

# Testimony on HB 1 (Introduced)



Texas Higher Education  
Coordinating Board

**Raymund A. Paredes, Ph.D.**  
Commissioner of Higher Education

# 60x30TX Provides the Context for Higher Education Funding Decisions

## ATTAINMENT

By 2030, at least 60 percent of Texans ages 25-34 will have a postsecondary credential or degree.

## COMPLETION

By 2030, at least 550,000 students in that year will complete a certificate, associate, bachelor's, or master's from an institution of higher education in Texas.

## MARKETABLE SKILLS

By 2030, all graduates from Texas public institutions of higher education will complete programs with identified marketable skills.

## STUDENT DEBT

By 2030, undergraduate student loan debt will not exceed 60 percent of first-year wages for graduates of Texas public institutions.

Meeting 60x30TX goals is critical to maintaining the national and international competitiveness of the Texas workforce and a high quality of life for Texans.

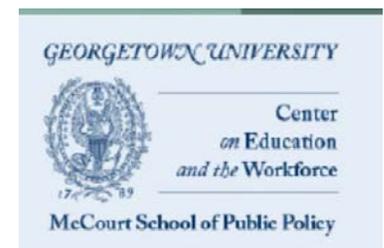
# The Needs of the Workforce Have Shifted Significantly Since the Recession of 2008

## *America's Divided Recovery: College Haves and Have-Nots*

*By Anthony P. Carnevale, Tamara Jayasundera, Artem Gulish*

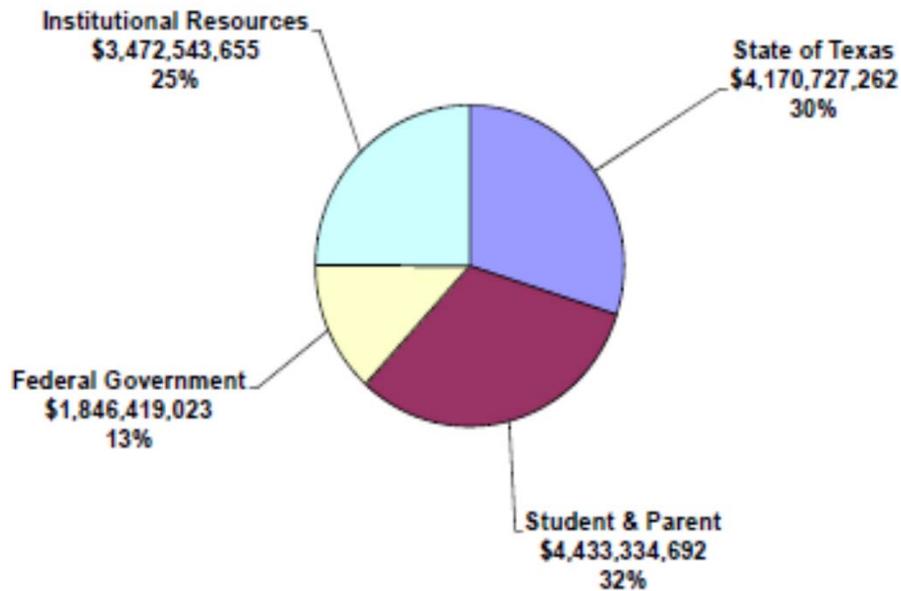
### Key Findings:

- **Out of the 11.6 million jobs created in the post- recession economy, 11.5 million went to workers with at least some college education.**
- **Graduate degree holders gained 3.8 million jobs, bachelor's degree holders gained 4.6 million jobs, and associate degree holders gained 3.1 million.**
- **Employment of workers with a high school diploma or less only grew by 80,000 jobs.**



# Higher Education is Funded From Multiple Sources – All of Which are Under Pressure

**Texas Public University Operating Sources by Category**



Source: THECB “Sources and Uses” Report for FY16

**State of Texas:** Includes state appropriations, state grants and contracts and constitutional funds

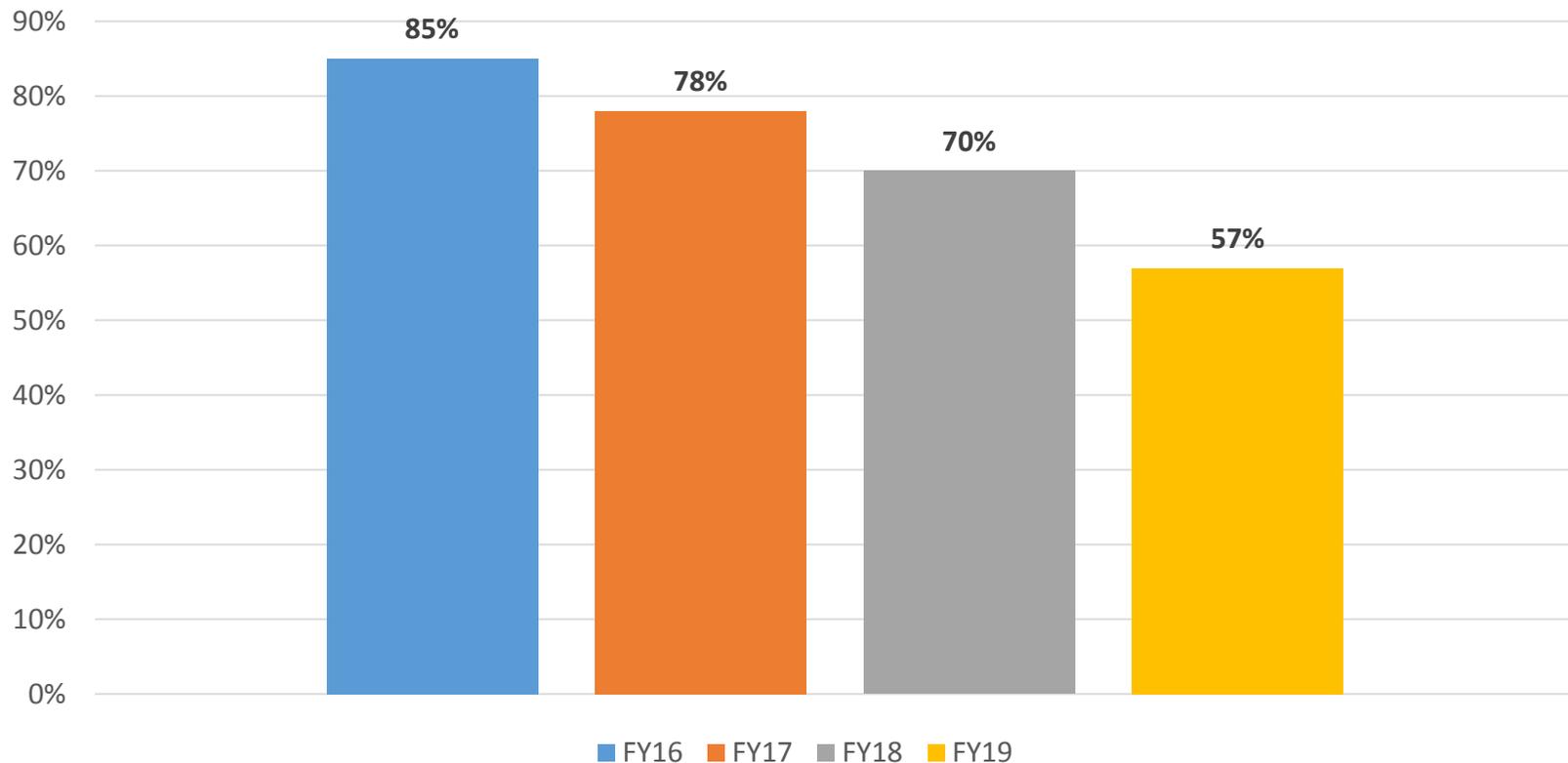
**Federal Government:** Includes federal grants and contracts

**Student and Parent:** Includes tuition and fee revenue

**Institutional Resources:** Includes endowment and interest income, private gifts and auxiliary enterprise

# Growing population of needy students means TEXAS Grants will serve lower percentages even at level funding

Percentage of Newly Eligible Students Receiving TEXAS Grants



FY16/17 at appropriated funding levels, FY18/19 estimated using HB 1 (Introduced) funding levels

# Graduate Medical Education (GME) Expansion Funding

- The \$82.8 million provided in HB 1 for the GME Expansion Program would provide funding support of \$75,000 for the existing residents as they progress through their programs, but it would only allow 72 percent of the existing first-year positions to be filled.
- Texas should continue to recognize that supporting additional residency positions is the most effective way to retain medical professionals in the state.

# Texas Research Incentive Program (TRIP)

- TRIP provides eight emerging research institutions with matching funds for private research dollars they raise.
- The HB 1 funding level (\$64.5 million) will not cover all of the requests currently in the queue (\$131 million as of 1.17.17).
- This could inhibit these institutions' efforts to reach national research university status and the goal of moving Texas universities among the top 10 of national rankings.
- Coordinating Board requests an additional \$66.6 million to cover all current matching requests.

# Exceptional Item Requests for FY 2018-19

*Advancing state and student goals for higher education through targeted investments*

- **\$440,000** for **security upgrades** to the agency's IT infrastructure
- **\$78.3M** for **TEXAS Grants**
- **\$4M** for **Advise TX**
- **\$494,000** to **improve transfer** with Fields of Study
- **\$750,000** for **oversight of for-profit institutions** and development of a student records repository
- **\$66.6M** for **Texas Research Incentive Program (TRIP)**
- **\$170,000** for **internal auditor**

# Sufficient and Effective Formula Funding is Necessary to Implement *60x30TX*

Sector	THECB Recommendation	HB 1 (introduced)	Percent Difference
Health Related	\$2.046 billion	\$1.975 billion	-3.4%
General Academic	\$5.05 billion	\$4.773 billion	-5.4%
Technical Colleges	\$173.8 million	\$141.7 million	-18.5%
State Colleges	\$45.0 million	\$42.9 million	-4.7%
Community Colleges	\$1.904 billion	\$1.738 billion	-8.7%

THECB Formula Funding Recommendations were developed to cover enrollment growth, the cost of inflation, and to fund student success initiatives including the university Graduation Bonus model, community college Student Success Points, and TSTC's Value Added Model.

