and more flexible CTE State Grants (Title I) program.

States already have the ability to fold all or some of their Tech Prep funding into the State Grants allocation. During the 2009-2010 school year, 26 states chose to exercise this option and gain flexibility while still working toward the goals of the Tech Prep program. States that are currently not pursuing this flexibility would be able to continue all Tech Prep activities under the consolidated program. Texas has not selected this option and is one of the states that elected to keep the programs separate. All states would be subject to fewer administrative burdens and reporting requirements.

The Texas State Board of Education (SBOE) is designated as the sole state agency authorized to receive and distribute Perkins IV funds. In November 2007, the SBOE changed the longstanding Title I secondary/postsecondary funding split from 60/40



secondary/postsecondary to 70/30 secondary/postsecondary. As a result, beginning with the FY 2009, the state's postsecondary institutions have received approximately \$10 million less each year. Due to the separate Title II funding stream, the Tech Prep program funds were not impacted by the Title I funding split change. If the federal Title I/Title II funds are consolidated and the Texas Education Agency/SBOE applies the 70/30 funding split to the FY 2011 funds, an additional \$6 million may be lost.

**Gender and Ethnic Imbalances.** *Closing the Gaps* acknowledges the differences in college-going rates of different ethnic and racial groups in Texas. The participation rate for African Americans has improved from 4.5 percent to 5.6 percent between 2000 and 2009; however, the rate for Hispanics continues to lag. Their attendance did increase as a percentage of the estimated population, from 3.6 percent to 4.8 percent. With the Hispanic population expected to increase by 43 percent in the next 10 years, the *Closing the Gaps* targets for Hispanic participation will be increasingly difficult to achieve.

Another troubling imbalance concerns the participation of males in Texas public higher education. Males account for half of all public high school graduates in Texas, yet they account for only 46 percent of university undergraduates and 42 percent of community and technical college enrollees. The representation of African American males is even lower; only 37 percent of African American students in Texas public higher education are males. Hispanic males comprise 42 percent of their ethnic group's enrollments.

**Underprepared Students.** Efforts to improve the delivery and results of developmental education programs, and the establishment of College and Career Readiness Standards, discussed earlier in this report, should not disguise the issue of student preparation. Higher education will continue to experience an economic drain and the delivery of quality offerings will be hindered if students entering institutions are not adequately prepared to do college-level work.

Underprepared students are less likely than prepared students to complete degrees and certificates. As measured by indicators like time-to-degree and graduation rates, Texas institutions do not compare well with their peers in other states. To meet *Closing the Gaps* goals, Texas institutions must do a better job of remediating, retaining, and advancing students to successful completions.

**The P-16 Divide.** Just as there are opportunities related to the interaction of public education, higher education, the commissioners, schools, and institutions, there are difficulties caused by the organization and governance of education in Texas. As with any large scale enterprise, successful completion of the mission to educate the citizens of Texas requires that all affected agencies and institutions acknowledge they must work together and value the contributions of all their educational partners. These partnerships are easier to talk about than to implement.

The 79th Texas Legislature, during the Third Called Session, recognized the need for public education and higher education to work more closely together by passing House

Bill 1 that requires joint undertakings by the Coordinating Board and TEA related to curriculum, calendars, assessment, and standards.

**College-Going Rate.** In 2000, only 4.9 percent of the Texas population was enrolled in higher education, compared to a national average of 5.4 percent. By fall 2007, the Texas enrollment rate rose to 5.3 percent, but the national average rose to 6.1 percent. Compared to the 10 most populous states in 2007, the enrollment rate in Texas was below that of all but two states. Higher education enrollment in California and Illinois was 7.0 and 6.5 percent of each state's population, respectively. Michigan (6.4 percent), New York (6.1 percent), Pennsylvania (5.8 percent), North Carolina, and Ohio (both with 5.5 percent) had enrollment rates that exceed that of Texas.

