

Texas Higher Education Coordinating Board

**2014-15 Legislative Appropriations Request
Summary**

Description of Strategies, Reduction Options, and
Exceptional Item Requests

APPROVED

July 26th, 2012

2014-15 LAR Summary – APPROVED

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2014-15 Baseline Request Summary

FY14			FY 15			Biennium		
GR-Related	Other	TOTAL	GR-Related	Other	TOTAL	GR-Related	Other	TOTAL

Goal A: Coordinate Higher Education

A.1.1. College Readiness and Success	1,863,521	-	1,863,521	1,863,521	-	1,863,521	3,727,042	-	3,727,042
A.1.2. State Loan Programs	-	5,650,000	5,650,000	-	5,650,000	5,650,000	-	11,300,000	11,300,000
A.1.3. Student Grants and Special Programs	925,301	-	925,301	925,301	-	925,301	1,850,602	-	1,850,602
A.2.1. Workforce, Academic Affairs, and Research	1,692,255	3,000	1,695,255	1,692,255	3,000	1,695,255	3,384,510	6,000	3,390,510
A.3.1. Planning, Information, & Evaluation	1,989,978	400,000	2,389,978	1,989,978	-	1,989,978	3,979,956	400,000	4,379,956
A.3.2. Higher Education Policy Institute	-	423,060	423,060	-	423,060	423,060	-	846,120	846,120

Goal B: Close the Gaps by Improving Affordability

B.1.1 Texas Grant Program	290,391,465	5,000	290,396,465	290,391,465	5,000	290,396,465	580,782,930	10,000	580,792,930
B.1.2 Texas B-On-Time Program	40,278,896	-	40,278,896	40,278,895	-	40,278,895	80,557,791	-	80,557,791
B.1.3 Tuition Equalization Grants	84,422,827	-	84,422,827	84,422,827	-	84,422,827	168,845,654	-	168,845,654
B.1.4 Texas Educational Opportunity Grant Prg	32,674,694	-	32,674,694	32,674,694	-	32,674,694	65,349,388	-	65,349,388
B.1.5. College Work Study Program	7,529,639	-	7,529,639	7,529,639	-	7,529,639	15,059,278	-	15,059,278
B.1.6. License Plate Scholarships Program	549,500	-	549,500	549,500	-	549,500	1,099,000	-	1,099,000
B.1.7. Early High School Grad Scholarships	-	-	-	-	-	-	-	-	-
B.1.8. TANF Scholarship Program	-	-	-	-	-	-	-	-	-
B.1.9. Educational Aide Program	-	-	-	-	-	-	-	-	-
B.1.10. Teach for Texas Loan Repayment	500,000	-	500,000	500,000	-	500,000	1,000,000	-	1,000,000
B.1.11. Border Faculty Loan Repayment Prg	187,813	-	187,813	187,813	-	187,813	375,626	-	375,626
B.1.12. OAG Lawyers Loan Repayment Prg	248,036	-	248,036	248,036	-	248,036	496,072	-	496,072
B.1.13. Doctoral Incentive Program	-	-	-	-	-	-	-	-	-
B.1.14. Engineering Recruitment Program	-	-	-	-	-	-	-	-	-
B.1.15. Top Ten Percent Scholarships	4,250,000	-	4,250,000	4,250,000	-	4,250,000	8,500,000	-	8,500,000
B.1.16. Texas Armed Services Scholarships	3,560,000	-	3,560,000	3,560,000	-	3,560,000	7,120,000	-	7,120,000

2014-15 Baseline Request Summary

	FY14			FY 15			Biennium		
	GR-Related	Other	TOTAL	GR-Related	Other	TOTAL	GR-Related	Other	TOTAL
B.1.17. Combat Tuition Reimbursement Prg	-	-	-	-	-	-	-	-	-
B.1.18. Texas Career Opportunity Grants	-	-	-	-	-	-	-	-	-
B.1.19. T-STEM Challenge Scholarship Prg	-	3,000,000	3,000,000	-	3,000,000	3,000,000	-	6,000,000	6,000,000

Goal C: Close the Gaps by Providing Trusteed Funds for Research

C.1.1. N. Hackerman Advanced Research Prg	1,000,000	-	1,000,000	UB	-	-	1,000,000	-	1,000,000
C.1.2. Texas Research Incentive Prg	17,812,500	-	17,812,500	17,812,500	-	17,812,500	35,625,000	-	35,625,000

Goal D: Close the Gaps by Providing Trusteed Funds for Health Care Education

D.1.1. Family Practice Residency Program	4,800,000	-	4,800,000	4,800,000	-	4,800,000	9,600,000	-	9,600,000
D.1.2. Preceptorship Program	-	-	-	-	-	-	-	-	-
D.1.3. Primary Care Residency Program	-	-	-	-	-	-	-	-	-
D.1.4. Graduate Medical Education (GME)	-	-	-	-	-	-	-	-	-
D.1.5. Joint Admission Medical Prg (JAMP)	4,006,794	-	4,006,794	UB	-	-	4,006,794	-	4,006,794
D.1.6. Physician Education Loan Repayment	2,800,000	-	2,800,000	2,800,000	-	2,800,000	5,600,000	-	5,600,000
D.1.7. Financial Aid: Prof Nursing Students	-	-	-	-	-	-	-	-	-
D.1.8. Fin Aid: Vocational Nurs Students	-	-	-	-	-	-	-	-	-
D.1.9. Dental Education Loan Repayment	-	-	-	-	-	-	-	-	-
D.1.10. Prof Nursing Shortage Reduction	15,000,000	-	15,000,000	15,000,000	-	15,000,000	30,000,000	-	30,000,000
D.1.11. Alzheimer's Disease Centers	4,230,625	-	4,230,625	UB	-	-	4,230,625	-	4,230,625
D.1.12. Hosp-Based Nurs Educ Partnership Grnts	-	-	-	-	-	-	-	-	-
D.1.13. Children's Medicaid Loan Repayment	-	-	-	-	-	-	-	-	-
D.1.14. Physician and Nurse Trauma Care	-	-	-	-	-	-	-	-	-

Goal E: Baylor College of Medicine

E.1.1. Baylor College of Medicine UGME	-	-	-	-	-	-	-	-	-
E.1.2. Baylor College of Medicine GME	-	-	-	-	-	-	-	-	-
E.1.3. Tobacco Earnings - Baylor College of Med	-	1,125,000	1,125,000	-	1,125,000	1,125,000	-	2,250,000	2,250,000
E.1.4. Tobacco Earnings - Perm Hlth Fund BCM	-	1,915,830	1,915,830	-	1,915,830	1,915,830	-	3,831,660	3,831,660

2014-15 Baseline Request Summary

FY14			FY 15			Biennium		
GR-Related	Other	TOTAL	GR-Related	Other	TOTAL	GR-Related	Other	TOTAL

Goal F: Close the Gaps by Providing Trusteed Funds to Improve Quality/Delivery

F.1.1. Developmental Education Program	2,000,000	-	2,000,000	2,000,000	-	2,000,000	4,000,000	-	4,000,000
F.1.2. Centers for Teacher Education	760,177	-	760,177	760,176	-	760,176	1,520,353	-	1,520,353
F.1.3. Two-year Institution Enrollment Growth	-	-	-	-	-	-	-	-	-
F.1.4. New Community College Campuses	-	-	-	-	-	-	-	-	-
F.1.5. Gen Acad Institution Enrollment Growth	-	-	-	-	-	-	-	-	-
F.1.6. African American Museum Internship	66,716	-	66,716	66,716	-	66,716	133,432	-	133,432
F.1.7. Adult Basic Educ Comm College Grants	2,000,000	-	2,000,000	2,000,000	-	2,000,000	4,000,000	-	4,000,000
F.1.8. Alt Teaching Cert Prgs at Comm Colleges	-	-	-	-	-	-	-	-	-
F.1.9. College Readiness Grants	760,177	-	760,177	760,176	-	760,176	1,520,353	-	1,520,353
F.1.10. Higher Educ Performance Incentive	-	-	-	-	-	-	-	-	-

Goal G: Close the Gaps by Providing Federal Funding to Institutions and Students

G.1.1. Student Financial Assistance Programs	-	-	-	-	-	-	-	-	-
G.1.2. Career and Technical Ed Programs	-	24,000,000	24,000,000	-	24,000,000	24,000,000	-	48,000,000	48,000,000
G.1.3. Teacher Quality Grants Programs	-	5,484,000	5,484,000	-	284,000	284,000	-	5,768,000	5,768,000
G.1.4. College Access Challenge Grants Program	-	112,000	112,000	-	112,000	112,000	-	224,000	224,000
G.1.5. Other Federal Grants Programs	-	291,000	291,000	-	263,000	263,000	-	554,000	554,000

Goal H: Close the Gaps by Providing Tobacco Settlement Funds to Institutions

H.1.1. Tobacco Earnings - Minority Hlth Research & Ed	-	1,225,000	1,225,000	-	1,225,000	1,225,000	-	2,450,000	2,450,000
H.1.2. Tobacco Earnings - Nursing, Allied Hlth, Other	-	2,200,000	2,200,000	-	2,200,000	2,200,000	-	4,400,000	4,400,000

Goal I: Indirect Administration

I.1.1. Central Administration	3,504,510	1,315,186	4,819,696	3,504,509	1,315,187	4,819,696	7,009,019	2,630,373	9,639,392
I.1.2. Information Resources	1,320,017	1,234,032	2,554,049	1,320,016	1,234,031	2,554,047	2,640,033	2,468,063	5,108,096
I.1.3. Other Support Services	774,963	659,942	1,434,905	774,962	659,941	1,434,903	1,549,925	1,319,883	2,869,808
TOTAL	531,900,404	49,043,050	580,943,454	522,662,979	43,415,049	566,078,028	1,054,563,383	92,458,099	1,147,021,482

10 Percent 14-15 Biennial Base Reduction Options Schedule

First 5% Reduction				
(priority order) Rank of First Reduction	Strategy Name	Proposed FY14-15 Base	First Proposed Reduction	First Reduction % of Proposed Base
		GR/GR-D	GR/GR-D	
1	D.1.11. Alzheimer's Disease Cen	4,230,625	2,127,035	50.28%
2	A.1.1. College Readiness and Success	3,727,042	642,178	15.95%
3	A.2.1. Workforce, Academic Affairs, & Research	3,384,510	153,915	4.65%
4	A.3.1. Planning, Information and Evaluation	3,979,956	186,000	4.86%
5	I.1.3. Other Support Services	1,549,925	77,496	5.00%
6	I.1.1. Central Administration	7,009,019	152,261	2.15%
7	C.1.2. TX Research Incentive Pro	35,625,000	1,781,250	5.00%
8	D.1.5. Joint Admiss Md Pro	4,006,794	950,000	23.71%
9	I.1.2. Information Resources	2,640,033	66,933	2.54%
10	A.1.3. Student Grants and Special Prgs	1,850,602	92,530	5.00%
12	B.1.2 Texas B-On-Time	80,557,791	46,498,680	57.72%
	B.1.1 TEXAS Grants	580,782,930	-	0.00%
	B.1.3 Tuition Equalization Grants	168,845,654	-	0.00%
	B.1.4. Texas Educational Opp. Grnt Prg	65,349,388	-	0.00%
	B.1.5 College Work Study	15,059,278	-	0.00%
	B.1.6. License Plate Scholarships	1,099,000	-	0.00%
	B.1.10. Teach for TX LRP	1,000,000	-	0.00%
	B.1.11. Border Faculty LRP	375,626	-	0.00%
	B.1.12. OAG Lawyers LRP	496,072	-	0.00%
	B.1.15. Top 10% Scholarships	8,500,000	-	0.00%
	B.1.16. Armed Services Scholarships	7,120,000	-	0.00%
	C.1.1. Advanced Research Pro	1,000,000	-	0.00%
	D.1.1. Family Practice Res Pro	9,600,000	-	0.00%
	D.1.6. Physician Ed Loan Repay	5,600,000	-	0.00%
	D.1.10. Prof Nurse Shortage	30,000,000	-	0.00%
	F.1.1. Developmental Ed Program	4,000,000	-	0.00%
	F.1.2. Centers for Teacher Ed	1,520,353	-	0.00%
	F.1.6. African American Museum	133,432	-	0.00%
	F.1.7. ABE Community College Grants	4,000,000	-	0.00%
	F.1.9. College Readiness Grants	1,520,353	-	0.00%
TOTAL FY 14-15 Base		\$ 1,054,563,383		
SUBTOTAL, First Proposed Reduction			52,728,278	5.000%

