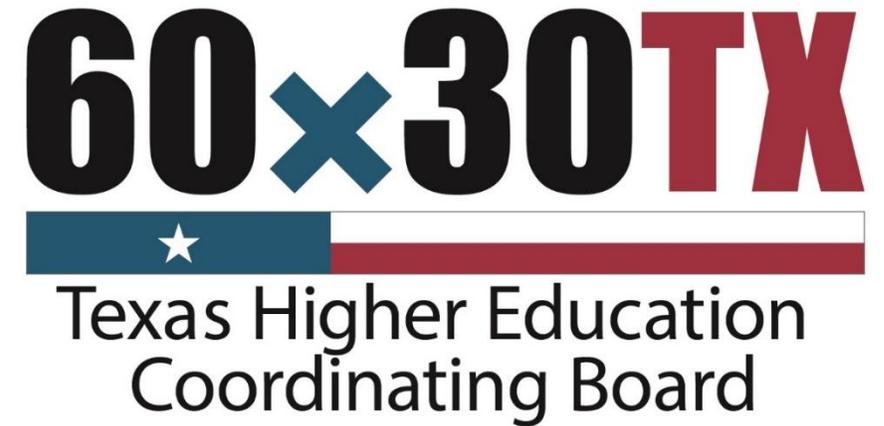


Interim Charge: Mandate Reduction

Raymund Paredes, Ph.D.
Texas Commissioner of Higher Education
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Institutions of Higher Education are Subject to Mandates from Several Sources

- Institutions are subject to numerous **federal government mandates** in the U.S. Code and federal agency rule. Major areas of focus include research, civil rights (Title IX), student privacy (FERPA) and crime reporting (Clery Act).
- **State government mandates** derive from state statutes and state agency rules. Major areas of focus include data reporting (CBM reports, enrollment data for formula funding) and requirements of state financial aid programs.
- In addition, both regional (Southern Association of Colleges and Schools) and professional **accreditors** require reporting and set standards to ensure the quality of education provided by institutions and programs.

Mandates can impose significant costs on institutions of higher education

- Complying with **mandates creates costs** for both institutions and students, straining limited resources and putting upward pressure on tuition and fees.
- A 2015 Vanderbilt University study found that federal regulatory compliance represents **3 to 11 percent of nonhospital operating expenses** at institutions of higher education.
- Compliance costs are high at large research-intensive universities, but federal regulations **impose costs across all sectors** of higher education.
- As importantly, inflexible regulations **inhibit innovation** and deter institutions from adopting promising practices to increase student persistence and success.

Example: Competency-Based Education

- Competency-based education (CBE) allows students to advance through courses when they demonstrate mastery, rather than through traditional “time-in-seat” requirements. The Texas Affordable Baccalaureate (TAB) uses CBE to get students to a degree more quickly and **at half the cost of a traditional baccalaureate program.**
- However, federal regulations and accreditor requirements have not kept up with this innovation. Specifically, they require that CBE programs tie student’s progression to semester credit hours, creating unnecessary administrative burden, complicating state funding formulas and deterring wider adoption of this innovation.
- Federal laws and regulations should grant flexibility for institutions to experiment with CBE programs to provide more options for students. Legislation (H.R. 2859) has been introduced in Congress to provide waivers and other flexibility for CBE demonstration projects.

Example: Preferred Lender Requirements

- The Higher Education Opportunity Act of 2008 subjects higher education institutions to burdensome “preferred lender” requirements if they wish to provide information to students regarding **any non-federal** lender. No exception is made for state-based student loan programs.
- Many students are therefore not advised regarding the availability of state-sponsored College Access Loans (CAL), which offer low, fixed-rate loans to Texans. At 5.3%, CAL offers **a lower interest rate** than unsubsidized Federal Direct Loans and federal parent and graduate student loans.
- Coordinating Board has advocated exempting state-supported student loan products from these regulations.

The Coordinating Board Employs a Consultative Approach to Rule and Procedures

- Negotiated Rulemaking
 - The Coordinating Board is required to conduct negotiated rulemaking in certain areas such as allocation of trustee funds, data reporting and transfer policies.
 - Negotiated rulemaking requires consensus among stakeholders that are impacted by the potential rule. By engaging stakeholders directly in the rulemaking, negotiated rulemaking has helped identify and minimize potential unnecessary burdens on institutions.
- Five Year Data Review
 - TEC 51.406(d) requires, every five years, that the Coordinating Board review its requests for data from institutions of higher education to identify any unnecessary data reporting.
 - In December of 2017, a negotiated rulemaking committee recommended removal or modification of 28 data requests or reports in statute, rule or procedure that were unnecessary, duplicative or could be obtained more efficiently.
 - The Coordinating Board is modifying rules and practice to implement recommendations, and will seek Legislative support to remove or modify those requirements in statute.

The Coordinating Board Supports Flexible Implementation of Mandates to Promote Innovation

Example: Eight Week Courses

- Odessa College wanted to transition from offering traditional 16-week semesters to more intense, focused eight-week semesters based on evidence this would increase their students' persistence and success.
- Coordinating Board reporting generally measures enrollment at the beginning of a semester, which means that students starting in the second eight-week session would not have been included in these counts.
- Coordinating Board worked with Odessa College to adjust reporting deadlines to allow institutions time to report information about second eight-week session enrollments along with their regular, full-semester course reports.
- The agency is currently working with LBB to finalize a policy to ensure that these adjustments in reporting still allow for accurate reporting for formula funding purposes.

Coordinating Board Recommendation: Texas WORKS

- State statute requires that institutions participating in the Texas College Work-Study (TCWS) Program place between 20% and 50% of their work-study student in off-campus positions.
- Many institutions have found the requirement **financially inefficient to implement**, given the administrative cost of contracting with off-campus employers and relatively small awards made through the program.
- The Coordinating Board recommends creating the **Texas WORKS Internship Program** to replace the off-campus portion of TCWS, authorizing the Coordinating Board to administer a centralized off-campus work-study program.
- This would create efficiencies of scale, and provide employers and students with access to a state-wide database of high-quality paid internship opportunities.