

THECB Exceptional Item Request for FY 2018-19

Advancing state and student goals for higher education through targeted investments



October 2016

Requesting additional funding is not something the Texas Higher Education Coordinating Board (THECB) does lightly. Each of these requests was evaluated to ensure a significant, quantifiable contribution to the agency mission and the state's strategic plan for higher education, 60x30TX.

Accordingly, THECB's Legislative Appropriations Request contains eight exceptional item requests (EIRs), totaling \$113.9 million over the agency's baseline budget. They are listed in priority order:

\$440,000 for security upgrades to the agency's IT infrastructure. These upgrades are required to protect the confidentiality of data and to extend the agency's ability to effectively share data with other state agencies and better serve our customers. The funding will help the agency complete the security initiatives identified by a Gartner security assessment that concluded in FY14.

\$78.3 million for TEXAS Grants. The increase would maintain the current level of serving 85 percent of TEXAS Grant initially-eligible students using a target award of \$5,000 for FY18. Without this additional funding, only 70 percent and 57 percent of initially-eligible students will be funded in FY18/19 respectively. In order to maximize the limited funding across as many students with need as possible, the THECB will also be recommending that grants be limited to 135 semester credit hours and limited to tuition, fees and a book stipend, less any Pell grants received.

\$4 million for Advise TX. Advise TX is an innovative, near-peer college access advising program that aims to increase the number of low-income, first-generation college and underrepresented students who enter and complete higher education. Currently, advisers serve in 113 high schools in Texas and advise a total population of 133,525 juniors and seniors. This exceptional item request builds on the existing investment by the legislature and would allow for an additional 80-100 advisers and the expansion of advising services to additional high schools across Texas.

\$494,000 to improving transfer with Fields of Study. Fields of Study (FOS) facilitate the applicability of courses transferred from community colleges to universities by establishing a set of lower division courses within a discipline that must be applied to a bachelor's degree in that discipline. Existing FOS need to be revised, the voluntary transfer compacts need to be transformed into FOS, and new ones need to be created. The funding would allow THECB to

HIGHLIGHTS: LEGISLATIVE APPROPRIATIONS REQUEST

SECURITY UPGRADES TO AGENCY'S IT INFRASTRUCTURE (\$440,000)

TOWARD EXCELLENCE, ACCESS AND SUCCESS (TEXAS) GRANT PROGRAM (\$78.3 MILLION)

ADVISE TX (\$4 MILLION)

IMPROVING TRANSFER WITH FIELDS OF STUDY (\$494,000)

INCREASE OVERSIGHT OF FOR-PROFIT INSTITUTIONS AND DEVELOPMENT OF AN ELECTRONIC STUDENT RECORDS REPOSITORY (\$750,000)

GRADUATE MEDICAL EDUCATION EXPANSION (\$29.8 MILLION)

INTERNAL AUDIT AND COMPLIANCE MONITORING (\$170,000)

conduct 28-32 meetings per year for approximately 6-8 academic fields thereby expediting completion of this important process.

\$750,000 to increase oversight of for-profit institutions and development an electronic student records repository. The agency has a statutory responsibility to secure academic records of for-profit institutions. The recent bankruptcy of ITT, which had 10 branches and more than 3,200 active students in Texas at the time, highlights the need for more resources to monitor these schools and deal with the fallout should they fail. This exceptional item request would allow the Coordinating Board to create a centralized academic records repository of closed postsecondary educational institutions formerly authorized by THECB, such as ITT. This request also seeks to provide sufficient funding for technology software, staff, and secure storage of academic records.

\$29.8 million for Graduate Medical Education Expansion. This exceptional item request will provide support to maintain the 710 residency positions already established. This request does not include administrative funds.

\$170,000 for internal audit and compliance monitoring. This request would support one additional internal audit position for a total of four positions. A 2014 comprehensive internal audit benchmarking study already resulted in internal audit receiving one additional audit position out of existing agency resources. This additional position is important given the significant assets the agency manages, including a student loan portfolio of over \$1 billion and financial assistance programs of over \$1.5 billion.