**"The strength of Texas' economy is our workforce, and a skilled and educated workforce gives Texas a competitive advantage ... Texas will be better because of our new focus on 60x30TX and our brightest years are yet to come."**

***- Gov. Greg Abbott***



## Texas Higher Education Coordinating Board Budget Summary Strategy Descriptions and Estimated Impacts of Funding for the 2018-19 Biennium

This document describes each of the Texas Higher Education Coordinating Board's (THECB) budget strategies included in the agency's FY2018-19 Legislative Appropriations Request (LAR). These strategies represent all of the budget goals and strategies in the same order as they appear in the THECB's LAR. For each budget strategy, this document presents the estimated/budgeted base for FY16-17 and the funding levels in HB 1 (Introduced) for FY18-19, as well as any Exceptional Item Requests. Impact statements are provided regarding the level of services the agency will be able to provide during the FY18-19 biennium at the identified funding level.

### Budget Goal A: Coordination and Planning for Higher Education

#### A.1.1 College Readiness and Success

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$3,713,555</b>	<b>\$5,208,134</b>	<b>\$1,494,579</b>	<b>40.25%</b>

**Strategy Description:**

This strategy includes administrative funding to support 16 FTE to carry out activities relating to: 1) professional development activities for higher education faculty, in-service and pre-service public school teachers, counselors, administrators, and college advisors who are focused on student preparation for and alignment of college and career pathways; 2) the replication of initiatives proven to effectively improve postsecondary student enrollment, persistence and completion; 3) the facilitation of on-going local, regional, and state activities to support a college-going culture and alignment of secondary and postsecondary education, including rigorous college preparatory courses and endorsements aligned to postsecondary academic fields and career and technical education (CTE) programs; and 4) the identification of issues and activities in need of data support and analysis. Achieving the goals of the state's higher education plan, 60x30TX, will require much higher levels of cooperation among higher education, K-12 education, and workforce leadership. Texas institutions of higher education will need to work together more closely on such issues as teacher training, professional development, and college readiness. Staff supported by this strategy are critical to coordinating these and other statewide strategies that will help the state reach the targets in 60x30TX and produce greater outcomes for students and for the state.

<b>House Bill 1 Introduced Funding Impact</b>
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This variance is due to a transfer between strategies: no impact to this strategy.
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**A.1.2 Student Loan Programs**

			<b>Difference</b>	
	<b>FY16-17 Estimated Budget</b>	<b>House Bill 1 Introduced</b>	<b>\$\$</b>	<b>%</b>
<b>Total Biennial</b>	<b>\$12,443,973</b>	<b>\$12,798,360</b>	<b>\$354,387</b>	<b>2.85%</b>

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**Strategy Description:**

This strategy provides funding to support 59 FTE to monitor and disburse funds under the (1) Hinson-Hazlewood Student Loan Program (HHSLP), which is self-supporting through bond proceeds and loan repayments, consists of seven different portfolios totaling \$1.4 billion, provides loans at 4.5% interest, one of the lowest interest rates in the country, authorized by TEC, Chapter 52, and is governed by two sets of rules in addition to state and federal laws; (2) the B-On-Time Loan Program, which provides 0% interest renewal loans only which are forgiven if the student graduates on time with a B average (in 2015, the Texas Legislature phased-out the program to serve renewal students only through 2020); and (3) the Texas Armed Services Scholarship Program (TASSP) which is aimed at encouraging students to become members or commissioned officers of the U.S. armed services. Quality service is achieved through timely loan processing, customer service standards, and enforcement of collections, which contribute to the fiscal soundness of the interest and sinking fund that is used for the repayment of the bonds under the HHSLP. Account servicing staff work closely with borrowers to prevent them from defaulting on their loans. When defaults occur, the agency engages the assistance of the OAG in filing suit and securing judgments. This strategy is critical to achieving the student debt goal under the state's higher education plan, 60x30TX, by offering low-interest higher education loans to students in Texas thereby making college more affordable and accessible.

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**A.1.3 Financial Aid Services**

			<b>Difference</b>	
	<b>FY16-17 Estimated Budget</b>	<b>House Bill 1 Introduced</b>	<b>\$\$</b>	<b>%</b>
<b>Total Biennial</b>	<b>\$1,387,334</b>	<b>\$1,387,334</b>	<b>\$0</b>	<b>0.00%</b>

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**Strategy Description:**

This strategy supports 11 FTE to administer state initiatives to increase access and affordability in Texas higher education. Activities include: (1) administering \$485 million to over 147,000 students annually in non-loan financial aid programs, including TEXAS Grants, Texas Educational Opportunity Grants, Tuition Equalization Grants, Texas College Work Study, Top 10% Scholarships (renewal students only) and tuition exemptions programs to help financially needy students; (2) administering workforce-related loan repayment and forgiveness programs entailing a service obligation by physicians, dentists, nurse practitioners, physician assistants, nursing faculty, teachers, doctoral faculty, speech-language pathologists/audiologists; (3) overseeing institutional reporting of data of students receiving state aid which are maintained in the state Financial Aid Data System (FADS), allowing for the preparation of the annual Financial Aid Report and for analysis of trends and the impact of financial aid programs in Texas; and (4) collaborating with leadership in higher education student financial assistance and other stakeholders. This strategy is critical to achieving the attainment, completion and student debt goals under the state's higher education plan, 60x30TX, by making higher education affordable and accessible to low- and middle-income students in Texas.

**A.1.4 Academic Quality and Workforce**

			Difference	
	FY16-17 Estimated Budget	House Bill 1 Introduced	\$\$	%
<b>Total Biennial</b>	<b>\$5,376,846</b>	<b>\$3,737,225</b>	<b>(\$1,639,621)</b>	<b>-30.49%</b>

**Strategy Description:**

This strategy includes administrative funding to support 27 FTE to perform academic, workforce and research program responsibilities. The primary activities of this division include the oversight of Texas public, independent and for-profit career colleges and schools to encourage and promote access to excellent undergraduate and graduate education in all regions of Texas; provides oversight and consults with institutions to develop and refine proposals to offer new undergraduate and graduate programs prior to consideration by the Board; collaborates with institutions and other stakeholders to meet the state's goals under 60x30TX; provides research and analysis to state legislative and executive branches on proposed higher education-related legislation and policy initiatives; manages several grant programs; and is responsible for the academic integrity of institutions serving 1.6 million students in Texas. Funding for this strategy is critical because there is no other entity besides the THECB that can efficiently and effectively coordinate higher education from a statewide perspective, and deploy limited state resources in an equitable and cost-efficient manner to ensure the widest access to quality higher education for all Texas students.

<b>House Bill 1 Introduced Funding Impact</b>	
This variance is due to a transfer between strategies: no impact to this strategy.	
<b>Exceptional Item Request Impact Statement: Improving Transfer through Fields of Study</b>	<b>\$494,000</b>
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 conduct 28-32 meetings per year on approximately 6-8 academic fields.	
<b>Exceptional Item Request Impact Statement: Oversight of For-Profit Institutions</b>	<b>\$750,000</b>
This would create a centralized academic records repository of closed postsecondary educational institutions formerly authorized by THECB to operate under a certificate of authorization or certificate of authority, to provide centralized access to student records. This exceptional item request seeks to provide sufficient funding for: technology software startup fees; new staff operation costs; and estimated benefits for 2 employees; electronic and physical storage of academic records; conversion costs of records for 9 schools in year 1 and 10 schools in year 2; and ongoing software license for up to 3 users.	

**A.1.5 Strategic Planning and Funding**

			Difference	
	FY16-17 Estimated Budget	House Bill 1 Introduced	\$\$	%
<b>Total Biennial</b>	<b>\$5,478,593</b>	<b>\$5,358,042</b>	<b>(\$120,551)</b>	<b>-2.20%</b>

**Strategy Description:**

This strategy provides administrative funding to support 35 FTE in the Strategic Planning and Funding Division, including the Education Data Center. Responsibilities include statewide and regional planning for higher education; collecting and analyzing state higher education data; maintaining the state's higher education accountability system and the Texas Higher Education Almanac; planning and setting standards for the state's higher education facilities; developing data pathway programs through local ISD and higher education partnerships; evaluating state funded programs; supporting the Educational Research Centers; and providing higher education finance analysis, including recommendations for fair and equitable allocation of state formula funding among institutions (TEC § 61.051, 61.052, 61.058, 61.059, 61.092, and 62.022). Funding to support this division is critical to achieving the state's goals of 60x30TX, providing the data to measure the state's progress in achieving these goals, and providing the necessary data to drive higher education policy in Texas.

**A.1.6 Innovation and Policy Development**

	<b>FY16-17 Estimated Budget</b>	<b>House Bill 1 Introduced</b>	<b>Difference</b>	
			<b>\$\$</b>	<b>%</b>
<b>Total Biennial</b>	<b>\$524,082</b>	<b>\$524,082</b>	<b>\$0</b>	<b>0.00%</b>

**Strategy Description:**

This strategy includes funding to support 3 FTE to explore advancements and innovation for higher education in Texas. Funding is designed to: 1) identify promising higher education policies and practices in Texas, other states, and other countries; 2) share policy expertise and research with a wide and varied audience of stakeholders; 3) expand the influence of the department in the operations of the agency and the agency’s impact on higher education policy and practice in Texas; 4) enhance the research knowledge and capacity of agency staff to inform policy and practice, and 5) develop effective research-practitioner partnerships. Staff support agency leadership, colleges and universities, and other entities in harnessing rigorous research and data to explore and propose visionary policy and novel ways of addressing key, long-term higher education issues, including financial aid and student debt, curriculum delivery, alternative pathways to credentials, college completion, marketable skills, and technology. Funding for this strategy is critical to help the agency meet its mission to provide leadership and coordination for the Texas higher education system and to promote access, affordability, quality, success, and cost efficiency through 60x30TX, resulting in a globally competitive workforce that positions Texas as an international leader.