Although the percentage differences between the Texas higher education participation rate and the rates in other states appear small, they represent tens of thousands of students. If Texas' higher education enrollment had matched the national average in fall 2007, another 185,000 students would have attended college. Further, Texas would have to immediately enroll 400,000 more students to reach California's 2007 participation rate.

To reach the targeted 5.7 percent participation rate, the first goal of the *Closing the Gaps* plan, Texas must enroll approximately 630,000 more students in public and independent institutions than in 2000. Community and technical colleges, public and independent colleges and universities, health-related institutions, and private career colleges and schools will all play an important role in educating these students. It is estimated that 70 percent of the additional students will begin at community and technical colleges. The Independent Colleges and Universities of Texas (ICUT) organization projects that its member institutions can enroll 7,500 more full-time equivalent students if state-sponsored, need-based grants are made available to students.

### ***Closing the Gaps: Excellence***

*Goal 3: Close the Gaps in Excellence – By 2015, substantially increase the number of nationally recognized programs or services at colleges and universities in Texas.* The need for every institution to develop its greatest potential within its mission is a key *Closing the Gaps* concept for ensuring that higher education programs and services are provided in every part of the state. All institutions – of every level and type – contribute to the state's economic, social, and cultural prosperity, and their contributions must be recognized and enhanced.

### ***Opportunities Related to Excellence***

**Peers and Benchmarks System.** Texas has a variety of institutions with different missions to serve the different needs of the state's population. These different missions must be recognized as institutions are held accountable for their performance in pursuit

of closing the gaps. The peer group member institutions share similar characteristics, such as size, mission, degrees awarded, and research funding. Several times each year, Coordinating Board staff meet with institutional peer groups to discuss issues of importance to higher education. The groups share ideas and identify best practices that will be most helpful in achieving the goals of *Closing the Gaps*. The peer groups also choose at least two out-of-state group peers and two to three additional institution-specific out-of-state peers.

The university peer groups are classified as: research, emerging research, doctoral, comprehensive, and masters. The community college groups are based on enrollment size and location and are called: very large, large, medium A, medium B, and small. The health-related institutions, state colleges, and technical colleges have their own groups.

The structure of the Accountability System allows for the peer group data to be readily compared for benchmarking purposes. Benchmarking is also possible using the out-of-state peer institutions' data.

**Service as an Information Resource.** The Coordinating Board is increasingly involved in statewide planning issues, as illustrated through the creation of *Closing the Gaps*, evaluation of the need for new professional schools, and collaboration with public schools on a more seamless education system in the state. The Coordinating Board also takes seriously its role and responsibilities for providing accurate and reliable information and its service as a state resource for data and analyses of higher education issues. For example, the Coordinating Board has developed a regional plan that provides information and guidance to policymakers on current higher education services in each region and future needs. The plan is updated in the fall of even numbered years. Additionally, the Coordinating Board provided the most up-to-date regional-level data at the statewide P-16 Summit in June 2007, and has provided county-level data at regional *Closing the Gaps* meetings of education, business, and community leaders that have been held throughout the state.

**Excellence Begins with Faculty.** Highly qualified, talented faculty are the foundation of excellence. Over the next three biennia, increased enrollments and the substantial number of faculty reaching retirement age will provide the state with the opportunity to select new faculty who are focused on new or specific areas of research and scholarship. These could position the state to create or attract new businesses or industries by preparing a highly qualified workforce for these new or specific areas.

**Promote Statewide Excellence.** Each public institution identifies for the Coordinating Board areas in which national recognition has been achieved. To further recognize these and other exemplary contributions to one or more *Closing the Gaps* goals, the Coordinating Board established the Texas Higher Education Star Award in 2001. Each year, a maximum of 12 awards are awarded in six categories: 1) two-year colleges; 2) universities and health-related institutions; 3) partnerships (including multiple institutions); 4) individuals; 5) public and private schools (Pre-K to 12), or districts; and 6)

business with a college-going culture. The winners from 2009, the most recent competition, are listed in the table below.