Second 5% Reduction				
(priority order) Rank of Second Reduction	Strategy Name	Proposed FY14-15 Base	Second Proposed Reduction	Second Reduction % of Proposed Base
		GR/GR-D	GR/GR-D	
1	D.1.11. Alzheimer's Disease Cen	4,230,625	1,652,035	39.05%
2	A.1.1. College Readiness and Success	3,727,042	569,695	15.29%
3	A.2.1. Workforce, Academic Affairs, & Research	3,384,510	174,442	5.15%
4	A.3.1. Planning, Information and Evaluation	3,979,956	149,956	3.77%
5	I.1.3. Other Support Services	1,549,925	77,496	5.00%
6	B.1.11. Border Faculty LRP	375,626	375,626	100.00%
7	A.1.3. Student Grants and Special Prgs	1,850,602	92,530	5.00%
8	I.1.1. Central Administration	7,009,019	474,425	6.77%
9	I.1.2. Information Resources	2,640,033	66,933	2.54%
10	D.1.5. Joint Admiss Md Pro	4,006,794	475,000	11.85%
11	C.1.2. TX Research Incentive Pro	35,625,000	1,781,250	5.00%
12	B.1.3 Tuition Equalization Grants	168,845,654	9,703,951	5.75%
13	B.1.4. Texas Educational Opp. Grnt Prg	65,349,388	3,755,781	5.75%
14	B.1.1 TEXAS Grants	580,782,930	33,378,940	5.75%
	B.1.2 Texas B-On-Time	80,557,791	-	0.00%
	B.1.5 College Work Study	15,059,278	-	0.00%
	B.1.6. License Plate Scholarships	1,099,000	-	0.00%
	B.1.10. Teach for TX LRP	1,000,000	-	0.00%
	B.1.12. OAG Lawyers LRP	496,072	-	0.00%
	B.1.15. Top 10% Scholarships	8,500,000	-	0.00%
	B.1.16. Armed Services Scholarships	7,120,000	-	0.00%
	C.1.1. Advanced Research Pro	1,000,000	-	0.00%
	D.1.1. Family Practice Res Pro	9,600,000	-	0.00%
	D.1.6. Physician Ed Loan Repay	5,600,000	-	0.00%
	D.1.10. Prof Nurse Shortage	30,000,000	-	0.00%
	F.1.1. Developmental Ed Program	4,000,000	-	0.00%
	F.1.2. Centers for Teacher Ed	1,520,353	-	0.00%
	F.1.6. African American Museum	133,432	-	0.00%
	F.1.7. ABE Community College Grants	4,000,000	-	0.00%
	F.1.9. College Readiness Grants	1,520,353	-	0.00%
TOTAL FY 14-15 Base		\$ 1,054,563,383		
SUBTOTAL, Second Proposed Reduction			52,728,060	5.000%

Total 10% Biennial Base Reduction 105,456,338 10.000%

14-15 Exceptional Items - Sorted by Agency Rank

Agency Rank	Division Rank	Name	Strategy	Description	FY14	FY15	Total	FTE	PG #
1	1	TEXAS Grants	BSS/ B.1.1	This request will allow 158,719 students with an Expected family Contribution (EFC) up to \$8,000 to receive a TEXAS Grant in the biennium. This will fund nearly 100% of all eligible new university students and an estimated 41,225 new transfer students that have not previously been eligible for the Program.	\$ 38,537,345	\$ 67,970,755	\$ 106,508,100	-	D4
2	1	DCS	ISS/ I.1.2	The agency is one of 27 state agencies mandated to use the Data Center Services contract for our computer center operations. This contract provides essential day-to-day services related to print services and server/network operations for the agency. Based on the FY13 baseline and projected FY14 and FY15 DCS costs provided by DIR, we are requesting the additional capital funding to offset the projected shortfall + 12% growth in storage needs which is needed to keep the growing amount of data that the agency is required to keep.	\$ 199,146	\$ 344,776	\$ 543,922	-	D27
3	2	Teach for Texas LRP	BSS/ B.1.10	Current biennium funding at \$1million represents a 91% reduction, compared with the 2010-2011 biennium. This required that we reduce annual loan repayment awards from \$5,000 to \$2,500 and that we accept applications only from prior year recipients. Awards for the current year will be disbursed for only 44% of those who were invited to apply. With an additional \$9 million in funding, we will be able to contribute to the retention of 900 additional teachers per year, if the annual award amount is restored to \$5,000, or 1,800 additional teachers, if the award amount remains at \$2,500.	\$ 4,500,000	\$ 4,500,000	\$ 9,000,000	-	D8
4	1	Graduate Medical Education Expansion Effort	WAAR/ D.1.4	Texas must quickly increase the number of first year entering medical residents or Texas medical school graduates will no longer have enough available first year residency positions to retain its medical school graduates. The proposed Graduate Medical Education Expansion Effort would provide funding support to Texas residency programs offering first year residency positions. The goal of the program would be to achieve a 1.1 to 1 ratio of Texas first-year entering positions to medical school graduates. The new funding of \$11.7 million (\$15,000 per resident x 779 positions) would support 10 percent of the cost for new first-year entering residency training positions beginning in the 2014-2015 biennium. The program would support the addition of 220 first-year entering residency positions beginning in 2014, and allow the residents to continue training, and add 339 first-year entering residents in 2015. The administration and management of the new program would be absorbed by the agency with existing staff, with less than 2 percent of the proposed funding used to support salaries and wages.	\$ 5,750,000	\$ 5,750,000	\$ 11,500,000	-	D15
5	2	Texas Science Technology Engineering and Math	WAAR/ B.1.19	The Texas Science, Technology, Engineering, and Math (T-STEM) Challenge Scholarship Program was established by House Bill 2910, passed by the 82nd Legislature, Regular Session in 2011. The T-STEM program is funded through a grant provided to the Texas Higher Education Coordinating Board from the Texas Guaranteed Student Loan Corporation. The T-STEM program provides grant awards to qualified Texas public community and technical colleges.	\$ 1,750,000	\$ 1,750,000	\$ 3,500,000	-	D12
6	3	Family Practice Residency Program	WAAR/ D.1.1	The Family Practice Residency Program (FPRP) improves the distribution of family physicians throughout the state and provides increased medical care to patients in underserved areas. Funds are allocated based on the certified number of residents training in each approved family practice residency program, which must receive significant local support to qualify for state funds. This strategy also supports rural and public health rotations, which offer family practice residents the opportunity for supervised training in a rural community or public health facility. Since its inception in 1979, the program has provided funding support for more than 8,000 family practice residents. Family physicians who complete residency training have a 70 percent retention rate in Texas. The exceptional item request for an additional \$10 million to the current level of funding of \$5.6 million would allow the per resident funding level to increase from the current level of \$3,985 to \$10,764 to support approximately 706 family practice residents, and provide for an increase in the number of rural and public health rotations that could be completed from the current level of 25 funded at \$2,000 to 80 funded at \$2,500.	\$ 5,000,000	\$ 5,000,000	\$ 10,000,000	-	D13

14-15 Exceptional Items - Sorted by Agency Rank

Agency Rank	Division Rank	Name	Strategy	Description	FY14	FY15	Total	FTE	PG #
7	4	Norman Hackerman Advance Research Program	WAAR/ C.1.1	The Norman Hackerman Advanced Research Program (NHARP) was established by the 70th Texas Legislature (1987, TEC Chapter 142) helps close the gap in research by providing competitive, peer-reviewed grants for basic research at Texas higher education institutions. The established peer-review process ensures that selected research projects are at the forefront of science: research that attracts and retains the best faculty and students and develops the knowledge base needed for continuing innovation. NHARP funds enable investigators to do initial studies necessary to secure additional funding from the federal government, private industry, not-for-profit organizations, and private donors.	\$ 8,000,000	\$ -	\$ 8,000,000	-	D12
8	5	Engineering Recruitment Program	WAAR/ B.1.14	Texas is not meeting the Closing the Gaps target of graduates in science, technology, engineering, and math (STEM) fields. The Engineering Recruitment Program (ERP) helps close the gaps in participation and success, specific to engineering, through the Engineering Summer Program (ESP). The ESP supports one-week summer program experiences for middle and high school students at Texas public and private general academic institutions that offer engineering degree programs. ESP students participate in courses similar in content to engineering courses, with a focus on math and science preparation. The ESP is an early intervention initiative to engage and encourage middle and high school students to consider engineering as a profession. The program was not funded in FYs 2012 and 2013. In FY 2011, the ESP received an appropriation of \$500,000 and supported 25 summer programs with 790 middle and high school students participating. Approximately half the number of programs and students would be supported, if funding were provided in FYs 2014 and 2015.	\$ 250,000	\$ 250,000	\$ 500,000	-	D10
9	6	Emergency and Trauma Care Education Partnership Program	WAAR/ D.1.14	The Emergency and Trauma Care Education Partnership Program (ETEP), was established by passage of Senate Bill 7 during the First Called Session of the 82nd Legislature in 2011. Authority to administer the program was given to the Coordinating Board in Texas Education Code, Section 61.9802 and in Title 19, Texas Administrative Code, Chapter 6, Subchapter E. However, funding to administer the program was not appropriated to the Coordinating Board. Currently, funding is provided to the Department of State Health Services (DSHS) under General Appropriations Act, Senate Bill 1, 82nd Texas Legislature, B.3.1. Strategy: EMS AND TRAUMA CARE SYSTEMS (page II-49). In turn, DSHS provides the Coordinating Board with funding through a Memorandum of Understanding. To reduce unnecessary administrative effort between agencies, a request would be made that this appropriation go directly to the Coordinating Board. DSHS has indicated it will not request funding in the 2014-2015 LAR since it has no statutory authority for the program.	\$ 2,250,000	\$ 2,250,000	\$ 4,500,000	-	D19
10	3	Physician Ed. LRP	BSS/ D.1.6	The Physician Education Loan Repayment Program (PELRP) provides student loan repayment awards for physicians who have agreed to provide four years of service for underserved Texans in Health Professional Shortage Areas (HPSAs). The 81st Legislature authorized changes to the tax code relating to smokeless tobacco and directed specified percentages of the increased revenue to be used for loan repayments in the amount of up to \$25,000, \$35,000, \$45,000, and \$55,000 for 1st, 2nd, 3rd, and 4th years of service, for a maximum of \$160,000. The State Comptroller's revenue projections for the PELRP fund far exceed the amount of this exceptional item, which is requested to fund loan repayments as follows: FY2014 - \$1.5 million for 60 additional first-year participants (bringing the total of new participants to 100 for this year); FY2015 - \$3.2 million for 60 second-year participants and 44 additional new participants. The recruitment of 60 new physicians practicing in HPSAs will provide access to primary care services for at least 210,000 underserved Texans in FY2014. The recruitment and retention of 144 physicians practicing in HPSAs will provide access to primary care services for at least 504,000 underserved Texans.	\$ 1,500,000	\$ 3,200,000	\$ 4,700,000	-	D16