**Budget Goal B: Agency Operations**

**B.1.1 Central Administration**

	<b>FY16-17 Estimated Budget</b>	<b>House Bill 1 Introduced</b>	<b>Difference</b>	
			<b>\$\$</b>	<b>%</b>
<b>Total Biennial</b>	<b>\$10,948,880</b>	<b>\$11,093,142</b>	<b>\$144,262</b>	<b>1.32%</b>

**Strategy Description:**

This strategy provides funding for the central administration of the agency, which includes the Commissioner’s Office (including the Office of General Counsel, Purchasing, Grants and Contracts; and the Internal Audit and Compliance Monitoring department), the Office of the Deputy Commissioner for Agency Operations and Communications/COO (including Human Resources, Financial Services, Information Solutions and Services, and External Relations) and the Office of the Deputy Commissioner for Academic Planning and Policy/CAO (including the Development Office). Central administration is the core of agency operations. Funding for these core functions are critical to ensuring the THECB has strong leadership, not only in carrying out the business, legal and human resources related operations of the agency, but in leading and supporting the effective and efficient coordination of the Texas higher education system.

<b>Exceptional Item Request Impact Statement</b>	<b>\$170,000</b>
<p>This request would support one additional internal audit position for a total of four positions, including the Director. A 2014 comprehensive internal audit benchmarking study resulted in internal audit receiving one additional audit position out of existing agency resources. A fourth internal audit position, enabled by granting this request, would better inform the agency of ongoing risks and would serve to more timely prevent or detect issues with possible negative financial and reputational consequences. The agency manages a student loan portfolio of over \$1 billion, and financial assistance programs to institutions of higher education of over \$1.5 billion. This request for a fourth internal audit position represents an ongoing cost, and includes salary, benefits, travel and other operating expenses.</p>	

**B.1.2 Information Resources**

			Difference	
	FY16-17 Estimated Budget	House Bill 1 Introduced	\$\$	%
<b>Total Biennial</b>	<b>\$11,886,754</b>	<b>\$10,987,497</b>	<b>(\$899,257)</b>	<b>-7.57%</b>

**Strategy Description:**

This strategy involves the Information Solutions and Services (ISS) division whose role 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, business continuity 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 resource solutions and technologies needed to support THECB's Agency Strategic Plan 2017-21 and the state's higher education plan, 60x30TX. Data-driven evaluation of programs related to the agency's goals continues to increase the demand for electronic communications and for expanded data collection and information sharing between P-16 stakeholders.

**House Bill 1 Introduced Funding Impact**

This variance represents the removal of \$1.39 million in one-time funding to implement CAPPs during the 2016-2017 biennium, and an increase of \$490,000 to DCS.

**Exceptional Item Request Impact Statement: Protect Confidentiality of Data** **\$215,000**

This request would support initiatives to enhance cybersecurity at THECB by integrating Agency applications with commercial identity management solutions. This will serve to protect confidential data pertaining to higher education, and extend efforts to meet state and federal requirements under the Family Educational Rights and Privacy Act.

**Exceptional Item Request Impact Statement: Information Security & Professional Services** **\$225,000**

This request would fund the cost of information security initiatives and professional services to enhance security at THECB by addressing vulnerability management, application security, security incident and event management (SIEM), and participation in cloud-based managed security services.

**B.1.3 Facilities Support**

			Difference	
	FY16-17 Estimated Budget	House Bill 1 Introduced	\$\$	%
<b>Total Biennial</b>	<b>\$3,810,723</b>	<b>\$3,862,723</b>	<b>\$52,000</b>	<b>1.36%</b>

**Strategy Description:**

This strategy includes funding for fixed costs relating to Building Rent, Facilities Services, Continuity of Operations Planning (COOP), Mail Services, and Copy Services.

## Budget Goal C: Affordability and Debt

### C.1.1 TEXAS Grant Program

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$715,792,125</b>	<b>\$714,985,114</b>	<b>(\$807,011)</b>	<b>-0.11%</b>

**Strategy Description:**

The Toward Excellence, Access, & Success (TEXAS) Grant program was established in 1999 by the 79th Legislature and is authorized under TEC §§ 56.301-56.311, Subchapter M. The TEXAS Grant Program’s primary purpose is to provide coverage of tuition & fees for financially needy high school graduates who are Texas residents, complete an approved high school program, and enroll on at least a three-quarter basis in a baccalaureate program. Continuing eligibility requires completion of at least 24 semester credit hours per year and at least a 2.5 college GPA. The program leverages support from federal, private, and state grant programs to ensure that each TEXAS Grant recipient receives non-loan funding to cover his or her tuition & fees. The maximum grant is the average statewide amount of tuition & fees at public universities, though a lower Target Award (\$5,000) is recommended to spread limited dollars across as many recipients as possible. The TEXAS Grant Program is the state’s primary assistance program supporting affordability, enrollment and completion and is critical to achieving the state's goals under the 60x30TX plan. The Coordinating Board was appropriated \$714,980,114 for the 2016-2017 biennium to provide renewal awards to continuing students and enroll new recipients in the program. The program supported almost 67,000 students in FY15, and the current appropriation is expected to provide grants to roughly 85% of eligible students during the 2016-2017 biennium. Administrative funding for the program is provided through Strategy A.1.3 - Financial Aid Services.

**House Bill 1 Introduced Funding Impact**

The number of students attending college continues to increase and the number of low income students is expected to increase as well. With overall TEXAS Grant funding held flat between bienniums, the percentage of eligible new students receiving an award of \$5,000 will drop from 85% in FY17, to 70% in FY18 and 52% in FY19. The award amount of \$5,000 has been held flat for approximately 6 years while the cost of tuition has increased over this period.

**Exceptional Item Request Impact Statement**

**\$78,300,000**

Increase TEXAS Grant funding for 4-year Public Universities and Health-Related Institutions by \$78.3 M to \$791M, which would maintain the level of 85% of TEXAS Grant initially eligible students utilizing a Target award of \$5,000. In order to fully fund the program with the use of the \$5,000 Target Award, \$866 million would be necessary.

**C.1.2 TEXAS B-On-Time Program -- Public Institutions**

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$61,632,308</b>	<b>\$83,482,663</b>	<b>\$21,850,355</b>	<b>35.45%</b>

**Strategy Description:**

The B-On-Time (BOT) Loan Program was repealed in 2015 by the 84th Legislature and is authorized under TEC §§ 56.092 to operate a program phase out through summer 2020. The program provides zero-interest loans, which are forgiven if a recipient graduates with a 3.0 or higher grade point 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. Loans may be issued to renewal students through FY2020. Institutional officers determine the students' eligibility and provide online application instructions for the students. Staff at the Coordinating Board provide all loan origination, repayment, and loan forgiveness services. The Coordinating Board was appropriated \$128,756,365 for the 2016-2017 biennium to provide renewal awards to continuing students. Administrative funding for the program is provided through Strategy A.1.2 – State Loan Programs. Administrative support will be required through at least 2030 as BOT loans are repaid.

**House Bill 1 Introduced Funding Impact**

The increased funding in the amount of \$65.3M is for a return of prior years excess set-aside funds to institutions to be utilized for tuition reduction or fund student success initiatives.

**C.1.3 TEXAS B-On-Time Program -- Private Institutions**

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$18,799,700</b>	<b>\$7,280,742</b>	<b>(\$11,518,958)</b>	<b>-61.27%</b>

**Strategy Description:**

The B-On-Time (BOT) Loan Program was repealed in 2015 by the 84th Legislature and is authorized under TEC §§ 56.092 to operate a program phase out through summer 2020. The program provides zero-interest loans, which are forgiven if a recipient graduates with a 3.0 or higher grade point 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. Loans may be issued to renewal students through FY2020. Institutional officers determine the students' eligibility and provide online application instructions for the students. Staff at the Coordinating Board provide all loan origination, repayment, and loan forgiveness services. The Coordinating Board was appropriated \$19,199,700 for the 2016-2017 biennium to provide renewal awards to continuing students. Administrative funding for the program is provided through Strategy A.1.2 – State Loan Programs. Administrative support will be required through at least 2030 as BOT loans are repaid.

**House Bill 1 Introduced Funding Impact**

The funding provided in SB 1 is sufficient to fund renewal awards for the biennium.

**C.1.4 Tuition Equalization Grants**

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$192,303,954</b>	<b>\$182,688,756</b>	<b>(\$9,615,198)</b>	<b>-5.00%</b>

**Strategy Description:**

The Tuition Equalization Grant (TEG) program was created in 1971 by the Texas Legislature and is authorized under TEC §§ 61.221-61.230, Subchapter F. The Tuition Equalization Grant's primary purpose is to provide aid in the form of grants to needy students attending independent nonprofit institutions who are Texas residents and enroll at least ¾-time. 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. The program was designed to create savings for the State by enabling the students to attend independent institutions. The maximum grant equals one half the per-student appropriation for public universities in the previous biennium, though exceptionally needy students may receive up to 150% of the basic maximum award. The TEG Program is one of the state's three signature grant programs supporting affordability, enrollment and completion and is critical to achieving the state's goals under the 60x30TX plan. The Coordinating Board was appropriated \$192,303,954 for the 2016-2017 biennium to provide renewal awards to continuing students and enroll new recipients in the program. The program supported over 27,000 students in FY15. Administrative funding for the program is provided through Strategy A.1.3 - Financial Aid Services.

**House Bill 1 Introduced Funding Impact**

The reduction in funding is estimated to reduce the number of students receiving initial awards by 1,450 per year.