<b>Table 2 2009 Texas Higher Education Star Award Winners</b>	
<b>Institution and Partners</b>	<b>Program Title</b>
Amarillo College	Mathematics Outreach Center
South Texas College/ Pharr-San Juan-Alamo ISD	College, Career & Technology Academy
Texas A&M University-Commerce and Mesquite ISD	Partnership
Texas Woman's University and Dallas ISD	Partnering for Teachers
The University of Texas at San Antonio	Late Intervention Program
University of North Texas	Providing Access to Success: Emerald Eagle Scholars Program

**Studies on Undergraduate and Graduate Education.** Institutional representatives on the Coordinating Board's Undergraduate Education Advisory Committee (UEAC) and Graduate Education Advisory Committee (GEAC), and Coordinating Board staff work together to enhance excellence in undergraduate and graduate education. Since being formed in March 2006, the GEAC has provided guidance on implementing recommendations made in the Coordinating Board's report on *Doctoral Education in Texas*, and has offered suggestions on the future direction of graduate education in the state. The UEAC, which began in November 2006, has finished research for a report on the state of undergraduate education in Texas as part of its charge to develop recommendations for policies and procedures to improve the quality of undergraduate education throughout the state. Currently, the UEAC is considering revisions to the statewide transferable core curriculum.

### ***Threats Related to Excellence***

**Quality of Public Higher Education.** While higher education plays many roles in Texas, it is imperative that each institution identify, develop, and enhance the quality of the opportunities provided to students in Texas. All institutions must evaluate the manner in which undergraduate education is being provided and work collaboratively across the institution to ensure that undergraduate students who are admitted to the institutions are provided with the necessary support and guidance to successfully

complete their training, certificate or degree. Ensuring that the education being provided is not only meeting the needs of employers, but is providing the foundation for continued learning throughout the students' lifetimes must be a key measure of a successful institution. At the graduate level, institutions must evaluate the level of resource demand needed to not only offer graduate programs but to raise them to a level of national excellence. In a time of resource limitations, it is imperative that institutions prioritize their funding of new programs and ventures with their existing obligations to current programs and students.

**Excellence Begins with Faculty.** Academic excellence is attributable in large part to the quality of the faculty. Faculty are the foundation from which the excellence of education arises. Faculty teach, write, and obtain research grants, publish research, and serve the greater community by working on institutional, discipline, state, national, and international committees, and advisory groups. Texas institutions must establish appropriate incentives and working environments to recruit the most promising scholars and researchers. By aggressively recruiting and retaining the highest quality faculty and researchers, the state will benefit through their teaching, research, grants, and commercialization, driving economic growth. Research grants not only power the search for new knowledge, but fund graduate assistantships, defray infrastructure costs, and provide additional resources to the institution. All of these benefits of an exceptional faculty result in more graduates prepared to enter the job market, and increases the state's ability to create or attract new businesses and industries. Success in creating new knowledge promotes the ability to receive further research funds, increasing the ability of the state to stay competitive in producing jobs for Texas and highly qualified workers for those jobs. With competition for federal grants rising and significant numbers of highly qualified faculty nearing retirement, it is imperative the institutions have a long-range plan for the continuing development of faculty.

**Institutions Operating Without Coordinating Board Authority.** The Coordinating Board protects the public, including employers and prospective students, by requiring certain academic standards to be met before an institution – unless otherwise exempt – can offer degrees and other academic credentials to students in Texas. The growth of distance education opportunities has significantly increased access to higher education in the state, but it has also increased the ability of fraudulent or unaccredited institutions to enroll Texas students. As a result, the need to identify institutions that are operating illegally has become increasingly important. The Coordinating Board seeks to bring these entities into compliance, and, if necessary, documents their continued violations and pursues possible legal action against them.