14-15 Exceptional Items - Sorted by Agency Rank

Agency Rank	Division Rank	Name	Strategy	Description	FY14	FY15	Total	FTE	PG #
11	1	Compliance Monitoring to Address Sunset Issue 5	Internal Audit/ I.1.1	The Sunset Advisory Commission's Staff Report on the Texas Higher Education Coordinating Board included Issue 5 – The Coordinating Board's Limited Monitoring of Funding and Data Fails to Ensure Their Appropriate Use and Accuracy. This Special Item Request is needed to address Sunset Issue 5, through the creation of four FTEs dedicated to performing compliance monitoring of data and funds for which the THECB has oversight responsibility.	\$ 285,368	\$ 285,368	\$ 570,736	4	D26
12	2	Acquisition of Information Technology Resources	ISS/ I.1.2	With no capital funding having been approved for technology acquisitions in FY12-13, funding of capital acquisitions in the FY 14-15 biennium is essential to the maintenance of agency operations and staff productivity. Replacement of obsolete technologies in place at the agency is required to enhance agency staff productivity and to improve service to the agency's stakeholders (institutions of higher education, students, legislature, Board and the public).	\$ 805,000	\$ 345,000	\$ 1,150,000	-	D27
TOTAL					\$ 68,826,859	\$ 91,645,899	\$ 160,472,758	4	

Summary of 2014-15 Legislative Appropriations Request (LAR) Description of Strategies, Reduction Options, and Exceptional Item Requests

This document describes each of the Texas Higher Education Coordinating Board's (THECB) strategies included in the General Appropriations Act. These funding strategies represent all of the budget goals and strategies in the same order as they appear in the THECB's appropriations bill pattern. Additionally, this document summarizes the contents of the THECB's LAR for the 2014-15 biennium, and includes the baseline request for each strategy, proposed reductions to applicable strategies, and exceptional items associated with the applicable strategy. In developing the LAR, the THECB staff closely adhered to the following guiding principles as directed by the Commissioner of Higher Education:

1. no across-the board cuts;
2. preserve as much as possible the programs that contribute the most to achieving the goals of the state's higher education plan, *Closing the Gaps by 2015* (i.e., participation, success, excellence, and research);
3. preserve as much as possible the programs that contribute the most to achieving the goals of the Accelerated Plan for *Closing the Gaps by 2015* (i.e., increasing the higher education participation of Hispanics and African American males, increasing higher education success of Hispanics and African Americans, increasing the number of STEM field graduates, and increasing the number of well-prepared certified teachers); and
4. preserve as much as possible student financial aid programs that serve the most needy students.

Budget Goal A: Coordinate Higher Education

A.1.1. College Readiness and Success	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 1,863,521	\$ 1,863,521
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ 1,863,521	\$ 1,863,521
Total Biennial Request (FY 2014 + FY 2015)	\$3,727,042	

Strategy Description:

This strategy includes funding for the administration of all college readiness and success programs and initiatives that support the goals of Closing the Gaps by 2015. Funding under this Strategy is designed (1) to support professional development activities for pre-service and in-service teachers who teach in public high schools with low college-going rates in Houston and Dallas, and (2) to increase college readiness and student success. The strategy includes staff resources to implement the professional development activities in Houston and Dallas and for college readiness and success activities funded at institutions of higher education and other entities across the state.

PROPOSED Reduction:

1st Reduction	2nd Reduction	
Rank #2	Rank #2	
\$ 642,178	\$ 569,695	
17.23%	15.29%	
\$1,211,873		32.52% Total Reduction

Impact Statement

Reduction will have little impact on the Board staff's ability to promote access initiatives (i.e., Advise TX, Generation TX, and special activities that support underrepresented populations) and to oversee the remaining college readiness and student success projects and the ongoing collaborative work with Texas Education Agency to implement the Texas College and Career Readiness Standards, including the ongoing review and revision of the Texas College and Career Readiness Standards, and the three-year studies required for review of the performance measures for End of Course assessments. However, these reductions may impact the staff's ability to carry out the professional development activities for pre-service and in-service teachers as described in the strategy.

2014-15 Legislative Appropriations Request (LAR)

A.1.2. State Loan Programs

	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ -	\$ -
FY 2014-15 Non-GR-Related Request	\$ 5,650,000	\$ 5,650,000
Total Request	\$ 5,650,000	\$ 5,650,000
Total Biennial Request (FY 2014 + FY 2015)	\$11,300,000	

Strategy Description:

This strategy includes funding for administration of the Hinson-Hazlewood Loan Program. No General Revenue is used to support the loan program. All funds for this program are generated by self-supporting bond proceeds and loan repayments. In FY11, 8,684 students received \$101,547,713 in loans for an average loan amount of \$9,613. It is estimated that 10,500 students will receive \$110,000,000 in loans in FY12 for an average amount of \$10,476.

A.1.3. Student Grants and Special Programs

	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 925,301	\$ 925,301
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request (including exceptional items)	\$ 925,301	\$ 925,301
Total Biennial Request (FY 2014 + FY 2015)	\$1,850,602	

Strategy Description:

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

PROPOSED Reduction:

1st Reduction	2nd Reduction
Rank #10	Rank #7
\$ 92,530	\$ 92,530
5.00%	5.00%
\$185,060	10.00% Total Reduction

Impact Statement

The first five percent reduction will result in reduced training and elimination of one FTE from the department. The second five percent reduction will cause a second FTE reduction.

A.2.1. Workforce, Academic Affairs, and Research

	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 1,692,255	\$ 1,692,255
FY 2014-15 Non-GR-Related Request	\$ 3,000	\$ 3,000
Total Request	\$ 1,695,255	\$ 1,695,255
Total Biennial Request (FY 2014 + FY 2015)	\$3,390,510	

2014-15 Legislative Appropriations Request (LAR)

Strategy Description:

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

PROPOSED Reduction:	
1st Reduction	2nd Reduction
Rank #3	Rank #3
\$ 153,915	\$ 174,442
4.55%	5.15%
<u>\$328,357</u>	<u>9.70% Total Reduction</u>
Impact Statement	
This amount comes from reductions in planned travel, professional expenses, and staff development and training.	

A.3.1. Planning, Information, & Evaluation

	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 1,989,978	\$ 1,989,978
FY 2014-15 Non-GR-Related Request	\$ 400,000	\$ -
Total Request (including exceptional items)	<u>\$ 2,389,978</u>	<u>\$ 1,989,978</u>
Total Biennial Request (FY 2014 + FY 2015)	<u>\$4,379,956</u>	

Strategy Description:

This strategy provides funding for the Planning and Accountability Division, including the Education Data Center and Information Access Initiative, and funding for planning initiatives. The strategy includes funding for the personnel whose responsibilities include planning for higher education, collection of the state's higher education data, analysis of higher education issues, maintaining the state's higher education accountability system, planning for the state's higher education facilities, including efficient use of higher education resources for construction, renovation and purchase of real estate, and higher education finance analysis, including recommendations for fair and equitable allocation of state formula funding among institutions.

PROPOSED Reduction:	
1st Reduction	2nd Reduction
Rank #4	Rank #4
\$ 186,000	\$ 149,956
4.67%	3.77%
<u>\$335,956</u>	<u>8.44% Total Reduction</u>
Impact Statement	
The impact of the reduction will stop the progress planned for developing web pages for education data and accountability system presentations. The cut would reduce the amounts available for adjustments in staff compensation to reward and retain the high performers in the division. The cut would prohibit the division from addressing the monitoring function that was recommended by the Sunset Commission staff. The cut would eliminate the attendance of division staff at conferences held in state and out of state. Much of the coordination activities of the division involve presenting at statewide conferences (TACRO, TAIR, TASSCUBO, TACCBO, TAPPA, TCUF).	

2014-15 Legislative Appropriations Request (LAR)

A.3.2. Higher Education Policy Institute	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ -	\$ -
FY 2014-15 Non-GR-Related Request	\$ 423,060	\$ 423,060
Total Request	\$ 423,060	\$ 423,060
Total Biennial Request (FY 2014 + FY 2015)	\$846,120	

Strategy Description:

The Board received a grant from the Houston Endowment, Inc., to conduct research and analysis of the critical higher education issues that challenge Texas.

Budget Goal B: Close the Gaps – Affordability

B.1.1. TEXAS Grant Program	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 290,391,465	\$ 290,391,465
FY 2014-15 Non-GR-Related Request	\$ 5,000	\$ 5,000
Exceptional Item Request #1	\$ 38,537,345	\$ 67,970,755
Total Request (including exceptional items)	\$ 328,933,810	\$ 358,367,220
Total Biennial Request (FY 2014 + FY 2015)	\$687,301,030	

Strategy Description:

The TEXAS Grant Program helps close the gaps in participation and success by paying college tuition and fees for financially needy high school graduates who are Texas residents, complete the Recommended or Advanced High School Program, and enroll on at least a three-quarter basis in an undergraduate degree or certificate program. To remain eligible, a student must complete at least 75 percent of his/her coursework, complete at least 24 semester credit hours per year and maintain at least a 2.5 college GPA. A student cannot receive a TEXAS Grant for more than 150 hours or five years if enrolled in a 4-year degree plan; six years if enrolled in a degree plan of more than four years. The amount of the grant is the average statewide amount of tuition and fees at the type of public institution the student is attending. The TEXAS Grant Program is the state's primary assistance program supporting participation and success. In FY11, 71,726 students received an average award of \$4,714. In FY12, 77,612 students have received an average award of \$3,716, as of June 2012. The baseline request will allow about 133,500 university students with an Expected family Contribution (EFC) up to \$4,000 to receive a TEXAS Grant in the biennium. This will fund nearly 95% of all eligible new university students, and an estimated 35,000 new transfer students that have not previously been eligible for the Program.

PROPOSED Reduction: TEXAS Grants	
1st Reduction	2nd Reduction
Rank #	Rank #14
\$ 0	\$ 33,378,940
0.00%	5.75%
\$33,378,940	5.75% Total Reduction
Impact Statement	
The second 5% reduction will allow about 15,000 fewer university students with an Expected family Contribution (EFC) up to \$4,000 to receive a TEXAS Grant in the biennium. This will fund nearly 88% of all eligible new university students, and an estimated 33,000 new transfer students that have not previously been eligible for the Program.	
Explanation of Exceptional Item Requests:	
Exceptional Item Request #1	
This request will allow 158,719 students with an Expected family Contribution (EFC) up to \$8,000 to receive a TEXAS Grant in the biennium. This will fund nearly 100% of all eligible new university students and an estimated 41,225 new transfer students that have not previously been eligible for the Program.	

2014-15 Legislative Appropriations Request (LAR)

B.1.2. TEXAS B-On-Time Program

	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 40,278,896	\$ 40,278,895
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request (including exceptional items)	\$ 40,278,896	\$ 40,278,895
Total Biennial Request (FY 2014 + FY 2015)	\$80,557,791	

Strategy Description:

The Texas B-On-Time Loan Program, which provides zero interest loans to students who graduate with at least the Recommended High School Program, was created by SB 4 of the 78th Legislature. If a recipient graduates with a B average within four or five years (depending on the curriculum) or within six hours of the maximum number of hours required by the recipient's major, the loan will be forgiven. In FY11, 10,187 students received an average B-On-Time loan of \$5,543. In FY12, 9,264 students have received loans averaging \$5,999 as of June 2012. Since the program's inception in FY04, 38% of student participants have met the forgiveness requirements. The baseline funding will allow about 11,000 public university students to receive a BOT award in the biennium. There will be no funds available for private institution awards.

PROPOSED Reduction: TEXAS B-On-Time

1st Reduction	2nd Reduction
Rank #11	Rank #
\$ 46,498,680	\$ 0
57.72%	0.00%
\$46,498,680	57.72%
Total Reduction	

Impact Statement

The first five percent reduction will eliminate available funding for new BOT awards in the biennium leaving sufficient funds to make only renewal awards at public universities.