**C.1.5 Texas Educational Opportunity Grant Program - Community Colleges**

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$86,472,917</b>	<b>\$86,472,917</b>	<b>\$0</b>	<b>0.00%</b>

**Strategy Description:**

The Texas Educational Opportunity Grant (TEOG) was established in 1999 by the 79th Legislature and is authorized under TEC §§ 56.401-56.4075, Subchapter P. The TEOG Program's primary purpose is to provide coverage of tuition & fees for financially needy high school graduates who are Texas residents and enroll on at least a half-quarter basis in a public community college. Continuing eligibility requires completion of at least 75 percent of attempted semester credit hours per year and at least a 2.5 college GPA. The program leverages support from federal, private, and state grant programs to ensure that each TEOG recipient receives non-loan funding to cover his or her tuition & fees. The maximum grant is the average statewide amount of tuition & fees at public community colleges. The TEOG Program is the state's primary assistance program supporting affordability, enrollment and completion at public two-year institutions and is critical to achieving the state's goals under the 60x30TX plan. The Coordinating Board was appropriated \$86,472,917 for the 2016-2017 biennium to provide renewal awards to continuing students and enroll new recipients in the program at public community colleges. The program supported over 26,000 students at 2-year public institutions in FY15, and the current appropriation is expected to provide grants to roughly 30% of eligible students during the 2016-2017 biennium. Administrative funding for the program is provided through Strategy A.1.3 - Financial Aid Services.

**House Bill 1 Introduced Funding Impact**

Approximately 22% of initial year eligible students would be funded.

**C.1.6 Texas Educational Opportunity Grant Program - State/Technical Colleges**

			Difference	
	FY16-17 Estimated Budget	House Bill 1 Introduced	\$\$	%
<b>Total Biennial</b>	<b>\$7,519,384</b>	<b>\$7,519,384</b>	<b>\$0</b>	<b>0.00%</b>

**Strategy Description:**

The Texas Educational Opportunity Grant (TEOG) was established in 1999 by the 79th Legislature and is authorized under TEC §§ 56.401-56.4075, Subchapter P. The TEOG Program’s primary purpose is to provide coverage of tuition & fees for financially needy high school graduates who are Texas residents and enroll on at least a half-quarter basis in a public state college or technical institute. Continuing eligibility requires completion of at least 75 percent of attempted semester credit hours per year and at least a 2.5 college GPA. The program leverages support from federal, private, and state grant programs to ensure that each TEOG recipient receives non-loan funding to cover his or her tuition & fees. The maximum grant is the average statewide amount of tuition & fees at public state colleges or technical institutes. The TEOG Program is the state’s primary assistance program supporting affordability, enrollment and completion at public state colleges and technical institutes and is critical to achieving the state’s goals under the 60x30TX plan. The Coordinating Board was appropriated \$86,472,917 for the 2016-2017 biennium to provide renewal awards to continuing students and enroll new recipients in the program at public state colleges and technical institutes. The program supported over 26,000 students at 2-year public institutions in FY15, and the current appropriation is expected to provide grants to roughly 30% of eligible students during the 2016-2017 biennium. Administrative funding for the program is provided through Strategy A.1.3 - Financial Aid Services.

<b>House Bill 1 Introduced Funding Impact</b>
Approximately 22% of initial year eligible students would be funded.

**C.1.7 Texas College Work Study Program**

			Difference	
	FY16-17 Estimated Budget	House Bill 1 Introduced	\$\$	%
<b>Total Biennial</b>	<b>\$18,809,278</b>	<b>\$18,809,278</b>	<b>\$0</b>	<b>0.00%</b>

**Strategy Description:**

The Texas College Work-Study (TX WS) Program was established in 1989 by the 71st Legislature and is authorized under TEC §§ 56.071-56.082, Subchapter E. The Texas Work-Study Program’s primary purpose is to provide eligible, financially needy students with jobs, funded in part by the State of Texas, to enable those students to attend eligible institutions of higher education, public or private, in the state of Texas. Unlike gift aid and loan programs, students earn their work-study through part-time employment and are able to use their paychecks to help cover educationally related expenses. Funding for the program is leveraged through a matching requirement, whereby non-profit employers must provide funding for 25 percent of a student’s wages, while for-profit employers must fund 50 percent of a student’s wages. The TX WS Program is one of the state’s primary assistance programs supporting affordability, enrollment and completion at public and private institutions of higher education and is critical to achieving the state’s goals under the 60x30TX plan. The Coordinating Board was appropriated \$18,809,278 for the 2016-2017 biennium to provide renewal awards to continuing students and enroll new recipients in the program. The program supported over 5,000 students in FY15. Administrative funding for the program is provided through Strategy A.1.3 - Financial Aid Services.

<b>House Bill 1 Introduced Funding Impact</b>
The program will continue to operate at current service levels.

C.1.8	License Plate Scholarships	Difference			
		FY16-17 Estimated Budget	House Bill 1 Introduced	\$\$	%
<b>Total Biennial</b>		<b>\$494,800</b>	<b>\$494,800</b>	<b>\$0</b>	<b>0.00%</b>

**Strategy Description:**

The program covers assistance programs funded through the sale of specialty license plates & authorized by the TX Transportation Code (cited). The Collegiate Program (§504.615) provides scholarships for financially needy college students. State institutions draw funds generated through the sale of plates. Independent institutions are allotted a share of the appropriations trustee to the CB in proportion to the amount each school deposited to the credit of the CB from the sale of specialized plates. This strategy provides scholarships for students attending participating independent colleges and universities. Eight programs are included in this strategy: Houston Livestock Show and Rodeo License Plate (§504.613) funds scholarships; Girl Scout License Plate (§504.622) benefits education projects sponsored by Girl Scout Councils of TX; TX Cotton Boll License Plate (§504.636) funds scholarships for students pursuing a degree in an agriculture field related to the cotton industry; Boy Scout License Plate (§504.6545) funds educational programs sponsored by Boy Scout Councils in TX; College for all Texans License Plate (§504.657) provides matching funds for scholarships for TX students; Mothers Against Drunk Driving License Plate (§504.608) funds grants to benefit drug-abuse prevention and education programs sponsored by Mothers Against Drunk Driving; Texas Section American Water Works Association (§504.801) funds scholarships for students attending state public institutions of higher ed.; and OMEGA PSI PHI Fraternity License Plate (504.801) funds scholarships for TX students.

**House Bill 1 Introduced Funding Impact**

The program will continue to operate at current service levels.

C.1.9	Educational Aide Program	Difference			
		FY16-17 Estimated Budget	House Bill 1 Introduced	\$\$	%
<b>Total Biennial</b>		<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>0.00%</b>

**Strategy Description:**

The Educational Aide exemption program was established in 1997 by the 75th Legislature and is authorized under TEC §§ 54.363. The Educational Aide exemption program's primary purpose is to encourage individuals who have served as educational aides in the classroom to complete a degree program leading to teacher certification. The program reimburses institutions for tuition and fee exemptions provided to state residents working at a school as an educational aid for at least one school year during the past five years, who have demonstrated financial need, and who have enrolled in coursework required for teacher certification in subject areas determined by TEA to be experiencing critical shortages of public school teachers in the state. Institutions provide institutional matching funds of at least 10%. Appropriations for the program were not provided for several biennia, and, in the 2016-2017 biennium, the Coordinating Board was appropriated \$1,500,000 to support new participants in each year of the biennium. Administrative funding for the program is provided through Strategy A.1.3 – Financial Aid Services.

**House Bill 1 Introduced Funding Impact**

The program will continue to operate at current service levels.

**C.1.10 Top Ten Percent Scholarships**

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$18,223,048</b>	<b>\$3,223,048</b>	<b>(\$15,000,000)</b>	<b>-82.31%</b>

**Strategy Description:**

The Top 10% Scholarship program was repealed in 2015 by the 84th Legislature and is authorized by HB1, Article III, Special Provisions, Section 32. The Top 10% Scholarship program’s primary purpose is to encourage the best and brightest needy Texas high school students to go to college in Texas. Scholarships are awarded to high school graduates with need who graduate in the top 10 percent of their high school graduating class and enroll full-time. The program provides four-year renewable scholarship, and students must complete 30 SCH each year, maintain a cumulative GPA of 3.25, and complete at least 75% of the hours attempted in order to receive a renewal awards. The Coordinating Board was appropriated \$18,223,078 for the 2016-2017 biennium to provide renewal awards to continuing students only. Administrative funding for the program is provided through Strategy A.1.3 – Financial Aid Services.

**House Bill 1 Introduced Funding Impact**

The funding provided in HB 1 is sufficient to fund renewal awards for the biennium.

**C.1.11 Texas Armed Services Scholarships Program**

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$5,340,000</b>	<b>\$2,670,000</b>	<b>(\$2,670,000)</b>	<b>-50.00%</b>

**Strategy Description:**

The Texas Armed Services Scholarship Program (TASSP) was established in 2009 by the 81st Legislature and is authorized under TEC §§ 61.9771- 61.9776, Subchapter FF. The Texas Armed Services Scholarship Program’s primary purpose is to encourage students to contract to serve as a commissioned officer in any branch of the U.S. armed services or to serve for four-years as a member of the Texas Army National Guard, Texas Air National Guard, Texas State Guard, United States Coast Guard, or United States Merchant Marine. 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 TASSP award. Recipients must sign a promissory note acknowledging the conditional nature of the scholarship and promising to repay the scholarship if they fail to meet the conditions of the scholarship, including four years of participation in ROTC, maintaining satisfactory academic progress, and fulfilling the military service requirement after graduation. The Coordinating Board was appropriated \$5,340,000 for the 2016-2017 biennium to support students already in the program and enroll new participants in each year of the biennium. Administrative funding for the program is provided through Strategy A.1.2 – State Loan Programs.

**House Bill 1 Introduced Funding Impact**

The reduction in funding is estimated to fund renewal awards only. The average award amount is projected to be \$6,500 per student in FY18 and \$9,500 per student in FY19.