Institutions that violate the Coordinating Board's academic standards and offer degrees are subject to administrative penalties, civil penalties, criminal sanctions (misdemeanor), and injunctive relief. The Coordinating Board works closely with the Office of the Attorney General to enforce existing academic standards.

## **Closing the Gaps: Research**

*Goal 4: Close the Gaps in Research – By 2015, increase the level of federal science and engineering research and development obligations to Texas institutions by 6.5 percent of obligations to higher education institutions across the nation.*

In 2007, Texas ranked sixth among the states in the amount of federal science and engineering research and development obligations funding it received.

At least 10 institutions outside of Texas individually earn more intellectual property income which is generated by research discoveries and applications, than all Texas higher education institutions combined. More federal funds are needed to enhance research on the state's higher education campuses.

## **Opportunities Related to Research**

### **Commitment of State Funds to Support Research**

The National Science Foundation (NSF) surveys ranked Texas first in state funding for research from 1972 through 1998 and 2003 through 2008. From 1999 through 2002, Texas ranked second behind California.

In 2008, (at \$711 million for FY 2008) Texas ranked third among states in institutional support for research, behind California (\$1.4 billion) and New York (\$791 million).

### **Norman Hackerman Advanced Research Program**

The 81st Texas Legislature appropriated \$16.7 million for the 2010-2011 biennium to support basic research efforts conducted under the highly competitive Norman Hackerman Advanced Research Program (NHARP). The NHARP provides competitive, peer-reviewed grants for scientific and engineering basic research projects of Texas higher education institutions' faculty. It also provides state-of-the-art research opportunities for students and helps attract and retain the best faculty. Funding for the program has varied.

Funding for NHARP remained stable at \$20 million available for grants from 1987 through 2001. However, funding for the 2004-05 biennium was line item vetoed and the other research funding program, the Advanced Technology Program, was reduced by half.

Scientists regularly report that grants provided through the NHARP have been instrumental in allowing them to secure additional research funding from federal sources. NHARP grants that support research efforts help position Texas' higher education academic scientists and engineers to attract more federal funding from the

federal sources, including the National Institutes of Health, National Science Foundation, and Department of Defense.

**Retention of Indirect Costs.** In 2003, the 78th Texas Legislature increased the amount of the indirect cost income Texas higher education institutions could retain from 50 to 100 percent. Full retention of indirect costs allows institutions to provide greater resources for research efforts.

**Projected Increases in Research Expenditures Depend on Federal Spending for Research.** Because a large part of research funding to Texas higher education institutions is provided by the federal government, the state's ability to reach its research goals is largely determined by the funding available for research at the federal level. According to the 2007 National Science Foundation's compilation of federal obligations for research and development by the states in science and engineering, Texas ranks sixth among the states behind California, New York, Maryland, Pennsylvania, and Massachusetts.

**Research Development Fund.** In 2001, the Texas Legislature created the Texas Excellence Fund and the University Research Fund to enhance research efforts. In 2003, the Texas Legislature combined the two funds to establish the Research Development Fund (RDF). Funding was provided under the RDF for the first time in FY 2006. The RDF supports increased research capacity at eligible public general academic institutions, except The University of Texas at Austin, Texas A&M University, and Prairie View A&M University. Funds are allocated to institutions, based on a three year rolling average of institutional restricted research expenditures. For the 2006-2007 biennium, \$42.8 million was appropriated, and funding was increased to \$80.9 million for the 2008-2009 biennium. In the 2010-2011 biennium, \$80 million was appropriated to the eligible general academic institutions.

**Research Centers' Inventory.** In cooperation with the Governor's Office and higher education institutions, the Coordinating Board developed an online inventory of research centers that is being used to build collaborations between businesses that are in Texas or considering a Texas location and Texas higher education institutions. The research centers' inventory can be found at <https://www1.thecb.state.tx.us/apps/centers/> .