B.1.3. Tuition Equalization Grants

	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 84,422,827	\$ 84,422,827
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request (including exceptional items)	\$ 84,422,827	\$ 84,422,827
Total Biennial Request (FY 2014 + FY 2015)	\$168,845,654	

Strategy Description:

The Tuition Equalization Grant Program provides aid in the form of grants to needy students attending independent nonprofit institutions in Texas. To qualify, recipients must be Texas residents or National Merit Finalists and enroll on at least a three-quarter basis. To remain eligible, a student must complete at least 75 percent of his/her coursework, complete at least 24 semester credit hours per year (18 if the recipient is a graduate student) and maintain at least a 2.5 college GPA. Maximum award amounts equal half the per-student appropriation in the public university sector during the most recently completed biennium. However, students with exceptional need may receive 150% of the basic maximum award. Tuition Equalization Grant Program is the state's primary assistance program for students attending independent institutions. In FY10, 27,736 students received an average award of \$3,681. In FY12, 25,560 students have received an average award of \$3,271 as of June 2012.

PROPOSED Reduction: TEG

1st Reduction	2nd Reduction
Rank #	Rank #12
\$ 0	\$ 9,703,951
0.00%	5.75%
\$9,703,951	5.75%
Total Reduction	

Impact Statement

The second five percent reduction will reduce the number of Tuition Equalization Grant awards made by 1,500 in each year of biennium at an average award amount of \$3,265.

2014-15 Legislative Appropriations Request (LAR)

B.1.4. Texas Educational Opportunity Grant Program

	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 32,674,694	\$ 32,674,694
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request (including exceptional items)	\$ 32,674,694	\$ 32,674,694
Total Biennial Request (FY 2014 + FY 2015)	\$65,349,388	

Strategy Description:

The Texas Educational Opportunity Grant Program awards grants to students attending public community, technical, or state colleges, with the highest priority given to students with the greatest financial need. No specific high school requirements apply. To be eligible, a student must be a Texas resident, enroll at least half-time, show financial need, and be working towards an associate's degree or a certificate. To remain eligible, a student must complete at least 75 percent of his/her coursework and maintain a 2.5 GPA. A student cannot receive a Texas Educational Opportunity Grant for more than 75 hours or four years; students eligible for a TEXAS Grant cannot receive a Texas Educational Opportunity Grant. The grant amount for each term will not exceed the statewide average of tuition and fees at the type of public institution the student is attending. Texas Educational Opportunity Grant Program is the state's second largest assistance program for students attending public two-year institutions. In FY10, 6,826 students received an average award of \$1,655. In FY12, 6,098 students have received an average award of \$1,554, as of June 2012.

PROPOSED Reduction: TEOG

1st Reduction	2nd Reduction
Rank #	Rank #13
\$ 0	\$ 3,755,781
0.00%	5.75%
\$3,755,781	5.75% Total Reduction
5.75%	

Impact Statement

The second five percent reduction will reduce the number of Texas Educational Opportunity Grant awards to needy community colleges by 1,500 each year of the biennium at an average award amount of \$1,500.

B.1.5. College Work Study

	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 7,529,639	\$ 7,529,639
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request (including exceptional items)	\$ 7,529,639	\$ 7,529,639
Total Biennial Request (FY 2014 + FY 2015)	\$15,059,278	

Strategy Description:

The Texas College Work-Study Program helps close the gaps in student participation and success by allowing students to earn money to pay for at least part of their educational expenses. The program pays up to 75 percent of salaries for students working for nonprofit employers and up to 50 percent of salaries for students working for profit-making employers. Employers pay the balance of salaries and all other benefits. In FY11, 5,295 students earned an average of \$1,662 (including state and employer matching funds). In FY12, an estimated 3,485 students have earned an average of \$2,205 as of June 2012.

B.1.6. License Plate Scholarships Program

	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 549,500	\$ 549,500
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ 549,500	\$ 549,500
Total Biennial Request (FY 2014 + FY 2015)	\$1,099,000	

Strategy Description:

2014-15 Legislative Appropriations Request (LAR)

The THECB manages accounts for a number of specialty license plate programs designed to generate funding for scholarships and other education-related programs. These include (citation provided for authorizing statute in the Texas Transportation Code):

- Texas Collegiate License Plate Scholarship (§ 504.615);
- Houston Livestock Show and Rodeo License Plate Scholarship (§ 504.613);
- Girl Scout License Plate Programs (§ 504.622);
- “College for All Texans” Campaign License Plate Program (§ 504.657);
- Boy Scout License Plate Scholarship (§ 504.6545);
- Cotton Boll License Plate Scholarship (§ 504.636);
- Mothers Against Drunk Driving (§ 504.608); and
- Texas Section American Water Works Association (§504.801)

B.1.7. Early High School Graduation Scholarship Program	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ -	\$ -
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ -	\$ -
Total Biennial Request (FY 2014 + FY 2015)	\$0	

Strategy Description:

For students graduating prior to September 1, 2005, this program provides funds for reimbursing institutions for tuition exemptions up to \$1,000 to students who complete grades 9-12 in no more than 36 continuous months. For students graduating after September 1, 2005, the program provides tuition and fee exemptions up to \$2,000 to students who complete grades 9-12 with the Recommended High School Program in no more than 36 months. Students who graduated in less than 41 months could receive a lesser award. Students graduating in less than 46 months with a specified number of college credits can receive a bonus award of \$1000. Students at independent colleges may receive awards if their colleges provide matching funds. The funding was previously provided from the Foundation School Fund through an inter-agency contract with the Texas Education Agency. In FY11, a total of 5,772 students received an average award of \$932. The 82nd Legislature, Regular Session, changed the funding source from the Foundation Program to direct appropriations. No funds were appropriated for the 12-13 biennium. No awards were made in FY12.

B.1.8. TANF Scholarship Program	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ -	\$ -
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ -	\$ -
Total Biennial Request (FY 2014 + FY 2015)	\$0	

Strategy Description:

This program provides a one-year exemption from the payment of tuition and fees to students who were dependent children for whom their families received federal Temporary Assistance to Need Families (TANF) for at least six months during the students' senior year in high school. In the past, funding for reimbursing institutions for the waived charges was provided through the Foundation School Fund and an inter-agency contract with the Texas Education Agency. In FY11, a total of 15 students received an average award of \$3,685. The 82nd Legislature, Regular Session, eliminated the Foundation Program as a funding source. No funds were appropriated for the 12-13 biennium, although institutions may choose to make awards while absorbing the cost. No reimbursed awards have been made in FY12.

B.1.9. Educational Aide Program	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ -	\$ -
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ -	\$ -
Total Biennial Request (FY 2014 + FY 2015)	\$0	

Strategy Description:

2014-15 Legislative Appropriations Request (LAR)

The intent of this program is to encourage certain educational aides and substitute teachers to obtain full teaching certification. The Educational Aide Program provides need-based exemptions from the payment of tuition and fees (other than class or laboratory fees) to students enrolled in courses leading up to teacher certification at Texas public institutions of higher education. To receive an initial award, a student must be a Texas resident, have worked at least one of the past five years as an educational aide or 180 days of the past five years as a substitute teacher, be currently employed in some capacity by a school district in Texas, show financial need, be enrolled in courses leading to teacher certification, and meet the academic progress standards of the institution. The 82nd Legislature amended program requirements to indicate new recipients must be enrolled in programs leading to certification in a shortage field. In the past, funding was provided through the Foundation School Fund and an inter-agency contract with the Texas Education Agency. In FY11, a total of 4,447 students received an average award of \$2,911. The 82nd Legislature, Regular Session, eliminated the Foundation Program as a funding source. Any awards made in FY12 were made voluntarily by institutions, which absorbed the related costs.

B.1.10. Teach for Texas Loan Repayment Assistance Program	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 500,000	\$ 500,000
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Exceptional Item Request #3	\$ 4,500,000	\$ 4,500,000
Total Request (including exceptional items)	\$ 5,000,000	\$ 5,000,000
Total Biennial Request (FY 2014 + FY 2015)	\$10,000,000	

Strategy Description:

The Teach for Texas Loan Repayment Assistance Program provides student loan repayments for Texas public school teachers who provide full-time instruction in a subject having a critical shortage of teachers or at a campus having a critical shortage of teachers.

Priority is given to renewal applicants and those having the greatest amount of student loan indebtedness. Teachers may receive up to \$5,000 per year for each year of service for up to five years for a maximum of \$20,000. The number of qualified applicants has exceeded available funding every year. The THECB received applications from 5974 teachers for FY11, but funding allowed for loan repayments to only 23% of the applicants (1,401).

The repayments for FY2010-2011 were funded through appropriations of \$5.7 million per year, plus payment receipts for the phased-out Teach for Texas conditional grant programs. However, the funding for FY2012-2013 was cut by 91%, to \$500,000 per year, in addition to the payment receipts. A small percentage of teachers who received awards last year will be identified for awards for FY2012.

Over-subscription of the program before the severe budget cuts indicates program success. Retaining current teachers in critical shortage fields and campuses and encouraging others to teach in schools having critical teacher shortages is necessary for students to be prepared for higher education.

Explanation of Exceptional Item Request:

Exceptional Item Request #3

Current biennium funding at \$1million represents a 91% reduction, compared with the 2010-2011 biennium. This required that we reduce annual loan repayment awards from \$5,000 to \$2,500 and that we accept applications only from prior year recipients. Awards for the current year will be disbursed for only 44% of those who were invited to apply. With an additional \$9 million in funding, we will be able to contribute to the retention of 900 additional teachers per year, if the annual award amount is restored to \$5,000, or 1,800 additional teachers, if the award amount remains at \$2,500.

B.1.11. Border Faculty Loan Repayment Program	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 187,813	\$ 187,813
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ 187,813	\$ 187,813
Total Biennial Request (FY 2014 + FY 2015)	\$375,626	

2014-15 Legislative Appropriations Request (LAR)

Strategy Description:

This program provides educational loan repayments for faculty members who earned their doctorates after 1994 and teach at institutions located in Texas counties that border Mexico. Each eligible institution submits to the THECB at least four applications from selected members of the faculty who may receive loan repayment for up to \$5,000 for each year of service, for up to 10 years. The program has been fully subscribed every year since its inception. The appropriated annual amount of \$187,813 funded awards to 38 faculty members each year in FY10 and FY11.

PROPOSED Reduction:	
1st Reduction	2nd Reduction
Rank #	Rank #6
\$ 0	\$ 375,626
0.00%	100.00%
\$375,626	100.00%
Total Reduction	

Impact Statement

The second five percent reduction will eliminate this program for the biennium.

B.1.12. OAG Lawyers Loan Repayment Program

FY 2014-15 GR-Related Baseline Request

	FY 2014		FY 2015
\$	248,036	\$	248,036

FY 2014-15 Non-GR-Related Request

\$	-	\$	-
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Total Request

\$	248,036	\$	248,036
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Total Biennial Request (FY 2014 + FY 2015)

\$496,072	
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Strategy Description:

The purpose of this program is to recruit and retain attorneys in the Office of the Attorney General (OAG) of the State of Texas. Selected applicants may receive annual loan repayment awards of up to \$6,000, for a period of no more than three years. The OAG selects the recipients and recommends the award amounts based on years of service and other factors.

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

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

B.1.13. Doctoral Incentive Program

FY 2014-15 GR-Related Baseline Request

	FY 2014		FY 2015
\$	-	\$	-

FY 2014-15 Non-GR-Related Request

\$	-	\$	-
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Total Request

\$	-	\$	-
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Total Biennial Request (FY 2014 + FY 2015)

\$0	
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2014-15 Legislative Appropriations Request (LAR)

Strategy Description:

This program provides student loan repayment assistance as an incentive for members of underrepresented groups to serve as full-time faculty or administrators in Texas institutions of higher education. Underrepresented groups are defined in terms of the low income status or the low college-going rate of the high school the recipient either attended or resided near, at the time of graduation from high school. Qualified recipients may receive up to \$20,000 per year for up to five years (for a maximum aggregate of \$100,000). The program has been funded through a \$2 per credit hour set-aside from tuition of doctoral students (excluding those enrolled in law school or a health professions program).