## Budget Goal D: College Readiness and Success

### D.1.1 Advise TEXAS

			Difference	
	FY16-17 Estimated Budget	House Bill 1 Introduced	\$\$	%
<b>Total Biennial</b>	<b>\$4,000,000</b>	<b>\$4,000,000</b>	<b>\$0</b>	<b>0.00%</b>

**Strategy Description:**

Since the beginning of the program, advisers have facilitated over 340,000 one-on-one meetings and assisted students with over 53,000 college application fee waivers, saving students an estimated \$2.6 million in application fees. The program already has seen college going rates increase by over 5 percent at certain underserved high schools. Advise TX College Advising Corps (CAC) places recent university graduates on high school campuses as near-peer college advisers to provide underserved high school students with information about how to select and enroll in the postsecondary option that is the best for their skills and interests—one where they will be most likely to succeed and complete a degree or meaningful credential—whether at a university, community college, or technical college. Advisers receive intensive training before serving in a high school and are informed about all of the graduation requirements prescribed in HB 5, 83rd Legislature. These advisers work in collaboration with high school counselors, teachers, and administrators. In 2015-2016, advisers held 51,710 group meetings that included 36,709 seniors. Advisers helped distribute 25,288 ACT/SAT fee waivers and 20,480 college application fee waivers saving students approximately \$1.2 million in application fees. Advisers took 7,939 students on campus visits and hosted 29,364 admission rep visits. Advisers reflect the communities they serve: 66% are underrepresented, 62% were Pell Grant eligible, and 50% were first generation. Advise TX is a priority program of the state's higher education plan, 60x30TX.

<b>House Bill 1 Introduced Funding Impact</b>
The program will continue to operate at current service levels.
<b>Exceptional Item Request Impact Statement</b>
<div style="float: right; font-weight: bold; color: green;">\$4,000,000</div> Advise TX CAC places 110 recent university graduates on high school campuses as near-peer college advisers to lead low-income and first-generation students to postsecondary education. Advise TX CAC advisers receive intensive training before serving in a high school, completing a four-six week practical curriculum that focuses on college access, college admissions, financial aid, student services, diversity, community service, and professionalism. This exceptional item request seeks to provide sufficient funding to serve an additional 80-100 advisers (totaling up to 210) high schools across Texas.

**D.1.2 Developmental Education Program**

			Difference	
	FY16-17 Estimated Budget	House Bill 1 Introduced	\$\$	%
<b>Total Biennial</b>	<b>\$4,007,408</b>	<b>\$4,000,000</b>	<b>(\$7,408)</b>	<b>-0.18%</b>

**Strategy Description:**

Since the 81st session, the Legislature has provided funds for the purpose of dramatically improving developmental education in Texas. With those funds, twenty-one (21) institutions of higher education, representing seventeen (17) community colleges and four (4) universities have served over 45,000 students in their programs. Additionally, over 10,000 faculty, staff and administrators were provided access to 440 state funded professional development opportunities that addressed the most promising practice to increase the persistence, success and graduation of students that enter higher education unprepared to do college level work. Some of the innovative and effective practices implemented statewide include, required pre-assessment activity for all non TSI exempt incoming students, a single statewide assessment with a diagnostic component and the ability to identify students with skill sets below high level (adult basic skills), required holistic advising and placement and required course pairing of developmental education courses/interventions with entry-level freshman courses. In fall 2014, 61,917 students did not meet the state standards, in one, two, or all three areas of the statewide assessment. Developmental Education can impact the completion goal of 60x30TX by scaling more of the most promising practices statewide to increase the success and graduation rate of underprepared students entering higher education in Texas. Since 2013, a budget rider has transferred \$2.4 million from the THECB's \$4 million developmental education program to UT Austin's Dana Center for the New Mathways Project. This has left the THECB with only \$800,000 per year to support efforts to scale effective developmental education reform. Now that the New Mathways Project has been implemented at multiple institutions statewide, the THECB is requesting that the Legislature restore these funds to the THECB for their original purpose.

**House Bill 1 Introduced Funding Impact**

The program will continue to operate at current service levels.

**D.1.3 Accelerate Texas Community College Grants**

			Difference	
	FY16-17 Estimated Budget	House Bill 1 Introduced	\$\$	%
<b>Total Biennial</b>	<b>\$4,007,381</b>	<b>\$4,000,000</b>	<b>(\$7,381)</b>	<b>-0.18%</b>

**Strategy Description:**

This grant program is supported by the Texas Workforce Commission and the THECB. This program is designed to integrate basic reading, math and writing skills with entry level workforce training programs known as stackable credentials which allow adults to advance over time to higher levels of education and employment. Since the beginning of the program, 28 college systems have enrolled 6,224 students into Accelerate Texas programs leading to marketable skills achievement awards (54%), level 1 certificates (25%), or local certificates (16%) offered among 70 careers. Among credentials offered, an estimated 82 percent supported a living wage for a single adult in Texas (\$10.20/hr.) with the median wage at \$12.49/hr. The highest reported median wage for Accelerate Texas credentials was in mechanic repair technology at \$23.00/hr. During the five years of operation, the majority (71%) of participants served by Accelerate TX primarily identify as Hispanic/Latino or African American, and 61 percent report being first generation college students. Females represented 57 percent of the population and males 40 percent. Based on the latest workforce data, 76 percent of Accelerate Texas students were awarded workforce certificates, primarily in the health professions (45%), business (16%), and precision production (11%). Overall, 70 percent of those students awarded a certificate were found in the workforce (45%), enrolled in higher education (10%), or were both in higher education and the workforce (14%). Reaching the completion goal of 60x30TX will require directing more adults who do not attend college immediately after high school toward certification and degree programs. THECB-funded Accelerate TX models will help the agency reach its goal.

**House Bill 1 Introduced Funding Impact**

The program will continue to operate at current service levels.

## Budget Goal E: Industry Workforce

### E.1.1 Border Faculty Loan Repayment Program

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$375,626</b>	<b>\$375,626</b>	<b>\$0</b>	<b>0.00%</b>

**Strategy Description:**

The Border Faculty Loan Repayment Program was established in 2001 by the 77th Legislature and is authorized under TEC §§ 61.701- 61.708, Subchapter M. The Border Faculty Loan Repayment Program’s primary purpose is to attract individuals who have earned their doctorates to faculty positions at Texas institutions of higher education in counties that border Mexico and provide these individuals with student loan repayments. Each eligible institution submits to the THECB at least four applications from selected members of the faculty who may receive loan repayments 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 Coordinating Board was appropriated \$375,626 for the 2016-2017 biennium to support annual applications to the program. Administrative funding for the program is provided through Strategy A.1.3 - Financial Aid Services.

<b>House Bill 1 Introduced Funding Impact</b>
Funding should be adequate to continue our practice of providing each qualified institution three guaranteed spots.

### E.1.2 Career and Technical Education Programs

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$55,147,736</b>	<b>\$55,087,036</b>	<b>(\$60,700)</b>	<b>-0.11%</b>

**Strategy Description:**

Carl D. Perkins Career and Technical Education Improvement Act (Perkins IV Act) funds are allocated to the state by the U.S. Department of Education to 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 Coordinating Board annually allocates Perkins funds to the state’s public two-year colleges. Funds for Title I of the Perkins IV Act are 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. Statutory authority: 20 USC 2301 et seq. and TEC §§ 29.182, 61.005(p), 61.077(d), and 61.851 - 61.857. Fall 2015 student enrollments at Texas public two-year institutions: declared technical majors 162,235.

<b>House Bill 1 Introduced Funding Impact</b>
The program will continue to operate at current service levels.

E.1.3 Engineering Recruitment Program			Difference	
	FY16-17 Estimated Budget	House Bill 1 Introduced	\$\$	%
<b>Total Biennial</b>	<b>\$500,392</b>	<b>\$500,000</b>	<b>(\$392)</b>	<b>-0.08%</b>

**Strategy Description:**

Increasing STEM (science, technology, engineering, and math) awards is a key priority to increase Texas competitiveness. The Engineering Recruitment Program (ERP) helps graduation goals of 60X30TX specific to engineering, through the early intervention Engineering Summer Program offered at Texas public and private general academic institutions with engineering degree programs. The ESP supports one-week summer program experiences for middle and high school students to engage and encourage them to consider engineering as a profession. ESP students participate in courses similar in content to engineering courses, with a focus on math and science preparation. Participants reflect the demographics of the state. For FY15 and FY16 \$500,00 was appropriated. Twenty two programs are participating in summer 2016 with an expected 900 students involved.

**House Bill 1 Introduced Funding Impact**

The program will continue to operate at current service levels.

E.1.4 Teach for Texas Loan Repayment Assistance Program			Difference	
	FY16-17 Estimated Budget	House Bill 1 Introduced	\$\$	%
<b>Total Biennial</b>	<b>\$4,425,000</b>	<b>\$4,425,000</b>	<b>\$0</b>	<b>0.00%</b>

**Strategy Description:**

The Teach for Texas Loan Repayment Program was established in 2001 by the 77th Legislature and is authorized under TEC §§ 56.351- 56.359, Subchapter O. The Teach for Texas Loan Repayment Program's primary purpose is to attract individuals to the teaching profession and provide student loan repayments for up to 5 years on behalf of 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. The number of qualified applicants has far exceeded available funding every year since the program began in FY2004. The Coordinating Board was appropriated \$7,000,000 for the 2016-2017 biennium to support annual applications to the program, with \$2,575,000 of the appropriation reserved for the newly created Mathematics and Science Teacher Investment Fund for the Math and Science Scholars Loan Repayment Program. Administrative funding for the program is provided through Strategy A.1.3 - Financial Aid Services.

**House Bill 1 Introduced Funding Impact**

Current funding supports roughly 80% of eligible applicants. The percent served in FY18/19 will depend on the size of the applicant pool.

**E.1.5 Centers for Teacher Education**

			<b>Difference</b>	
	<b>FY16-17 Estimated Budget</b>	<b>House Bill 1 Introduced</b>	<b>\$\$</b>	<b>%</b>
<b>Total Biennial</b>	<b>\$3,040,706</b>	<b>\$3,040,706</b>	<b>\$0</b>	<b>0.00%</b>

**Strategy Description:**

Since the 74th session, the 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 (III-53, 2012-2013 GAA) 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. The THECB will require periodic submission of data and reports to assess the overall performance of the centers, and may obtain the services of a program planner to facilitate and coordinate the process of curriculum development and program redesign to improve teacher preparation at the participating institutions. In the last 3 years, these institutions have produced 115 initially-certified teachers.