**Texas Workforce Investment Council (TWIC).** The Coordinating Board is working with TWIC to establish collaboration between workforce stakeholders and higher education representatives regarding priorities, initiatives, and challenges in 1) workforce preparation and training; and 2) research, development, and commercialization. The Coordinating Board participates in annual projects such as Destination 2010 – Evaluation, Welfare-to-Work, and Texas Index.

**House Bill 51.** House Bill 51 from the 81st legislative session establishes several programs to enhance and maintain excellence at state universities and provides incentive funding to assist emerging public research universities in achieving national

research status. In particular, the legislation creates five programs contingent upon the availability of funds:

*University Funding for Excellence in Specific Programs and Fields.* Incentive grants may awarded to general academic institutions that are not state colleges, research universities, or emerging research universities to raise the quality of programs to the level of national excellence. There are two components of this program.

- Grants will be based on an institution's demonstrated commitment to developing a degree program or improving the quality of an existing program by reaching benchmarks established by external consultants.
- Through an application process institutions may become eligible for a one-time award for a program that has already achieved national excellence.

*Research University Development Fund (RUDF).* RUDF awards will be given to research and emerging research universities based on research expenditures.

*Performance Incentive Funding.* Incentive funds are awarded to general academic institutions that are not state colleges on the basis of the number of degrees awarded. Additional points will be assigned based on whether the degree is awarded in a critical field and whether the graduate is an “at-risk” student, as defined in the bill.

*Texas Research Incentive Program (TRIP).* TRIP was funded at \$50 million for 2010-2011 biennium upon passage of HB 51, 81st Texas Legislature. Its purpose is to encourage emerging research institutions to seek out donations dedicated to research initiatives in an effort to grow more tier one institutions. Donations are matched based on the donation level. Donations of more than \$2 million up to \$10 million are fully matched. Donations of more than \$1 million receive a match of 75 percent and donations of more than \$100,000 receive a match of 50 percent.

*National Research University Fund (NRUF).* NRUF awards will be given to emerging research universities only based on an institution meeting benchmarks in a number of areas such as

- The amount of restricted research expenditures;
- the number of Ph.D.'s awarded annually;
- the quality of entering first-year class;
- the quality of faculty;
- membership in the Association of Research Libraries, Phi Beta Kappa or other equivalent national recognition; and
- the quality of graduate programs.

Funding for the National Research University Fund is dependent on passage of a constitutional amendment later this fall to transfer the balance of the Higher Education Fund into the NRUF.



## ***Threats Related to Research***

**Dilution of Research Resources.** State-of-the-art facilities, whether newly constructed or updated through periodic renovations, are key to attracting top-flight research efforts. However, relatively few institutions have the human resources and research infrastructure to successfully compete for major research projects. Efforts to broaden the state's research base could dilute research resources in such a way that institutions that currently are competitive nationally for major research grants will lose their competitive advantages. To offset any negative impact, Texas institutions could join forces to establish large, multi-disciplinary research centers that could attract faculty and students to participating Texas institutions, large and small, by offering access to super-expensive laboratories and equipment that individual institutions do not have the resources to build or support.

**Changing Focus of Federal Research Support.** The budget for the National Institutes of Health (NIH) doubled over the five-year period ending in 2003. As a result, Texas higher education institutions experienced increases in their share of federal science and engineering obligations. For the past four years, funding for NIH and the National Science Foundation (NSF) remained constant. From 2004 through 2007, federal resources were limited and Texas higher education institutions obligations remained flat. Achievement of the *Closing the Gaps* research goal was slowed by the flat funding. However, in 2009 the federal government increased the research dollars available for institutional research through NIH and NSF.