Loan repayments totaling \$741,805 were awarded to 48 doctoral faculty and administrators in FY2011. Although tuition set aside funds continue to be deposited in the program account, in accordance with the governing statute, there is no rider for FY2012-2013 authorizing expenditure of the dedicated funds, and no General Revenue funds were appropriated for the program. The estimated amount of tuition set aside funds anticipated for FY2012 is \$745,000.

B.1.14. Engineering Recruitment Program	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ -	\$ -
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Exceptional Item Request #8	\$ 250,000	\$ 250,000
Total Request	\$ 250,000	\$ 250,000
Total Biennial Request (FY 2014 + FY 2015)	\$500,000	

Strategy Description:

Texas is not meeting the Closing the Gaps target of graduates in science, technology, engineering, and math (STEM) fields. The Engineering Recruitment Program (ERP) helps close the gaps in participation and success, specific to engineering, through the Engineering Summer Program (ESP). The ESP supports one-week summer program experiences for middle and high school students at Texas public and private general academic institutions that offer engineering degree programs. ESP students participate in courses similar in content to engineering courses, with a focus on math and science preparation. The ESP is an early intervention initiative to engage and encourage middle and high school students to consider engineering as a profession.

Explanation of Exceptional Item Request:

Exceptional Item Request #8

The program was not funded in FYs 2012 and 2013. In FY 2011, the ESP received an appropriation of \$500,000 and supported 25 summer programs with 790 middle and high school students participating. Approximately half the number of programs and students would be supported, if funding were provided in FYs 2014 and 2015.

B.1.15. Top Ten Percent Scholarships	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 4,250,000	\$ 4,250,000
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ 4,250,000	\$ 4,250,000
Total Biennial Request (FY 2014 + FY 2015)	\$8,500,000	

2014-15 Legislative Appropriations Request (LAR)

Strategy Description:

The Top 10% Scholarship is a need-plus-merit program to encourage the best and brightest Texas high school students to go to college in Texas. Scholarships are valued at \$2,000 per year and are awarded to needy high school graduates who graduate in the top 10 percent of their high school graduating class, enroll full-time, and maintain at least a 3.25 college GPA. Eligible students must show financial need using the formula: Cost of Attendance - Expected Family Contribution - Pell > \$0, and complete the Free Application for Federal Student Aid (FAFSA) by the deadline set by THECB.

This is a four-year renewable scholarship. To be eligible for a continuation award, students must complete 30 SCH each year (including summer), maintain a cumulative GPA of 3.25, and satisfactorily complete at least 75% of the hours attempted. Students majoring in workforce shortage fields are eligible for a \$2,000 bonus for their junior and senior years if they have an overall GPA of 3.0 at the beginning of their junior year and the beginning of their senior year. The program includes hardship provisions for students whose GPA, completion rate, and/or hours fall below the requirements. Students who do not meet the satisfactory academic progress requirements in one year but meet those requirements in subsequent years are eligible to receive an award. In FY11, 12,778 students received an average award of \$2,003. In FY12, 15,954 students have received an average award of \$2030 as of June 2012.

B.1.16. Texas Armed Services Scholarships Program	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 3,560,000	\$ 3,560,000
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ 3,560,000	\$ 3,560,000
Total Biennial Request (FY 2014 + FY 2015)	\$7,120,000	

Strategy Description:

The purpose of the Texas Armed Services Scholarship Program is to encourage students to become members of the Texas Army National Guard, members of the Texas Air Force National Guard, or commissioned officers in any branch of the armed services of the United States. No financial need is required to be eligible. Each year the governor and the lieutenant governor may each appoint two students, and each state senator and each state representative may appoint one student to receive an initial conditional Texas Armed Services Scholarship. The first disbursement of these fund occurred in FY11. Out of 185 nominations, 119 students were nominated and 82 received the Texas Armed Services Scholarship (average amount of \$10,000). In FY12 106 nominations were received and 76 students were awarded the scholarship.

B.1.17. Combat Tuition Reimbursement Program	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ -	\$ -
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ -	\$ -
Total Biennial Request (FY 2014 + FY 2015)	\$0	

Strategy Description:

The 81st Texas Legislature amended TEC. 54.203 (Hazlewood Act) by adding a new tuition exemption (fees not included) for a dependent child or stepchild of a member of the U. S. Armed Forces. To qualify, the student must be a Texas resident or entitled to pay resident tuition. The award applies to any semester or term during which the member of the armed forces is deployed on active duty in a combat zone outside of the United States. The new program began with tuition charged for the 2009 fall semester. For FY10 and FY11, the Texas Legislature appropriated \$699,000 to the THECB to be used for reimbursements to institutions for any foregone tuition charges. Institutions are not required to make these exemptions if they are not being reimbursed by the state for the foregone tuition. In FY11, a total of 306 students received an average award of \$1,722. No funds were appropriated for the 12-13 biennium. No awards were made in FY12.

2014-15 Legislative Appropriations Request (LAR)

B.1.18. Texas Career Opportunity Grants Program	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ -	\$ -
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ -	\$ -
Total Biennial Request (FY 2014 + FY 2015)	\$0	

Strategy Description:

The Texas Career Opportunity Grant Program (TCOG) provides need-based grants to eligible students who are enrolled in qualified education programs at participating for-profit career schools or colleges. The amount of a TCOG Program award is the lesser of: (1) the applicant's financial need; (2) the amount of tuition and fees that exceeds the average amount charged at a public technical institute; (3) 50 percent of the average state appropriation for a full-time student at a public technical institute; or (4) the program maximum. Priority consideration is given to veterans and spouses of veterans who meet certain conditions. The 81st Texas Legislature appropriated \$1,350,000 for the 2010-11 biennium, \$65,000 of which was cut due to budget reductions. In FY11, a total of 931 students received an average award of \$706. No funds were appropriated for the 12-13 biennium. No awards were made in FY12.

B.1.19. T-STEM Scholarship Program	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ -	\$ -
FY 2014-15 Non-GR-Related Request	\$ 3,000,000	\$ 3,000,000
Exceptional Item Request #5	\$ 1,750,000	\$ 1,750,000
Total Request	\$ 4,750,000	\$ 4,750,000
Total Biennial Request (FY 2014 + FY 2015)	\$9,500,000	

Strategy Description:

The Texas Science, Technology, Engineering, and Math (T-STEM) Challenge Scholarship Program was established by House Bill 2910, passed by the 82nd Legislature, Regular Session in 2011. The Texas Science, Technology, Engineering, and Math program is funded through a grant provided to the Texas Higher Education Coordinating Board from the Texas Guaranteed Student Loan Corporation. The Texas Science, Technology, Engineering, and Math program will provide grant awards to qualified and selected Texas public community and technical colleges beginning in 2012.

Explanation of Exceptional Item Request:

Exceptional Item Request #5

Grants awarded under the Texas Science, Technology, Engineering, and Math program will allow colleges to provide merit-based scholarships to qualifying, high-achieving full-time students pursuing careers in Science, Technology, Engineering, and Math and related fields. Student eligibility is based on grade point average and successful completion of courses that lead to a degrees and careers in specified Science, Technology, Engineering, and Math fields. State funding is requested and could potentially be matched to the Texas Guaranteed Student Loan Corporation funding. The new funding would provide the public portion of funding for the program, which did not receive an appropriation last session, and would allow the Texas Guaranteed Student Loan Corporation contribution to serve as the private match. The additional funding would strengthen the available resources by showing the state's commitment through the investment in the program.

Budget Goal C: Close the Gaps – Research

C.1.1. Norman Hackerman Advanced Research Program	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 1,000,000	UB
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Exceptional Item Request #7	\$ 8,000,000	\$ -
Total Request	\$ 9,000,000	\$ -
Total Biennial Request (FY 2014 + FY 2015)	\$9,000,000	

Strategy Description:

2014-15 Legislative Appropriations Request (LAR)

The Norman Hackerman Advanced Research Program (NHARP) was established by the 70th Texas Legislature (1987, TEC Chapter 142) and it helps close the gap in research by providing competitive, peer-reviewed grants for basic research at Texas higher education institutions. The established peer-review process ensures that selected research projects are at the forefront of science: research that attracts and retains the best faculty and students and develops the knowledge base needed for continuing innovation. Norman Hackerman Advanced Research Program funds enable investigators to do initial studies necessary to secure additional funding from the federal government, private industry, not-for-profit organizations, and private donors. The expected multiplier for external funds is about 3.5. On average, 5 to 7 students participate on each project. Funding for the biennium 2012-2013 was \$1 million and 12 projects were supported. Funding for the biennium 2010-2011 was \$16,000,000 and 112 projects were supported. Funding is appropriated in the first year of the biennium and the projects are supported for two years, with the ability to have no-cost extensions.

Explanation of Exceptional Item Request:

Exceptional Item Request #7

The exceptional item request would provide additional funding to be awarded to competitive researchers and would allow greater numbers and types of research activities to be funded. Additional administrative funds would be used to support external consultants who conduct project reviews and help in the evaluation and selection of most competitive research projects.

C.1.2. Texas Research Incentive Prg	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 17,812,500	\$ 17,812,500
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ 17,812,500	\$ 17,812,500
Total Biennial Request (FY 2014 + FY 2015)	\$35,625,000	

Strategy Description:

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

PROPOSED Reduction:

1st Reduction	2nd Reduction	
Rank #7	Rank #11	
\$ 1,781,250	\$ 1,781,250	
5.00%	5.00%	
\$ 3,562,500		10.00% Total Reduction

Impact Statement

The funds in this strategy are used to match private donation received by the Emerging Research Institutions. The impact of the reduction may slow the progress made by the institutions in increasing funds available for enhancing the research activity at the institutions.

Budget Goal D: Close the Gaps – Health Programs

D.1.1. Family Practice Residency Program	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 4,800,000	\$ 4,800,000
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Exceptional Item Request #6	\$ 5,000,000	\$ 5,000,000
Total Request	\$ 9,800,000	\$ 9,800,000
Total Biennial Request (FY 2014 + FY 2015)	\$19,600,000	

Strategy Description:

2014-15 Legislative Appropriations Request (LAR)

The Family Practice Residency Program (FPRP) improves the distribution of family physicians throughout the state and provides increased medical care to patients in underserved areas. Funds are allocated based on the certified number of residents training in each approved family practice residency program, which must receive significant local support to qualify for state funds. This strategy also supports rural and public health rotations, which offer family practice residents the opportunity for supervised training in a rural community or public health facility. Since its inception in 1979, the program has provided funding support for more than 8,000 family practice residents. Family physicians who complete residency training have a 70 percent retention rate in Texas.

Explanation of Exceptional Item Request:

Exceptional Item Request #6

The exceptional item request for an additional \$10 million to the current level of funding of \$5.6 million would allow the per resident funding level to increase from the current level of \$3,985 to \$10,764 to support approximately 706 family practice residents, and provide for an increase in the number of rural and public health rotations that could be completed from the current level of 25 funded at \$2,000 to 80 funded at \$2,500.