<b>House Bill 1 Introduced Funding Impact</b>
The program will continue to operate at current service levels.

**E.1.6 Teacher Quality Grants Program**

			<b>Difference</b>	
	<b>FY16-17 Estimated Budget</b>	<b>House Bill 1 Introduced</b>	<b>\$\$</b>	<b>%</b>
<b>Total Biennial</b>	<b>\$9,806,012</b>	<b>\$4,907,701</b>	<b>(\$4,898,311)</b>	<b>-49.95%</b>

**Strategy Description:**

The Teacher Quality Grants Program provides federal funds to states under Title II, Part A of the reauthorization of the Elementary and Secondary Education Act, now called the No Child Left Behind Act (NCLB) in Public Law 107-110. Title II, Part A establishes guidelines for making grants to institutions of higher education (IHEs) to provide courses and sessions designed to deepen the content knowledge of teachers and improve instructional quality in core academic courses. The Coordinating Board receives funds for this program from the U.S. Department of Education. The funds are allocated to IHEs through a competitive grant process under criteria in 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 800-1,000 teachers each year and improves the quality of instruction for over 100,000 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.

<b>House Bill 1 Introduced Funding Impact</b>
The federal government is phasing this program out and this amount reflects expected federal funding levels.

**E.1.7 Texas Teacher Residency Program**

			<b>Difference</b>	
	<b>FY16-17 Estimated Budget</b>	<b>House Bill 1 Introduced</b>	<b>\$\$</b>	<b>%</b>
<b>Total Biennial</b>	<b>\$1,298,305</b>	<b>\$1,298,305</b>	<b>\$0</b>	<b>0.00%</b>

**Strategy Description:**

Funds are used to maintain the Texas Teacher Residency Program designed to award teaching residents participating in the program a master's degree and lead to certification for participating teaching residents who are not already certified teachers. Texas A&M University-Commerce, in collaboration with the University of Texas at Tyler has formed partnerships with the Dallas Teacher Residency and with the Dallas, Chapel Hill, Mesquite and Tyler Independent School Districts to provide employment to residents in the program. Specific components for the teacher residency program include rewarding teachers that participate in the program, providing a livable stipend for the teaching residents and the requirement for a monetary or in-kind contribution by the higher education or school district partners. The program is designed to address the state's need to elevate the significance and professional nature of teaching at the primary and secondary levels.

**House Bill 1 Introduced Funding Impact**

The program will continue to operate at current service levels.

**Deleted In HB 1 T-STEM Challenge Program**

			<b>Difference</b>	
	<b>FY16-17 Estimated Budget</b>	<b>House Bill 1 Introduced</b>	<b>\$\$</b>	<b>%</b>
<b>Total Biennial</b>	<b>\$7,038,242</b>	<b>\$0</b>	<b>(\$7,038,242)</b>	<b>-100%</b>

**House Bill 1 Introduced Funding Impact**

With the end of the TG donation, this program will no longer be funded.

**E.1.8 Other Federal Grants Programs**

			<b>Difference</b>	
	<b>FY16-17 Estimated Budget</b>	<b>House Bill 1 Introduced</b>	<b>\$\$</b>	<b>%</b>
<b>Total Biennial</b>	<b>\$1,542,911</b>	<b>\$772,555</b>	<b>(\$770,356)</b>	<b>-49.93%</b>

**Strategy Description:**

This strategy provides funding for other federal grants programs.

**House Bill 1 Introduced Funding Impact**

Funding will support a dual credit study.

**E.1.9 Math and Science Scholars Loan Repayment Program**

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$2,575,000</b>	<b>\$2,575,000</b>	<b>\$0</b>	<b>0.00%</b>

**Strategy Description:**

The Math and Science Scholars Loan Repayment Program was established in 2013 by the 83rd Legislature and is authorized under TEC §§ 61.9831- 61.9841, Subchapter KK. The Math and Science Scholars Loan Repayment Program’s primary purpose is to attract individuals holding math and science degrees with high GPA’s to the teaching profession and provide student loan repayments for up to 8 years on behalf of Texas public school teachers who provide full-time instruction in math and science at a school that receives funding under Title I, Elementary and Secondary Act of 1965. The program was first funded by the 84th Legislature; the first applicants will be selected in January, 2017; and the first loan repayments to be made through the program will occur in August, 2017. The Coordinating Board was appropriated \$7,000,000 for the Teach for Texas Loan Repayment Program for the 2016-2017 biennium, of which \$2,575,000 is reserved for the newly created Mathematics and Science Teacher Investment Fund for the Math and Science Scholars Loan Repayment Program. Administrative funding for the program is provided through Strategy A.1.3 - Financial Aid Services.

**House Bill 1 Introduced Funding Impact**  
 Funding level should be adequate to cover projected demand for the biennium based on demand seen in the first year of applicants.

**E.1.10 Bilingual Education Program**

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$0</b>	<b>\$2,100,000</b>	<b>\$2,100,000</b>	<b>100%</b>

**Strategy Description:**

This strategy provides funding for the THECB to operate a program at the University of North Texas, University of North Texas at Dallas, Texas Woman’s University, The University of Texas at Dallas, The University of Texas Arlington, Texas A&M Commerce, and DFW Tech Tech – Texas Tech University to provide tuition assistance, to encourage qualified students who enroll in an educator preparation program at the university to become certified to teach bilingual education, English as a Second Language, or Spanish in school districts with high critical needs.

**House Bill 1 Introduced Funding Impact**  
 This provides \$150,000 for each year of the 2016-17 biennium at each of the seven universities listed in the rider. These funds will provide financial incentives in the form of tuition assistance to encourage qualified students who enroll in an educator preparation program to become bilingual certified and teach bilingual education.

## Budget Goal F: Industry Workforce - Health Related

### F.1.1 Family Practice Residency Program

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$16,780,000</b>	<b>\$16,780,000</b>	<b>\$0</b>	<b>0.00%</b>

**Strategy Description:**

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. It was established in 1977 (65th Legislature, TEC §61.502) as part of an effort to increase the number of physicians selecting family practice as their medical specialty and to encourage those physicians trained to establish their practices in rural and underserved communities in Texas. FPRP provides financial support to community- and medical-school-based ambulatory care training programs that emphasize primary, preventive health care. Funds are allocated based on the certified number of residents training in each approved family practice residency program (currently 26 programs statewide), which must receive significant local support in order to qualify for state funds. Program directors are directly accountable for state funds and submit regular financial reports to the Family Practice Residency Advisory Committee. 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, FPRP has provided funding support for more than 9,400 family practice residents. Family physicians who complete residency training have a 70 percent retention rate in Texas.

**House Bill 1 Introduced Funding Impact**  
 The program will continue to operate at current service levels.

### F.1.2 Preceptorship Program

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$0</b>	<b>0.00%</b>

**Strategy Description:**

The Texas Statewide Preceptorship Programs in Family Practice, Internal Medicine, and Pediatrics support student preparation and education efforts at the medical school level. The programs provide direct funding to Texas medical students to encourage them to choose primary care careers by offering an on-site experience in one of three primary care specialties: family practice, general internal medicine, or general pediatrics. The preceptorship program in family practice was established in 1978, and in 1995 the program served as a model for the development of the programs in internal medicine and pediatrics. The guiding premise of the preceptorship experience is that early exposure to preceptorship programs in a primary care medical specialty may positively influence future career decisions and practice patterns. Medical students typically participate in the preceptorship programs during the summer between their first and second year of medical school. The students work in practicing physicians' offices and experience the daily life and work of primary care physicians. Participating medical students are encouraged to select a primary care physician whose practice is located away from their medical school. The medical students may select from a volunteer faculty database of practicing primary care physicians located statewide. The program targets areas of medical practice that experience a shortage of practicing physicians in Texas.

**House Bill 1 Introduced Funding Impact**  
 The program will continue to operate at current service levels.

**F.1.3 Graduate Medical Education (GME) Expansion**

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$53,000,000</b>	<b>\$82,800,000</b>	<b>\$29,800,000</b>	<b>56.23%</b>

**Strategy Description:**

Continuing the support provided by the 84th Texas Legislature is essential to maintain the advances made to increase the number of first year entering medical residents through the targeted GME Expansion Grant programs. Continuing the support for these efforts will allow Texas medical school graduates to remain in state to train and will ensure that the state's investments made in FYs 2014, 2015, 2016, and 2017. The GME Expansion received funding of \$53 million in FYs 2016 and 2017 and funded approximately 400 residency positions.

**House Bill 1 Introduced Funding Impact**

House Bill 1 would provide \$75,000 for each residency positions established through GME Expansion since 2014. The funding would not allow all first-year positions to be supported and would require a reduction of 60 first-year positions. However, it would provide support to maintain most of the residency positions established from 2014 through 2017. No additional first year residency positions could be added and the state's goal of achieving the ratio of first year graduate medical education positions to Texas medical graduates would not be maintained. Unexpended Balance authority is requested to allow for the confirmation of maintenance of residency position prior to funding. This requires confirmation that residents match to a program and residency programs typically begin July 1.

**F.1.4 Primary Care Innovation Grant Program**

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$2,100,000</b>	<b>\$2,100,000</b>	<b>\$0</b>	<b>0.00%</b>

**Strategy Description:**

Texas needs more primary care physicians, as the state's population continues to increase rapidly and primary care physicians are essential health care providers. However, fewer medical students are interested in careers in primary care due to several factors, including high medical student debt load and low pay. Through the Primary Care Innovation Program, the Texas medical schools may develop innovative methods to encourage students to consider and pursue primary care. Innovations may include partnerships of medical schools to conduct coordinated outreach to ensure that residency programs know which students may be interested in primary care and streamlining medical school curricula to allow students to rapidly move through their education and training. Funding of \$2.1 million was provided in the FY2014-2015 2016-2017 biennium to support the development of the program and fund innovation efforts.