## Other Opportunities and Threats to the Coordinating Board's Success

### *Opportunities Related to Agency Operations*

**Increased Use of Automation/Technology.** The demands for new information processing technologies will continue to increase during this period with expansion in these areas:

- **Electronic communication and tools for collaborative work.** The agency currently provides up-to-date electronic desktop and communication tools, sufficient network bandwidth, and a secure environment for the Coordinating Board staff to work collaboratively internally and with external stakeholders. The need for improved tools, however, will increase going forward, particularly for collaboration work sites such as SharePoint, access for mobile workers and telecommuters, electronic meetings, and social networking tools.
- **An effective Web presence that provides easy, effective access for various constituencies.** As the volume of information increases, intuitive access becomes as important as availability of data. Current projects include use of a content management system for more timely and accurate management of content and a more external focus for site design. Collaborative website projects with TEA, other agencies, and external stakeholders, particularly to create a unified presence are becoming more prevalent as the focus shifts to a state initiative rather than an individual agency one.
- **Efficient electronic document management.** The growing volume of Agency electronic information increases the need for technologies to efficiently and effectively manage it and the need to incorporate work flow management and record retention requirements. A project has been initiated to implement an agency solution for electronic information management that will continue over the next few years.
- **Management of expanded data repositories for reporting and research.** The agency has significantly increased the data available for research and reporting by adding Free Application for Federal Student Aid (FAFSA) and test score data and through collaboration with TEA. The recent consolidation of the Program Evaluation functions will enable standardization and use of this data for research and reporting. Management and access to data becomes increasingly important in electronic collaboration and for research and reporting as the volume of available information increases.
- **Reporting tools to leverage existing data repositories for internal and external use.** The use of business intelligence tools has increased during the past period and will continue to expand during this period to support management decisions and to respond to information requests.

**Increased Information Technology Applications.** Assessment and planning for long-term solutions for core business applications are planned during the next few years.

- **Financial Aid application.** The conversion to the student loan application was completed in April 2007. However, work continues to optimize its use and to add additional features, particularly to enhance the web components and to add parallel interactive voice response components. A generalized application for loan repayment programs will be developed using the Office of Attorney General's Loan Repayment Program approved during the past legislative session as the foundation.
- **Education Data Center data collection.** Although the Education Data Center's (EDC) data collection application has been in place for many years, the Coordinating Board's current work with the Education Research Centers, the Pathways project, and grants to expand the data repositories continues. Expansion of the agency's data warehouses requires improved technologies for securing and making the data available for reporting and to external researchers.
- **Websites to encourage and support *Closing the Gaps*.** The Coordinating Board's site, [College for All Texans](#), that was implemented last year is currently being expanded for tracking college readiness. A joint pilot project with TEA under Rider 51 has begun to coordinate the work of TEA, the Coordinating Board, other agencies and stakeholders with the intent of a single portal for the state.
- **Business and Support Services.** At the state-level, the Comptroller of Public Accounts has begun work on a statewide Enterprise Resource Planning (ERP) financial application and use of it will be mandatory for both the agency's internal and external accounting functions. Services from an external hosted contract management system have been acquired and will interface with the internal and statewide accounting systems to streamline the financial processes for the agency as an interim solution.
- **Electronic Information Management.** An electronic document management system has been acquired and will be implemented. Other applications may be acquired for email management and to support collaborative work flow.
- **Reporting for research and for management decision making.** Use of the business intelligence reporting tools will be expanded by using them for new data sources and to provide reports for decision-making and for ad hoc reporting.

### ***Threats Related to Agency Operations***

- **Increased Data Reliance.** Increased reliance on data comes with a corresponding increase in issues related to timeliness, accuracy (in the data itself as well as in its analysis), and security. For example, the process of certifying data provided by each public institution in a timely manner has become a challenge as institutions adopt new software, and some institutions have limited the number of staff available to

respond to various state and federal reporting requirements. Also, a growing number of students choose the “other” category when asked to identify their race/ethnicity. While not necessarily inaccurate, this may adversely impact interpretations of demographic trends.