D.1.2. Preceptorship Program	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ -	\$ -
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ -	\$ -
Total Biennial Request (FY 2014 + FY 2015)	\$0	

Strategy Description:

The Statewide Preceptorship Program provided funding to encourage Texas medical students to choose careers in primary care by contracting with one or more organizations to operate statewide preceptorship programs in family practice, general internal medicine, and general pediatrics. Each program had a complement of more than 100 volunteer physicians located statewide to mentor medical students in a community-based medical practice during one-month preceptorships with a family physician, internist, or pediatrician preceptor. The guiding premise of the preceptor experience was that early exposure to a primary care medical specialty may positively influence future career decisions and practice patterns. Participating medical students received a \$500 stipend if they participated in a location near their medical school, and a \$1,000 stipend if they participated in a rural location.

D.1.3. Primary Care Residency Program	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ -	\$ -
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ -	\$ -
Total Biennial Request (FY 2014 + FY 2015)	\$0	

Strategy Description:

The Primary Care Residency Program provided funding for new primary care residency programs and for new primary care residency positions in the state. Funding was provided to primary care residency programs (up to a four-year maximum for obstetrics/gynecology residents) for designated residents for an entire residency training experience as governed by the specialty certification. Residents were identified by program directors as likely to remain in Texas to practice, interested in underserved areas, and committed to primary care medicine. Funding caps were in place for qualifying residency programs, with a maximum of 18 or fewer residents supported at each program. Funding is statutorily set, providing programs with \$15,000 per resident to support a maximum of 18 residents, contingent on availability. The THECB allocates the funding to new programs and programs identified as producing physicians who stay and practice in the state.

2014-15 Legislative Appropriations Request (LAR)

D.1.4. Graduate Medical Education (GME) Program	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ -	\$ -
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Exceptional Item Request #4	\$ 5,750,000	\$ 5,750,000
Total Request	\$ 5,750,000	\$ 5,750,000
Total Biennial Request (FY 2014 + FY 2015)	\$11,500,000	

Strategy Description:

The Graduate Medical Education Program provided funds to support the educational and teaching costs of independent primary care graduate medical education programs. For purposes of this strategy, primary care includes family practice, obstetrics/gynecology, general internal medicine, and general pediatrics. Funds appropriated for this program may only be allocated to independent residency programs, not affiliated with a Texas medical school.

Explanation of Exceptional Item Request:

Exceptional Item Request #4

Texas must quickly increase the number of first year entering medical residents or Texas medical school graduates will no longer have enough available first year residency positions to retain its medical school graduates. The proposed Graduate Medical Education Expansion Effort would provide funding support to Texas residency programs offering first year residency positions. The goal of the program would be to achieve a 1.1 to 1 ratio of Texas first-year entering positions to medical school graduates. The new funding of \$11.7 million (\$15,000 per resident x 779 positions) would support 10 percent of the cost for new first-year entering residency training positions beginning in the 2014-2015 biennium. The program would support the addition of 220 first-year entering residency positions beginning in 2014, and allow the residents to continue training, and add 339 first-year entering residents in 2015. The administration and management of the new program would be absorbed by the agency with existing staff, with less than 2 percent of the proposed funding used to support salaries and wages.

D.1.5. Joint Admission Medical Program (JAMP)	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 4,006,794	UB
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ 4,006,794	\$ -
Total Biennial Request (FY 2014 + FY 2015)	\$4,006,794	

Strategy Description:

The Joint Admission Medical Program (JAMP) helps close the gaps in participation and success. JAMP provides support for highly qualified, economically disadvantaged students interested in becoming physicians. Students selected into Joint Admission Medical Program receive undergraduate scholarships, summer stipends, and are guaranteed admission to a Texas medical school, assuming their eligibility in the program is maintained. JAMP students are identified in their freshman year, selected in their sophomore year, and continue in the program through medical school. The program is administered by the Joint Admission Medical Program Council, which is composed of one faculty representative from each Texas medical school. The enabling legislation designates the administrative functions of Joint Admission Medical Program to the Texas Medical and Dental Schools Application Service, operated through The University of Texas System. Funding is provided in the first year of the biennium with authority to carry forward any unexpended balances into the second year of the biennium.

PROPOSED Reduction:

1st Reduction	2nd Reduction	
Rank #8	Rank #10	
\$ 950,000	\$ 475,000	
23.71%	11.85%	
\$ 1,425,000	35.56%	Total Reduction

2014-15 Legislative Appropriations Request (LAR)

Impact Statement

The proposed reduction would eliminate support for 307 medical students in their 3rd and 4th year of medical school and would reduce the amount of funding per student for the remaining 948 (372 undergraduates and 576 1st and 2nd year medical students) from the current level of \$6, 511 to \$3,224 (13.56% reduction) or \$3,725.5 (6.78% reduction). JAMP funding is provided to the program in the first year of the biennium. An additional reduction, would result in fewer JAMP students admitted to the program, limiting the number of students supported over time.

D.1.6. Physician Education Loan Repayment Program	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 2,800,000	\$ 2,800,000
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Exceptional Item Request #10	\$ 1,500,000	\$ 3,200,000
Total Request (including exceptional items)	\$ 4,300,000	\$ 6,000,000
Total Biennial Request (FY 2014 + FY 2015)	\$10,300,000	

Strategy Description:

The purpose of the program is to encourage qualified physicians to practice medicine for at least four years in designated health professional shortage areas (HPSAs) of Texas. The 81st Texas Legislature passed legislation that (1) increased the maximum loan repayment amounts to up to \$160,000 over the four-year commitment period and (2) revised the sales tax structure for smokeless tobacco. A total of \$22 million was authorized for FY2010-2011. A total of 175 physicians are continuing to fulfill their service commitments; awards continue to be disbursed from FY2011 funds as service periods are completed.

Because the funding for FY2012-2013 was reduced to \$5.6 million, most of those funds will be used to honor fourth-year service commitments, rather than enrolling new participants. Revenue from dedicated medical school tuition set asides, in addition to tobacco tax receipts, continue to be deposited into the Physician Education Loan Repayment Program account. The estimated amount that will be in the account on 8/31/2012 is \$30 million.

Explanation of Exceptional Item Request:

Exceptional Item Request #10

The Physician Education Loan Repayment Program (PELRP) provides student loan repayment awards for physicians who have agreed to provide four years of service for underserved Texans in Health Professional Shortage Areas (HPSAs). The 81st Legislature authorized changes to the tax code relating to smokeless tobacco and directed specified percentages of the increased revenue to be used for loan repayments in the amount of up to \$25,000, \$35,000, \$45,000, and \$55,000 for 1st, 2nd, 3rd, and 4th years of service, for a maximum of \$160,000. The State Comptroller's revenue projections for the Physician Education Loan Repayment Program fund far exceed the amount of this exceptional item, which is requested to fund loan repayments as follows: FY2014 - \$1.5 million for 60 additional first-year participants (bringing the total of new participants to 100 for this year); FY2015 - \$3.2 million for 60 second-year participants and 44 additional new participants. The recruitment of 60 new physicians practicing in HPSAs will provide access to primary care services for at least 210,000 underserved Texans in FY2014. The recruitment and retention of 144 physicians practicing in Health Professional Shortage Areas will provide access to primary care services for at least 504,000 underserved Texans.

D.1.7. Financial Aid for Professional Nursing Students	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ -	\$ -
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ -	\$ -
Total Biennial Request (FY 2014 + FY 2015)	\$0	

2014-15 Legislative Appropriations Request (LAR)

Strategy Description:

This strategy helps close the gaps in success in nursing by authorizing a Loan Repayment Program for Professional Nursing Students, Matching Fund Employment Program for Students in Professional Nursing, Scholarship Program for LVNs Studying to Become RNs, Scholarship Program for Rural Professional Nursing Students, Scholarship Program for Professional Nursing, and the Scholarship Program for Rural BSN or Graduate Nursing Students. The 81st Texas Legislature appropriated \$1,837,130 for the FY2010-11 biennium. In FY11, a total of 1,137 students received an average award of \$1,722. No funds were appropriated for the 12-13 biennium. No awards were made in FY12.

D.1.8. Financial Aid for Vocational Nursing Students

	FY 2014		FY 2015	
FY 2014-15 GR-Related Baseline Request	\$	-	\$	-
FY 2014-15 Non-GR-Related Request	\$	-	\$	-
Total Request	\$	-	\$	-
Total Biennial Request (FY 2014 + FY 2015)	\$0			

Strategy Description:

This strategy helps close the gaps in success in nursing by authorizing a Loan Repayment Program for Licensed Vocation Nursing Students, Matching Fund Employment Program for Vocational Nursing Students, Scholarship Program for Rural Licensed Vocation Nursing Students, and the Vocational Nursing Student Scholarship Program. The 81st Texas Legislature appropriated \$91,266 for the FY2010-11 biennium. In FY11, a total of 135 students received an average award of \$338. No funds were appropriated for the 12-13 biennium. No awards were made in FY12.

D.1.9. Dental Education Loan Repayment Program

	FY 2014		FY 2015	
FY 2014-15 GR-Related Baseline Request	\$	-	\$	-
FY 2014-15 Non-GR-Related Request	\$	-	\$	-
Total Request	\$	-	\$	-
Total Biennial Request (FY 2014 + FY 2015)	\$0			

Strategy Description:

The Dental Education Loan Repayment Program provides loan repayment assistance to qualified dentists who have provided at least one year of dental care in areas of Texas that are underserved with respect to dental care. A dentist may receive annual loan repayments of up to \$10,000 per year. There is no statutory limit to the number of years a dentist may qualify for loan repayment.

Loan repayment awards totaling \$215,000 were made to 22 dentists in FY2011. Although there is no spending authority for the program for FY2012-2013, Texas dental schools are required to set aside two percent of student tuition to help fund the program. The amount of anticipated set aside funds deposited by 8/31/2011 is estimated to be \$120,000.

D.1.10. Professional Nursing Shortage Reduction Program

	FY 2014		FY 2015	
FY 2014-15 GR-Related Baseline Request	\$ 15,000,000	\$	15,000,000	-
FY 2014-15 Non-GR-Related Request	\$	-	\$	-
Total Request	\$ 15,000,000	\$	15,000,000	-
Total Biennial Request (FY 2014 + FY 2015)	\$30,000,000			

2014-15 Legislative Appropriations Request (LAR)

Strategy Description:

The Professional Nursing Shortage Reduction Program consists of three separate programs. The purpose of the "Regular Program" and the "Under 70 Program" is to increase the number of graduates from professional nursing programs, and increase the number of graduates from master's and doctoral programs in nursing that join the faculty of professional nursing programs. The funds for the Regular Program and the Under 70 Program are awarded to the institutions by the THECB upon the determination of the amount of increase in graduates. The "Over 70 Program" seeks to increase enrollment in professional nursing programs by providing funding in advance for institutions to increase enrollments. The funds for the Over 70 Program are awarded to the institutions by the THECB in advance and any unearned funding will be returned by the institutions upon determination of increased enrollment.

D.1.11. Consortium of Alzheimer's Disease Centers

	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 4,230,625	UB
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ 4,230,625	\$ -
Total Biennial Request (FY 2014 + FY 2015)	\$4,230,625	

Strategy Description:

HB 1504, 76th Texas Legislature, directed the Texas Council on Alzheimer's Disease and Related Disorders (Council) to establish a Consortium of Alzheimer's Disease Centers (Consortium) in Texas. The Consortium is composed of Alzheimer's Disease Centers at Baylor College of Medicine, Texas Tech University Health Sciences Center, the University of North Texas Health Science Center at Fort Worth, the University of Texas Health Science Center-San Antonio, and the University of Texas Southwestern Medical Center. This strategy supports the Consortium through a contract with the Council. The 2012-2013 appropriation supports the collaborative research among the state's centers to improve early diagnosis, treatment, and prevention of Alzheimer's disease. Funding is provided in the first year of the biennium with authority to carry forward any unexpended balances into the second year of the biennium.