**House Bill 1 Introduced Funding Impact**

The program will continue to operate at current service levels.

**F.1.5 Trauma Care Program**

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$4,382,579</b>	<b>\$4,500,000</b>	<b>\$117,421</b>	<b>2.68%</b>

**Strategy Description:**

The Emergency and Trauma Care Education Partnership Program provides funding to support partnerships between hospitals and graduate medical education programs that increase the number of emergency medicine and trauma care physician residents and fellows. The program provides similar support for partnerships between hospitals and graduate nursing programs to increase the educational experiences in emergency and trauma care for registered nurses pursuing a graduate degree or certificate. ETEP partnerships must certify an increase in the number of physicians and/or nursing students in the participating graduate education programs. In addition, the partnership must make use of the existing expertise and facilities of the hospitals and education programs.

**House Bill 1 Introduced Funding Impact**

The program will continue to operate at current service levels.

**F.1.6 Joint Admission Medical Program (JAMP)**

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$10,206,794</b>	<b>\$10,206,794</b>	<b>\$0</b>	<b>0.00%</b>

**Strategy Description:**

Established in 2002 (TEC §§51.821 - 51.834, Subchapter V), 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 JAMP 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. They are provided with on-going educational support in preparation for medical school, including summer experiences on medical school campuses and medical college admissions test preparation.

The program is administered by the JAMP Council, which is composed of one faculty representative from each Texas medical school. The enabling legislation designates the administrative functions of JAMP to the Texas Medical and Dental Schools Application Service, operated through The University of Texas System. The 83rd Texas Legislature allocated \$10.2 million to support JAMP in FYs 2016 and 2017. One hundred undergraduate students were accepted into the program in spring FY2016. The program currently supports more than 500 undergraduate and medical students.

**House Bill 1 Introduced Funding Impact**

The program will continue to operate at current service levels.

**F.1.7 Professional Nursing Shortage Reduction Program**

			Difference	
	FY16-17 Estimated Budget	House Bill 1 Introduced	\$\$	%
<b>Total Biennial</b>	<b>\$33,313,753</b>	<b>\$29,982,378</b>	<b>(\$3,331,375)</b>	<b>-10.00%</b>

**Strategy Description:**

The Professional Nursing Shortage Reduction Program (TEC §§ 61.9621 – 61.9629, enacted by the 82nd Legislature, 2011) 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 are awarded to the institutions by the Coordinating Board upon the determination of the amount of increase in graduates. Funding for the Under 70 Program is awarded to the institutions by the Coordinating Board in advance, and any unearned funding will be returned by the institutions upon determination of increased enrollment. 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 Coordinating Board in advance and any unearned funding will be returned by the institutions upon determination of increased enrollment. Funding in this strategy is used for enrollment of additional students; enhancement, recruitment, and retention of nursing faculty; encouragement of innovation in the recruitment and retention of students; and identification, development, or implementation of innovative methods to make the most effective use of limited professional nursing program faculty, instructional or clinical space, and other resources.

**House Bill 1 Introduced Funding Impact**

Funding in this strategy is used for enrollment of additional nursing students; enhancement, recruitment, and retention of nursing faculty; encouragement of innovation in the recruitment and retention of students; and identification, development, or implementation of innovative methods to make the most effective use of limited professional nursing program faculty, instructional or clinical space, and other resources. Given the past success of the program, the Senate Bill 1 amounts should be sufficient to fund estimated growth for the biennium.

**F.1.8 Physician Education Loan Repayment Program**

			Difference	
	FY16-17 Estimated Budget	House Bill 1 Introduced	\$\$	%
<b>Total Biennial</b>	<b>\$34,135,229</b>	<b>\$33,800,000</b>	<b>(\$335,229)</b>	<b>-0.98%</b>

**Strategy Description:**

The Physician Education Loan Repayment Program was established in 1985 by the 69th Legislature and is authorized under TEC §§ 61.531- 61.540, Subchapter J. The primary 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. Up to ten physicians per year may enroll on the basis of service in Texas Department of Criminal Justice or Texas Juvenile Justice Department facilities. In 2009, the 81st Texas Legislature passed legislation that (1) increased the maximum loan repayment amount to \$160,000 over the four-year commitment period and (2) revised the sales tax structure for smokeless tobacco. HB 2550, passed by the 83rd Legislature in 2013, created an eligibility path for physicians who provide specified service levels for persons enrolled in Medicaid or Texas Women's Health Program if funds are available after all other applications have been funded. The Coordinating Board was appropriated \$33,800,000 for the 2016-2017 biennium to support physicians already in the program and enroll new participants in each year of the biennium. The funding is intended to support four years of payments to physicians enrolled during the biennium. Administrative funding for the program is provided through Strategy A.1.3 - Financial Aid Services.

**House Bill 1 Introduced Funding Impact**

Demand for the program has reached a level where there were no funds remaining for the Nursing Faculty Loan Repayment Program this past year.

**F.1.9 Dental Education Loan Repayment**

			Difference	
	FY16-17 Estimated Budget	House Bill 1 Introduced	\$\$	%
<b>Total Biennial</b>	<b>\$220,000</b>	<b>\$220,000</b>	<b>\$0</b>	<b>0.00%</b>

**Strategy Description:**

The Dental Education Loan Repayment Program was established in 1999 by the 76th Legislature and is authorized under TEC §§ 61.901-61.910, Subchapter V. The primary purpose of the program is to encourage qualified dentists to provide services in areas of the state that are underserved with respect to dental care. The annual award amount to be distributed to lenders shall be \$10,000 unless the commissioner or his or her delegate determines that the amount of available funding is sufficient to increase the award amount. Appropriations for the program were not provided for several biennia, and, in the 2016-2017 biennium, the Coordinating Board was appropriated \$220,000 to enroll new participants in each year of the biennium, thus supporting eleven dentists per year. Administrative funding for the program is provided through Strategy A.1.3 - Financial Aid Services.

**House Bill 1 Introduced Funding Impact**

Funding level should be adequate to cover projected demand for the biennium based on demand seen in the first year of applicants since funding was reintroduced.

**F.1.10 Mental Health Loan Repayment Program**

			Difference	
	FY16-17 Estimated Budget	House Bill 1 Introduced	\$\$	%
<b>Total Biennial</b>	<b>\$2,125,000</b>	<b>\$2,125,000</b>	<b>\$0</b>	<b>0.00%</b>

**Strategy Description:**

The Loan Repayment Program for Mental Health Professionals was established in 2015 by the 84th Legislature and is authorized under TEC §§ 61.601-61.609, Subchapter K. The primary purpose of the Loan Repayment Program for Mental Health Professionals is to encourage qualified mental health professionals to practice in a mental health professional shortage area (MHPSA) designated by the US Department of Health and Human Services, and provide mental health care services to recipients under the medical assistance program authorized by the Texas Human Resources Code, Chapter 32, and to enrollees under the child health plan program authorized by the Texas Health and Safety Code, Chapter 62, and to persons committed to a secure correctional facility operated by or under contact with any division of the Texas Department of Criminal Justice. The Coordinating Board was appropriated \$2,125,000 for the 2016-2017 biennium to enroll new participants, with the first awards to recipients occurring in the fall of 2016. Administrative funding for the program is provided through Strategy A.1.3 - Financial Aid Services.

**House Bill 1 Introduced Funding Impact**

Funding level should be adequate to cover projected demand for the biennium based on demand seen in the first year of applicants. The current statutory language limits us due to small demand in certain sub-groups (no particular sub-group may represent more than 30% of total recipients).

**F.1.11 Other Loan Repayment Programs**

	<b>FY16-17 Estimated Budget</b>	<b>House Bill 1 Introduced</b>	<b>Difference</b>	
			<b>\$\$</b>	<b>%</b>
<b>Total Biennial</b>	<b>\$1,691,168</b>	<b>\$200,000</b>	<b>(\$1,491,168)</b>	<b>-88.17%</b>

**Strategy Description:**

Currently, the only program included in this strategy is the St. David's Foundation Public Health Corps Loan Repayment Program, funded through a donation from the St. David's Foundation. The purpose of the St. David's Foundation Public Health Corp Loan Repayment Program is to recruit and retain qualified primary care, behavioral health, and dental providers at eligible safety net sites located in the five-county area (Bastrop, Caldwell, Hays, Travis, and Williamson) served by the Foundation. Loan repayment funds will be reserved for providers who are selected for enrollment into the program, for disbursement to lenders upon completion of the year of service. This process will be repeated for subsequent service periods, contingent upon continued annual grant funding. Primary care physicians and dentists may receive up to \$120,000 and physician assistants and nurse practitioners may receive up to \$60,000 in loan repayment assistance.

**House Bill 1 Introduced Funding Impact**  
 We are exiting out of the St. David's Program.

**F.1.12 Nursing Faculty Loan Repayment Program**

	<b>FY16-17 Estimated Budget</b>	<b>\$ of Difference</b>	<b>Difference</b>	
			<b>\$\$</b>	<b>%</b>
<b>Total Biennial</b>	<b>\$0</b>	<b>\$3,331,375</b>	<b>\$3,331,375</b>	<b>100%</b>

**Strategy Description:**

The Nursing Loan Repayment Assistance Program was authorized by the Texas Legislature in 2013 to improve access to nursing education programs by encouraging qualified nurses to serve as faculty at eligible institutions of higher education. The maximum annual loan repayment amount is \$7,000. Although no funds were appropriated to the program, in each fiscal year, funds may be reallocated from the Physician Education Loan Repayment Program (PELRP) Account if funds remain available after all physician applications have been considered. After financial commitments have been made to physicians participating in the PELRP as of Aug. 31, 2016, there are no remaining FY 2016 funds available for reallocation to the Nursing Faculty Loan Repayment Assistance Program. The funding level in HB 1 will serve approximately 80 individuals at a \$7,000 award amount for the first year of the biennium and 200 (80 from the first year plus an additional 120) individuals at a \$7,000 award amount in the second year.