- Additional considerations include data security issues, such as who should have access to various types of data. Federal privacy laws, such as Family Educational Rights and Privacy Act (FERPA), affect the ability of the Coordinating Board and other groups to share data that is necessary for studying and analyzing student participation and success trends in higher education. For example, through administration of state financial aid programs for students, the Coordinating Board maintains a considerable amount of data regarding the students who participate in these programs. Federal privacy laws and rules could affect access to this information. The Coordinating Board must continue to develop methods that allow access to the needed data while protecting students’ privacy. In addition, the Coordinating Board must continue to encourage other agencies and entities to consider using innovative, alternative data-sharing methods.
- Information security will continue to be a major focus during this period. Security awareness, presentations on topics such as anti-virus procedures and preventing hacker access to home computers will continue as needed, to protect the agency and inform employees of current safeguards.
- Acquisition of services under the statewide Data Center Services (DCS) contract has increased the agency’s risk for data loss and has imposed new cost and delivery constraints for the agency.
- The Coordinating Board receives many questions that cannot be answered with available data, in part because the agency is required not to collect more than the minimum necessary. Requesting additional data places a burden on institutions that must modify their procedures sometimes at a substantial fiscal and staff cost.

## **Recruiting, Hiring and Retention Efforts**

To successfully attract highly skilled prospective employees, the Coordinating Board’s priority was to implement and develop strategies to efficiently and effectively recruit, retain employees, and to reduce early turnover. In September 2009, the Coordinating Board invested in NeoGov, a web-based recruitment tool to appeal to a technologically savvy public. NeoGov allows applicants to apply for a job online, to identify qualifications/competencies, and to receive information on relevant job opportunities within the agency. This tool can match potential applicants with current vacancies based on the skills, qualifications, and competencies in the applicant’s record in NeoGov. Additionally, it has significantly reduced the time-to-hire.

In spite of Coordinating Board efforts and the fact that Texas has consistently had lower levels of unemployment than other big states, retaining a skilled workforce continues to

be a crucial task and challenge for the agency. Coordinating Board employees leave state employment for higher wages in the private sector or the education services field. Current data from the State of Texas Employee Exit Survey reveals that 31.25 percent of exiting employees reported leaving the agency for better pay/benefits. Additionally, data shows that in FY 2009, the highest turnover rate (31 percent) was for employees with two to five years of agency service. The next highest turnover rate of 21 percent was for employees with 11 to 20 years of agency service. The highest turnover is in the professional job category – more specifically, those positions requiring a master’s or doctoral degree. In FY 2009, four professional job offers and one para-professional job offer were declined due to low compensation. Compensation clearly influences an employee’s decision to continue their employment with the Coordinating Board. The agency recently started posting the full salary range of a vacant position when advertising to ensure salary competitiveness. Even though the Coordinating Board has reduced its budget by five percent for this fiscal year, and an additional percentage cut is expected, the Coordinating Board should attempt to continue with this practice. This practice provides hiring officials the flexibility needed to attract qualified applicants for core functions across the agency.

### **Leadership and Professional Development and Skills Gap Analysis**

Leadership development is a pressing need for the Coordinating Board. As the agency’s leadership becomes retirement eligible, it has become increasingly important for the agency to identify potential leaders who possess needed leadership skills. Additionally, the highest percentage of retirement eligibility is in the Equal Employment Opportunity (EEO) classification of professional staff. A potential concern has surfaced relating to the transfer of knowledge and experience within the agency’s leadership, professional, and middle management structure. Additionally, turnover data gathered from the Texas State Auditor’s Office revealed that exiting employees have identified “No or little career advancement opportunities” as to why they ended their employment with the agency. To bridge the skills gap identified in an in-house survey completed by management in 2008, the agency has provided numerous in-house training opportunities for Coordinating Board employees to enable them to better perform their jobs. Regarding career advancement opportunities, the Coordinating Board has been promoting and filling vacancies in-house. In FY 2008, six positions were filled internally, and in FY 2009, eleven positions were filled internally. The next objectives are to concentrate on leadership development and expanding cross-training opportunities to avoid skill gaps and to continue to have the ability to perform core functions across the agency.