PROPOSED Reduction:	
1st Reduction	2nd Reduction
Rank #1	Rank #1
\$ 2,127,035	\$ 1,652,035
50.28%	39.05%
\$ 3,779,070 89.33% Total Reduction	
Impact Statement	
If funding for the Alzheimer's Disease Center is reduced, the amount provided to each of the five participating health-related institutions would decrease. Currently five institutions receive funding ranging from under \$1 million to more than \$2 million. Funding provided to each would be reduced, resulting in fewer research projects receiving support.	

2014-15 Legislative Appropriations Request (LAR)

D.1.12. Texas Hospital-Based Nursing Education Partnership Grants Progræ	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ -	\$ -
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ -	\$ -
Total Biennial Request (FY 2014 + FY 2015)	\$0	

Strategy Description:

The purpose of the Hospital-Based Nursing Education Partnership Grant Program (HNEP) is to address the state's need for registered nurses by fostering collaboration between hospital and academic partners, with the resulting partnerships leading to an increase in the number of students enrolled in and graduating from professional nursing education degree programs. Hospital-Based Nursing Education Partnership Grant Program is a peer-reviewed grant competition that supports educational initiatives using innovative instruction and the existing expertise and facilities of the hospital nursing education partnership. New and expanding partnerships are eligible to apply for Hospital-Based Nursing Education Partnership Grant Program grants.

D.1.13. Children's Medicaid Loan Repayment Program	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ -	\$ -
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ -	\$ -
Total Biennial Request (FY 2014 + FY 2015)	\$0	

Strategy Description:

The Children's Medicaid Loan Repayment Program (CMLRP), designed to increase access to medical and dental care for children, is part of the Health and Human Services Commission (HHSC) strategic initiative, in accordance with House Bill 15, Section 19(d), 80th Texas Legislature, 2007, relating to a lawsuit against the State of Texas some years ago (Frew v.s. Hawkins, et al).

The Children's Medicaid Loan Repayment Program provided loan repayments for certain physicians and dentists who met specified targets for services provided to children enrolled in Medicaid. The first cohort of participants received awards following the conclusion of their first year of service ending August 31, 2010.

Loan repayment awards totaling more than \$26 million in loan repayment awards were disbursed on behalf of 558 program participants for services provided in FY2010 and 2011. Among all of the providers who applied for participation in the program, 93% qualified for awards by meeting the Medicaid targets.

D.1.14. Physician and Nurse Trauma Care	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ -	\$ -
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Exceptional Item Request #9	\$ 2,250,000	\$ 2,250,000
Total Request	\$ 2,250,000	\$ 2,250,000
Total Biennial Request (FY 2014 + FY 2015)	\$4,500,000	

Strategy Description:

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

2014-15 Legislative Appropriations Request (LAR)

Explanation of Exceptional Item Request:

Exceptional Item Request #9

The Emergency and Trauma Care Education Partnership Program (ETEP), was established by passage of Senate Bill 7 during the First Called Session of the 82nd Legislature in 2011. Authority to administer the program was given to the Coordinating Board in Texas Education Code, Section 61.9802 and in Title 19, Texas Administrative Code, Chapter 6, Subchapter E. However, funding to administer the program was not appropriated to the Coordinating Board. Currently, funding is provided to the Department of State Health Services (DSHS) under General Appropriations Act, Senate Bill 1, 82nd Texas Legislature, B.3.1. Strategy: EMS AND TRAUMA CARE SYSTEMS (page II-49). In turn, Department of State Health Services provides the Coordinating Board with funding through a Memorandum of Understanding. To reduce unnecessary administrative effort between agencies, a request would be made that this appropriation go directly to the Coordinating Board. Department of State Health Services has indicated it will not request funding in the 2014-2015 LAR since it has no statutory authority for the program.

Budget Goal E: Baylor College of Medicine

E.1.1. Baylor College of Medicine UGME

	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ -	\$ -
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request (including exceptional items)	\$ -	\$ -
Total Biennial Request (FY 2014 + FY 2015)	\$0	

Strategy Description:

This strategy provides medical education funding to Baylor College of Medicine (BCM). The Texas Legislature appropriates to the THECB an amount per Texas resident medical student at BCM that is equal to the amount of General Revenue funding for medical education (for instruction and operations, infrastructure, and staff benefits, but not formula funding appropriated to the UT institutions for research) at The University of Texas Southwestern Medical Center at Dallas and The University of Texas Medical Branch at Galveston. (These were the only two state medical schools in existence when the Legislature authorized the appropriation of State funds to BCM.) This funding is the equivalent formula funding that is provided to all public Health-Related Institutions for medical education. The THECB has statutory authority to contract with BCM for the education of Texas resident undergraduate medical students.

E.1.2. Baylor College of Medicine GME

	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ -	\$ -
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ -	\$ -
Total Biennial Request (FY 2014 + FY 2015)	\$0	

Strategy Description:

This strategy provides graduate medical education (GME) funding to Baylor College of Medicine (BCM). The funding is used for the training of resident physicians who have completed their undergraduate medical education. This strategy corresponds to the graduate medical education formula funding provided to the public health-related institutions. This funding is trusted to the THECB and disbursed to Baylor College of Medicine through a contractual arrangement.

E.1.3. Tobacco Earnings - Perm Endowment Fund for Baylor College of Medicine

	FY 2014	FY 2015
FY 2014-15 Non-GR-Related Request	\$ 1,125,000	\$ 1,125,000
Total Biennial Request (FY 2014 + FY 2015)	\$2,250,000	

2014-15 Legislative Appropriations Request (LAR)

Strategy Description:

This strategy provides funding from the Permanent Endowment Fund for Health-Related Institutions that was established with tobacco settlement monies for Baylor College of Medicine (BCM). The endowment is directed by Baylor College of Medicine and invested by the State Comptroller. Baylor College of Medicine may use the funds to support programs that benefit medical research health education or treatment programs.

E.1.4. Tobacco Earnings - Permanent Health Fund for Baylor College of Medicine	FY 2014	FY 2015
FY 2014-15 Non-GR-Related Request	\$ 1,915,830	\$ 1,915,830
Total Biennial Request (FY 2014 + FY 2015)	\$3,831,660	

Strategy Description:

This strategy provides for the distribution of investment returns from the Permanent Health Fund for Higher Education, an endowment created with tobacco settlement funds to Baylor College of Medicine (BCM). This endowment is administered by the board of regents of the University of Texas System. Baylor College of Medicine may use the funds for programs that benefit medical research, health education or treatment programs.

Budget Goal F: Quality, Access and Success

F.1.1. Developmental Education Program	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 2,000,000	\$ 2,000,000
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ 2,000,000	\$ 2,000,000
Total Biennial Request (FY 2014 + FY 2015)	\$4,000,000	

Strategy Description:

This strategy focuses on scaling best practice findings from previously-funded demonstration projects that determined the most effective strategies to drive systemic reform and dramatically improve student outcomes. This is necessary because students enrolled in developmental education programs in postsecondary institutions are struggling to achieve college readiness in two years or less. Results from a rigorous cross-site evaluation of the demonstration projects as well as results from the new TSI Assessment will be used to inform changes to the Texas Success Initiative statute (TEC §51.3062) to address systemic developmental education reform. Reform focus areas include: assessment and placement, adult basic education alignment, student advising and counseling, course redesign, non course-based remediation, and faculty development.

F.1.2. Centers for Teacher Education	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 760,177	\$ 760,176
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ 760,177	\$ 760,176
Total Biennial Request (FY 2014 + FY 2015)	\$1,520,353	

Strategy Description:

Since the 74th session, the Texas Legislature has provided funds for the purpose of supporting centers for teacher education at private, independent, general academic institutions that are component institutions of the Texas Association of Developing Colleges (TADC). Current Rider 39 in the General Appropriations Act requires consideration to be given to teacher education centers at Huston-Tillotson University, Jarvis Christian College, Paul Quinn College, Texas College, and Wiley College. These funds shall be used (1) for scholarships for students admitted into a teacher education program through to completion of the program and certification, at no less than 50 percent of the amount allocated to the institution, and (2) to redesign curriculum to ensure each institution provides curriculum and instruction on how to teach to the rigor of the Texas College and Career Readiness Standards. In the last 5 years, these institutions have produced only 289 initially-certified teachers total, well below the expectation of 300-350 annually.

2014-15 Legislative Appropriations Request (LAR)

F.1.3. Two-year Institution Enrollment Growth

	FY 2014		FY 2015	
FY 2014-15 GR-Related Baseline Request	\$	-	\$	-
FY 2014-15 Non-GR-Related Request	\$	-	\$	-
Total Request	\$	-	\$	-
Total Biennial Request (FY 2014 + FY 2015)	\$0			

Strategy Description:

This strategy provides special funding to assist public community, technical, and state colleges that experience dramatic rates of growth in contact hours. Funding for FY14 is allocated based on growth greater than five percent between Fall 2011 and Fall 2012, and in FY15 growth must be greater than eight percent between Fall 2011 and Fall 2013. Ensuring that enrollment growth is adequately funded supports closing the gaps in participation and success.

F.1.4. New Community College Campuses

	FY 2014		FY 2015	
FY 2014-15 GR-Related Baseline Request	\$	-	\$	-
FY 2014-15 Non-GR-Related Request	\$	-	\$	-
Total Request	\$	-	\$	-
Total Biennial Request (FY 2014 + FY 2015)	\$0			

Strategy Description:

This strategy provides special funding to assist public two-year colleges which open new campuses during the biennium. Funding for this strategy is determined by the Legislature.

F.1.5. General Academic Institution Enrollment Growth

	FY 2014		FY 2015	
FY 2014-15 GR-Related Baseline Request	\$	-	\$	-
FY 2014-15 Non-GR-Related Request	\$	-	\$	-
Total Request	\$	-	\$	-
Total Biennial Request (FY 2014 + FY 2015)	\$0			

Strategy Description:

This strategy provides special funding to assist public general academic institutions that experience dramatic rates of growth in semester credit hours. Funding for FY14 is allocated based on growth greater than three percent between Fall 2011 and Fall 2012, and in FY15 growth must be greater than six percent between Fall 2011 and Fall 2013. Ensuring that enrollment growth is adequately funded supports closing the gaps in participation and success.

F.1.6. African American Museum Internship

	FY 2014		FY 2015	
FY 2014-15 GR-Related Baseline Request	\$	66,716	\$	66,716
FY 2014-15 Non-GR-Related Request	\$	-	\$	-
Total Request	\$	66,716	\$	66,716
Total Biennial Request (FY 2014 + FY 2015)	\$133,432			

2014-15 Legislative Appropriations Request (LAR)

Strategy Description:

This strategy provides funding for internships and scholarships for students who wish to explore the possibilities of a career in museology (also called museum studies), museum administration/management, and closely related work. The THECB cooperates with The University of Texas at Dallas and the Texas Historical Commission in developing and implementing the internship program at the African American Museum in Dallas. Students and recent university graduates from groups that are under-represented in museum management are given preference in awarding internships and/or scholarships. The program supports 10 interns.

F.1.7. Adult Basic Education Community College Grants

	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 2,000,000	\$ 2,000,000
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ 2,000,000	\$ 2,000,000
Total Biennial Request (FY 2014 + FY 2015)	\$4,000,000	

Strategy Description:

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

F.1.8. Alternative Teaching Certificate Programs at Community Colleges

	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ -	\$ -
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request	\$ -	\$ -
Total Biennial Request (FY 2014 + FY 2015)	\$0	

Strategy Description:

This strategy provides special funding to assist public community colleges that provide programs to develop certified teachers. In accordance with General Appropriations Act, Rider 58 (III-63), 81st Texas Legislature, the funds are allocated based on the number of teachers certified by the State Board of Education and if the college can demonstrate that the charges to the student have been significantly reduced.