**House Bill 1 Introduced Funding Impact**  
 In prior biennium, the Nursing Faculty LRP was able to be funded with excess PELRP appropriated funds. This would occur when physician applications were insufficient to fully utilize PELRP funds. This new strategy dedicates the funding to this program.

## Budget Goal G: Baylor College of Medicine

### G.1.1 Baylor College of Medicine UGME

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$78,012,350</b>	<b>\$76,348,650</b>	<b>(\$1,663,700)</b>	<b>-2.13%</b>

**Strategy Description:**

The Coordinating Board is authorized under TEC §61.092 (enacted by the 61st Legislature, 1969) to contract with Baylor College of Medicine (BCM) for the education of Texas resident undergraduate medical students. Medical education funds appropriated to BCM are trustee with the Coordinating Board, which disburses the funds in accordance with the enabling legislation. The first appropriations were made in fiscal year 1972. The amount of funding is based on the number of Texas medical students enrolled at BCM, multiplied by the average, annual, per-medical-student state funding for medical education (General Revenue for instruction and operations, infrastructure, and staff benefits allocated to undergraduate medical education) at The University of Texas Southwestern Medical School in Dallas and The University of Texas Medical Branch at Galveston. (These were the only two state medical schools in existence when the state started providing funding to BCM.) The actual amount allocated to BCM cannot exceed the amount of funding that is appropriated to BCM and trustee with the Coordinating Board, and will be determined by actual appropriations and actual enrollment of Texas residents for FY18 and FY19.

**House Bill 1 Introduced Funding Impact**

Funding for this strategy should be restored to the levels established by Texas Education Code §61.093.

### G.1.2 Baylor College of Medicine GME

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$15,626,238</b>	<b>\$15,420,998</b>	<b>(\$205,240)</b>	<b>-1.31%</b>

**Strategy Description:**

The Coordinating Board is authorized under TEC §61.097 (enacted by the 67th Legislature, 1981) to contract with Baylor College of Medicine (BCM) for the training of resident physicians. The Legislature first appropriated formula Graduate Medical Education (GME) funding to the public health-related institutions and to Baylor College of Medicine starting in 2005. The GME funds appropriated to BCM are trustee with the Coordinating Board, which disburses the funds to the College through a contractual agreement. The amount of funding that BCM receives for each resident physician is equal to the amount received for each resident physician at the public health-related institutions.

**House Bill 1 Introduced Funding Impact**

HB 1 reduces the level of funding per resident for Baylor College of Medicine residents.

### G.1.3 Tobacco Earnings - Permanent Endowment Fund for Baylor College of Medicine

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$2,850,031</b>	<b>\$2,850,000</b>	<b>(\$31)</b>	<b>0.00%</b>

**Strategy Description:**

This strategy provides funding from the Permanent Endowment Fund for Health-Related Institutions that was established with tobacco settlement monies (TEC Chapter 63, Subchapter B) for Baylor College of Medicine (BCM). The endowment is directed by BCM and invested by the State Comptroller. In accordance with TEC Section 61.092 (b), BCM may use the funds to support programs that benefit medical research, health education or treatment programs.

**House Bill 1 Introduced Funding Impact**

The program will continue to operate at current service levels.

**G.1.4 Tobacco Earnings - Permanent Health Fund for Baylor College of Medicine**

			Difference	
	FY16-17 Estimated Budget	House Bill 1 Introduced	\$\$	%
<b>Total Biennial</b>	<b>\$3,828,386</b>	<b>\$3,828,386</b>	<b>\$0</b>	<b>0.00%</b>

**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 (TEC Chapter 63, Subchapter A), to Baylor College of Medicine (BCM). This endowment is administered by the board of regents of The University of Texas System. In accordance with TEC Section 61.092(b), BCM may use the funds for programs that benefit medical research, health education or treatment programs.

**House Bill 1 Introduced Funding Impact**

The program will continue to operate at current service levels.

**Budget Goal H: Tobacco Funds**

**H.1.1 Tobacco Earning - Minority Health Research and Education**

			Difference	
	FY16-17 Estimated Budget	House Bill 1 Introduced	\$\$	%
<b>Total Biennial</b>	<b>\$7,944,680</b>	<b>\$7,944,680</b>	<b>\$0</b>	<b>0.00%</b>

**Strategy Description:**

This program is authorized under TEC §§ 63.301 - 63.302 (Subchapter D) to provide 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 that address minority health issues. Funding is provided by the Permanent Fund for Minority Health Research and Education (endowment fund established with tobacco settlement monies).

**House Bill 1 Introduced Funding Impact**

The program will continue to operate at current service levels.

**H.1.2 Tobacco Earnings - Nursing, Allied Health , and Other**

			Difference	
	FY16-17 Estimated Budget	House Bill 1 Introduced	\$\$	%
<b>Total Biennial</b>	<b>\$10,840,648</b>	<b>\$10,840,648</b>	<b>\$0</b>	<b>0.00%</b>

**Strategy Description:**

This program is authorized under TEC §§ 63.201 - 63.203 (Subchapter C) to provide 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 20112017. 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).

**House Bill 1 Introduced Funding Impact**

The program will continue to operate at current service levels.

## Budget Goal I: Research

### I.1.1 Texas Research Incentive Program

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$138,125,000</b>	<b>\$64,500,000</b>	<b>(\$73,625,000)</b>	<b>-53.30%</b>

**Strategy Description:**

The Texas Research Incentive Program (TRIP) was established in 2009 by the 81st Texas Legislature to assist public emerging research institutions in leveraging private gifts for the enhancement of research productivity and faculty recruitment. TRIP provides partial matching funds based on how much an institution raises in private gifts and endowments to enhance research activities, subject to available appropriated funding. So far, the Legislature has appropriated over \$291 million for TRIP, which matches \$374 million in gifts. Since this program was first funded, five emerging research universities achieve Carnegie Tier 1 status.

**House Bill 1 Introduced Funding Impact**

As of January 2017, there are \$162.6 million in gifts that haven't been matched in the Texas Research Incentive Program (TRIP). Of these, \$80.7 million have been reviewed and \$81.9 million are in the review process. The cost to match both categories of gifts would be \$131,012,367. Fully funding TRIP will help the eight emerging research institutions in Texas achieve national competitiveness in research.

### I.1.2 Autism Program

	FY16-17 Estimated Budget	House Bill 1 Introduced	Difference	
			\$\$	%
<b>Total Biennial</b>	<b>\$7,800,000</b>	<b>\$7,800,000</b>	<b>\$0</b>	<b>0.00%</b>

**Strategy Description:**

According to the Center for Disease Control, approximately 1 in 68 children have conditions along the autism spectrum disorder. Numerous studies have projected that the U.S. will need to invest much more heavily in the diagnosis and treatment of autism in order to meet current and future needs. In contrast to available grants from the National Science Foundation and other sources for research into the causes of autism, the Texas Autism Grant Program is focused specifically on treatment models. The aim of the grant program is to identify new and innovative ways to maximize the number of autistic children reached with limited budgets. The grant supports projects that use both established and innovative treatment models, expanding the reach from the classroom into children's homes.

**House Bill 1 Introduced Funding Impact**

The program will continue to operate at current service levels. Revised rider language included in HB 1 (Introduced) will allow for more efficient use of funding among the three categories.

## THECB Exceptional Item Requests for FY 2018-19

*Advancing state and student goals for higher education through targeted investments*



January 2017

The Texas Higher Education Coordinating Board (THECB) has submitted exceptional item requests (EIR), totaling \$98.9 million for Senate Bill 1 (Introduced) and \$150.7 million for House Bill 1 (Introduced), to help make significant, quantifiable contributions to the agency's mission and the state's strategic plan for higher education, *60x30TX*. They are listed below 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 expand the agency's ability to effectively and securely share data with other state agencies and institutions of higher education. This funding will help the agency complete the security initiatives identified by a Gartner security assessment that concluded in FY14. Without this additional funding, the agency's data will be placed at high-risk for data breaches.

**\$78.3 million for TEXAS Grants.** This increase will maintain the current level of serving 85 percent of new and returning students in the TEXAS Grant program with a target award of \$5,000 for FY18/19. Without this additional funding, only 70 percent and 57 percent of new students will be funded in FY18/19 respectively. In order to maximize limited funding and serve as many financially needy students as possible, the THECB is also recommending that grants be limited to 135 semester credit hours and award amounts be 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 other underrepresented students who enter and complete higher education. Currently, advisers serve in 113 high schools in Texas and serve a total population of 133,525 juniors and seniors. This additional funding builds on the existing investment by the Legislature and would add 80-100 advisers to expand advising services to a total of 210 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 the THECB to 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 assist students when a school closes. This exceptional item request would allow the Coordinating Board to create a centralized academic records repository of closed postsecondary educational institutions formerly authorized by the THECB, such as ITT. This request also seeks to provide sufficient funding for technology software, staff, and secure storage of academic records.

**\$14.8 million (SB 1)/\$66.6 million (HB 1) for the Texas Research Incentive Program (TRIP).** This exceptional item request will increase funding for TRIP in the introduced Senate and House Appropriations Acts to a total of approximately \$131.1 million, which would fund all requests for TRIP matching funds that have been submitted as of January 2017. TRIP provides the eight emerging research institutions with matching funds for the private research dollars that they raise. Institutions use TRIP matching funds as an incentive for donors to contribute. Fully funding the outstanding matching requirement will follow through on the state's commitment to help these institutions reach national research university status and maintain the value of the program as an incentive for private research donations.

**\$170,000 for internal auditor.** This request would support one additional internal audit position for a total of four positions. A 2014 comprehensive internal audit benchmarking study resulted in adding a third internal audit position using existing agency resources. A more recent 2016 external quality assessment of the internal audit function recommended a fourth internal auditor. This additional position is critical given the significant assets the agency manages totaling \$1.6 billion in All Funds, including a student loan portfolio of over \$1 billion.