### **Improve Employee Retention Rate with Work/Life Balance Incentives**

Establishing programs that enable employees to balance their personal needs and work responsibilities can be an effective retention strategy that increases employee satisfaction and productivity. The agency provides flexible work hours, telecommuting, compressed work weeks, and utilization of employee tuition assistance through the Employee Scholarship Program and the Educational Leave Program. Currently, 9 percent of the agency’s workforce participates in a non-traditional work schedule and 12

percent telecommute. The agency should continue to encourage flexible work hours for appropriate positions. Efforts to increase awareness and utilization of the Employee Scholarship Program and the Educational Leave Program should also be a priority for the Coordinating Board.

### **Coordinating Board Staff Workload**

The agency's current full-time equivalent (FTE) is 310.9. A request to the Legislative Budget Board and the State Auditor's Office to reduce the agency's FTE cap to 307.9 due to the transfer of three FTEs to the Department of Health and Human Services is being processed. Currently, there are no plans to request additional FTEs for the agency.

To continue to fulfill its responsibilities to the state officials, constituents, and the public, the agency has implemented technology advances to assist with daily business operations (NeoGov, web-based recruitment tool; ExpenseWatch, web-based travel tool; Web-based Financial Reporting Tool; and the State of Texas Procurement Card Program for purchasing activities). The agency needs to continue to analyze business operations to address efficiency and enhance productivity. This is especially important since new grants and federal grants have been assigned to the Coordinating Board for administration (e.g. Lumina Grants, Statewide Longitudinal Data Systems Grant Program, federal stimulus funds). To be successful and do more with less, the agency must enhance its technology applications and workflow processes to meet its business needs and objectives.

### **Expanding Demands on Information Technology Resources to Meet Division Obligations and Automation Needs**

- While the long-term benefits of the Data Center Services contract for the state of Texas are projected to be positive, acquiring services under the contract has been extremely problematic and continues to require a much higher level of support and oversight by agency IT staff than anticipated to acquire and ensure basic services. There continue to be lost opportunity costs for the agency created by the level of staff time that must coordinate these services.
- Although the demands for technology are increasing, the availability of skilled Information Technology staff is decreasing. Industry projections indicate a decrease in the number of students graduating from college in technology-related fields. Likewise, the changing demographics and expectations of the workforce may require the agency to change the nature and structure of work. To meet the expanding demands, the agency must adjust to the changing workforce and work more efficiently and use standardized processes and tools.

**Agency Budget.** The Coordinating Board's fiscal year budget is guided by the state's higher education plan, *Closing the Gaps by 2015*. The plan establishes goals and strategies to close the educational gaps within Texas and between Texas and other states in student participation, student success, academic excellence, and research.

The Coordinating Board currently administers a budget of \$921 million per year—\$813 million in trustee appropriations and \$51 million in operating appropriations—and administers and oversees programs that have an effect on every area and level of the higher education community. Further, increased legislative assignments have put pressure on the agency staff's ability to respond quickly and to be proactive in setting policy. If the Coordinating Board is to successfully develop and implement major policy initiatives for Texas higher education, the agency needs to recruit, support, and retain staff that have completed graduate-level education, such as experienced university and college administrators who can quickly assess the implications of proposed policy changes. At the present time, the agency cannot compete for individuals at the assistant professor level at comprehensive universities. Salaries for professional staff need to be competitive.

**Out-Of-State Travel Cap.** For FYs 2010 and 2011, the General Appropriations Act, Article IX, Section 5.08, sets the out-of-state travel cap for the agency at \$57,760 per year, which is based on the amount spent on out-of-state travel in FY 2000. Out-of-state travel is necessary for staff to attend conferences and consult with nationally-recognized experts on critical issues facing higher education in the U.S. and in other countries.