F.1.9. College Readiness Grants

	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 760,177	\$ 760,176
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request (including exceptional items)	\$ 760,177	\$ 760,176
Total Biennial Request (FY 2014 + FY 2015)	\$1,520,353	

Strategy Description:

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

2014-15 Legislative Appropriations Request (LAR)

F.1.10. Higher Education Performance Incentive Initiative	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ -	\$ -
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Request (including exceptional items)	\$ -	\$ -
Total Biennial Request (FY 2014 + FY 2015)	\$0	

Strategy Description:

The 81st Texas Legislature provided funding for this initiative during FY10 and FY11 (Rider 46, III-61). The incentive funding program is intended to provide for improvement in teaching and educational excellence at Texas public general academic teaching institutions.

Budget Goal G: Federal Grant Programs

G.1.1. Student Financial Assistance Programs	FY 2014	FY 2015
FY 2014-15 Non-GR-Related Request	\$ -	\$ -
Total Biennial Request (FY 2014 + FY 2015)	\$0	

Strategy Description:

This strategy includes the following programs: Leveraging Educational Assistance Partnership (LEAP), Special Leveraging Educational Assistance Partnership (SLEAP), and the Robert C. Byrd Honors Scholarship Program. These programs have not been funded since FY 2011.

G.1.2. Career and Technical Education Programs	FY 2014	FY 2015
FY 2014-15 Non-GR-Related Request	\$ 24,000,000	\$ 24,000,000
Total Biennial Request (FY 2014 + FY 2015)	\$48,000,000	

Strategy Description:

Carl D. Perkins Career and Technical Education Improvement Act funds support programs that help students matriculate to higher education by providing career exploration opportunities to earn college credit in high school, and seamless educational pathways that lead to associate and baccalaureate degrees. Perkins funds are used to develop and enhance career and technical programs that lead to high-skill, high-wage, or high-demand careers. The THECB annually allocates Carl D. Perkins Career and Technical Education Improvement Act funds to the state's public two-year colleges. Funds for Title I of the Perkins IV Act are allocated to the state and divided between secondary and postsecondary education according to a formula developed by the Texas Education Agency. These funds support Basic Grants and State Leadership activities.

G.1.3. Teacher Quality Grants Programs	FY 2014	FY 2015
FY 2014-15 Non-GR-Related Request	\$ 5,484,000	\$ 284,000
Total Biennial Request (FY 2014 + FY 2015)	\$5,768,000	

2014-15 Legislative Appropriations Request (LAR)

Strategy Description:

The Teacher Quality Grants Program provides federal funds to states. Institutions of higher education (IHEs) provide courses and sessions designed to deepen the content knowledge of teachers and improve instructional quality in core academic courses. The funds are allocated to IHEs through a competitive grant process under criteria in No Child Left Behind (NCLB) and priorities established by the federally-approved Consolidated State Plan developed by the Texas Education Agency. Teacher Quality projects provide content-intensive summer courses in mathematics and science and academic year sessions in discipline-related instructional methods. The program serves approximately 1,100 teachers each year and improves the quality of instruction for approximately 125,000 classroom students in high-need ISDs each year. Consistent with federal regulations, the program focuses primarily on teachers who are teaching an academic subject or grade level for which they are not adequately prepared.

G.1.4. College Access Challenge Grants Program	FY 2014	FY 2015
FY 2014-15 Non-GR-Related Request	\$ 112,000	\$ 112,000
Total Request	\$ 112,000	\$ 112,000
Total Biennial Request (FY 2014 + FY 2015)	\$224,000	

Strategy Description:

The purpose of the College Access Challenge Grant Program is to foster partnerships among federal, state, and local governments and philanthropic organizations through matching challenge grants that are aimed at increasing the number of low-income students who are prepared to enter and succeed in postsecondary education. Projects are authorized to: provide information to students and families regarding postsecondary education and career preparation; promote financial literacy and debt management; conduct outreach activities; assist students in completing the Free Application for Federal Student Financial Aid (FAFSA); provide need-based grant aid; conduct professional development for guidance counselors at middle and secondary schools, financial aid administrators, and college admissions counselors; and offer student loan cancellation or repayment or interest rate reductions for borrowers who are employed in a high-need geographical area or a high-need profession. (Funds cannot be used to promote any lender's loans.) The Governor designated the THECB to administer this federal program.

G.1.5. Other Federal Grants Programs	FY 2014	FY 2015
FY 2014-15 Non-GR-Related Request	\$ 291,000	\$ 263,000
Total Biennial Request (FY 2014 + FY 2015)	\$554,000	

Strategy Description:

This strategy provides funding for other federal grants programs. In April 2009 the Texas Education Agency (TEA) received a Statewide Longitudinal Data System (SLDS) grant from the U.S. Department of Education Institute of Education Sciences (IES). The grant involves expanding the existing TEA and THECB data collection systems to include staff and student data at the classroom level, as well as course completion data for all grade levels. This data, beginning with the 2010-11 school year, will provide a basis for future analysis and reporting on aggregate student performance. The first data submission by higher education institutions will be for the Summer 2011 reporting cycle. The THECB received a significant portion of the Statewide Longitudinal Data System grant funds in June of 2009 to implement a four-year endeavor to accomplish the objectives of the Statewide Longitudinal Data System grant.

Budget Goal H: Close the Gaps - Tobacco Funds

H.1.1. Tobacco Earnings - Minority Health Research and Education	FY 2014	FY 2015
FY 2014-15 Non-GR-Related Request	\$ 1,225,000	\$ 1,225,000
Total Biennial Request (FY 2014 + FY 2015)	\$2,450,000	

2014-15 Legislative Appropriations Request (LAR)

Strategy Description:

This program provides grants to institutions, including Centers for Teacher Education, that conduct research or educational programs that address minority health issues or that form partnerships with minority organizations, colleges, or universities to conduct research and educational programs to address minority health issues. Funding is provided by the Permanent Fund for Minority Health Research and Education (endowment fund established with tobacco settlement monies).

H.1.2. Tobacco Earnings - Nursing, Allied Health, and Other	FY 2014	FY 2015
FY 2014-15 Non-GR-Related Request	\$ 2,200,000	\$ 2,200,000
Total Biennial Request (FY 2014 + FY 2015)	\$4,400,000	

Strategy Description:

This program provides grants to public institutions that offer upper-level instruction and training in nursing, allied health, or other health-related education. Amendments to the legislation have directed that all funds be used for nursing education through 2011. Funding is provided by the Permanent Fund for Higher Education Nursing, Allied Health, and Other Health-Related Programs (endowment fund established with tobacco settlement monies).

Budget Goal I: Indirect Administration

I.1.1. Central Administration	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 3,504,510	\$ 3,504,509
FY 2014-15 Non-GR-Related Request	\$ 1,315,186	\$ 1,315,187
Exceptional Item Request #11	\$ 285,368	\$ 285,368
Total Request	\$ 5,105,064	\$ 5,105,064
Total Biennial Request (FY 2014 + FY 2015)	\$10,210,128	

Strategy Description:

This strategy funds the budgets for administration of the agency, including the Commissioner's Office, Deputy Commissioners' Offices, External Relations, General Counsel, Internal Audit, Human Resources, and Business Services. It includes both General Revenue and non-General Revenue sources.

PROPOSED Reduction:

1st Reduction	2nd Reduction	
Rank #6	Rank #8	
\$ 152,261	\$ 474,425	
2.17%	6.77%	
\$ 626,686		8.94% Total Reduction

Impact Statement

A reduction of 8.77% of GR and GR-D to the Central Administration strategy will necessitate the reduction of personnel that are available to carry out essential services to internal and external constituents. Specific positions have not been identified at this time, however, reductions will have to be made to audit, human resources, accounting, office of general counsel, Commissioner's office, offices of the two Deputy Commissioners and external relations department. This will severely impact the response time to reports and inquiries, as well as jeopardize internal controls and due diligence.

Explanation of Exceptional Item Request:

Exceptional Item Request #11

The Sunset Advisory Commission's Staff Report on the Texas Higher Education Coordinating Board included Issue 5 – The Coordinating Board's Limited Monitoring of Funding and Data Fails to Ensure Their Appropriate Use and Accuracy. This Special Item Request is needed to address Sunset Issue 5, through the creation of four FTEs dedicated to performing compliance monitoring of data and funds for which the THECB has oversight responsibility.

2014-15 Legislative Appropriations Request (LAR)

I.1.2. Information Resources	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 1,320,017	\$ 1,320,016
FY 2014-15 Non-GR-Related Request	\$ 1,234,032	\$ 1,234,031
Exceptional Item Request #2	\$ 199,146	\$ 344,776
Exceptional Item Request #12	\$ 805,000	\$ 345,000
Total Request	\$ 3,558,195	\$ 3,243,823
Total Biennial Request (FY 2014 + FY 2015)	\$6,802,018	

Strategy Description:

This strategy involves the Information Solutions and Services (ISS) division. The role of the Division is to partner with the agency's business and program areas in the delivery of business solutions, information services and continuous improvement to the agency and its stakeholders. This includes information technology planning, coordination of computer operations provided under the state-wide Data Center Services contract, network operations, security and confidentiality of data, PC/network support, business process improvement, systems development and support, and maintenance of the agency's web sites. This strategy provides agency staff with information resources technologies needed to support the state's higher education plan, Closing the Gaps by 2015, and supports all agency goals. Data-driven evaluation of programs related to Closing the Gaps continues to increase the demand for electronic communications and exchange of information and for expanded data collection and sharing between P-16 stakeholders.

PROPOSED Reduction:	
1st Reduction	2nd Reduction
Rank #9	Rank #9
\$ 66,933	\$ 66,933
2.54%	2.54%
\$ 133,866	5.07% Total Reduction
Impact Statement	
It is anticipated that a 5% cut of \$66,933 for 2014-15 can be absorbed due to smaller than anticipated costs for the Office 365 (Email in Cloud) and Managed Print Services contracts. A 10% cut (\$133,865) would require cuts in temporary help services, IT training budget, as well as elimination of our contract with Gartner Group, relied on very heavily by ISS management and staff for IT industry guidance, trends, and vendor/software evaluations.	
Explanation of Exceptional Item Request:	
Exceptional Item Request #2	
The agency is one of 27 state agencies mandated to use the Data Center Services contract for our computer center operations. This contract provides essential day-to-day services related to print services and server/network operations for the agency. Based on the FY13 baseline and projected FY14 and FY15 DCS costs provided by DIR, we are requesting the additional capital funding to offset the projected shortfall + 12% growth in storage needs which is needed to keep the growing amount of data that the agency is required to keep.	
Exceptional Item Request #12	
With no capital funding having been approved for technology acquisitions in FY12-13, funding of capital acquisitions in the FY 14-15 biennium is essential to the maintenance of agency operations and staff productivity. Replacement of obsolete technologies in place at the agency is required to enhance agency staff productivity and to improve service to the agency's stakeholders (institutions of higher education, students, legislature, Board and the public).	

I.1.3. Other Support Services	FY 2014	FY 2015
FY 2014-15 GR-Related Baseline Request	\$ 774,963	\$ 774,962
FY 2014-15 Non-GR-Related Request	\$ 659,942	\$ 659,941
Total Request	\$ 1,434,905	\$ 1,434,903
Total Biennial Request (FY 2014 + FY 2015)	\$2,869,808	

Strategy Description:

This strategy includes Building Services, Purchasing and Supply, Mail Services, and Copy Services. Operating and support costs are allocated based on the percentage of operating budget associated with each direct strategy, with the exception of building rent, which is allocated based on the FTEs associated with each direct strategy.

2014-15 Legislative Appropriations Request (LAR)

PROPOSED Reduction:	
1st Reduction	2nd Reduction
Rank #5	Rank #5
\$ 77,496	\$ 77,496
5.00%	5.00%
\$ 154,992	10.00% Total Reduction

Impact Statement

The first five percent reduction will reduce building services used for safety and security for staff. The second reduction will result in the loss of an FTE and further reductions of basic support functions.