

John Zerwas
Chairman



Oscar Longoria
Vice-Chair

**TEXAS HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS**

**AGENDA
SUBCOMMITTEE ON EDUCATION
CHAIRMAN BONNEN**

MONDAY, FEBRUARY 18, 2019
10:00 AM
ROOM E1.030

- I. CALL TO ORDER**
- II. CHAIRMAN'S OPENING REMARKS**
- III. GENERAL ACADEMIC INSTITUTIONS CONTINUED**
 - **UNIVERSITY OF HOUSTON SYSTEM, Dr. Renu Khator, Chancellor**
 - University of Houston - Dr. Renu Khator, President
 - University of Houston - Clear Lake - Dr. Ira Blake, President
 - University of Houston - Downtown - Dr. Juan Muñoz President
 - University of Houston - Victoria - Dr. Robert Glenn, President

 - **TEXAS TECH UNIVERSITY SYSTEM, Tedd Mitchell M.D., Chancellor**
 - Texas Tech University - Dr. Lawrence Schovanec, President
 - Angelo State University - Dr. Brian May, President

 - **INDEPENDENT UNIVERSITIES**
 - Midwestern State University - Dr. Suzanne Shipley, President
 - Stephen F. Austin State University - Dr. Steve Westbrook, Interim President
 - Texas Southern University - Dr. Austin A. Lane, President
 - Texas Woman's University - Dr. Carine M. Feyten, Chancellor and President
- IV. TEXAS STATE TECHNICAL COLLEGE SYSTEM, Mike Reeser, Chancellor**
- V. HIGHER EDUCATION COORDINATING BOARD**
 - Greg Owens, Analyst - Legislative Budget Board
 - Dr. Raymund A. Paredes, Commissioner - Higher Education Coordinating Board
 - Stuart Stedman, Chairman - Higher Education Coordinating Board
- VI. HIGHER EDUCATION FUND, AVAILABLE UNIVERSITY FUND, NATIONAL RESEARCH UNIVERSITY FUND, AND SUPPORT FOR MILITARY AND VETERAN'S EXEMPTIONS**
 - Colin Brock, Analyst - Legislative Budget Board
- VII. HIGHER EDUCATION GROUP INSURANCE CONTRIBUTIONS**
 - Andrew Overmyer, Analyst - Legislative Budget Board
- VIII. PUBLIC TESTIMONY AND ADJOURNMENT**

University of Houston System

Presentation to the Texas House Appropriations Committee
February 18, 2019

Overview of the UH System

As the region's largest provider of comprehensive (baccalaureate to doctorate) higher education services, the University of Houston System plays a primary role in meeting the needs of a global city and the gulf coast region. Houston is the energy capitol of the world, headquarters for more than 20 Fortune 500 companies, and home to the world's largest medical complex. In addition:

- One in four Texans lives in Greater Houston.
- The population is projected to reach 8 million by 2030.
- The region generates one-third of the state's economy.

The future of Texas depends on the future of Houston. The University of Houston System plays a vital role in meeting the educational, public service, and research needs in the Greater Houston area and includes four distinct but complementary universities

Institution	Enrollment	Description
University of Houston	46,324	The largest university in Houston and the third largest in the state, UH is a Tier One doctoral degree-granting, comprehensive research university.
University of Houston-Clear Lake	8,961	Located near the NASA Johnson Space Center, UHCL is an undergraduate and master's university situated in the heart of Clear Lake's high-technology community.
University of Houston-Downtown	14,265	The second largest university in Houston and the most ethnically diverse university in the state, UHD is a primarily undergraduate institution with an expanding portfolio of master's programs.
University of Houston-Victoria	4,381	Located in the Coastal Bend region of Texas, UHV is an undergraduate and master's university with one of the most dynamic online educational programs in the state.
University of Houston System	73,931	

*As of Fall Semester 2018

Transformational Change

Over the past several years, the UH System universities have experienced transformational change – expanding access to a greater number of students, enhancing productivity in key areas of performance, and improving the diversity for which our universities have already received national recognition. For instance, The Brookings Institute recently ranked the UH System 5th in the nation for social mobility and socially beneficial research. Since FY 2008:

Access	<ul style="list-style-type: none">→ Enrollment has grown by almost one-third, or 17,500 students (31%).→ UH-Victoria and UH-Clear Lake now enroll freshman and sophomores. UHV’s enrollment has grown by 56% and UHCL’s has grown 15%.→ The UH System has expanded access to degree programs by developing the UH Sugar Land Campus, the UH-Clear Lake Pearland Campus, the UH System Northwest Campus, and a future UH System Katy Campus that will open in the Fall of 2019. These campuses are strategically located in the region’s high growth areas.
Productivity	<ul style="list-style-type: none">→ System wide, degrees awarded annually have increased by 40%. Total degrees awarded reached a record high of 16,197 during the 2017-18 school year, with one in four coming from the STEM fields.→ UH-Downtown increased degrees granted by 60%, retention rates (56% to 72%) both while also improving undergraduate admissions standards.→ Research expenditures have more than doubled – from \$75 million to \$166 million. Total private support has increased by two and one half times – from \$55 million to \$144 million. The system’s endowment has grown by \$330 million (54%).
Diversity	<ul style="list-style-type: none">→ Enrollment of African-American, Hispanic and Native American students has increased by almost 15,000 (67%), while degrees awarded to these students have increased by over 3,842 (105%). Moreover, the UH System is the only higher education system in the country to have all of its components designated as Hispanic Serving Institutions by the federal government.

UH System Meeting the Needs of the Diverse Region It Serves

Greater Houston is a national model for diversity. As Figure 1 shows, the population is projected to reach eight million by 2030, more than 40% of which will be Hispanic. As Figure 2 shows, three in four residents 24 or younger will be non-white (Hispanic, African American, Asian, or another race/ethnicity) by 2030.

As Houston’s demographics change, so too will those across Texas. The students the UHS institutions serve will increasingly come from historically underrepresented populations. The UH System universities are prepared for this challenge. Our student body is already diverse – 34% Hispanic, 26% White, 16% Asian, 12% African-American, and 8% International.

Houston GPS: Improving Degree Completion and Reducing Excess Semester Credit Hours

In Texas, too many students graduate with excess semester credit hours (SCH), driving up the cost to attend college for both the student and the state. According to the Texas Higher Education Coordinating Board, students completing two- and four-year degrees graduate with an average of 18 excess semester credit hours. Reducing the number of excess SCH would save both the state taxpayers and students million of dollars.

The Problem:

- Students are not graduating
- Students are taking too much time to graduate
- Students are taking too many credits
- Students are spending too much money on their education

The Reasons:

- Poor choices
- Unavailable courses
- Excess credits
- Lost transferred credit hours
- Unnecessary credit hours

As a result of growing frustration among students, parents, and state elected officials, the UH System universities, Texas Southern University and regional community college partners created Houston Guided Pathways to Success (Houston GPS). Houston GPS is an integrated system of strategies that will improve college completion rates and time to degree especially among underrepresented/low-income students and those who transfer from two to four-year institutions. These strategies include:

- Structured Pathways
- Academic Maps
- Informed choice and careers and majors
- Intrusive Advising

Once fully implemented, the UH System anticipates that Houston GPS will lead to higher graduation rates, more on-time graduates, closing achievement gaps, and fewer lost semester credit hours across all higher education institutions within the consortium. This partnership is crucial to meeting the state's 60x30 higher education plan.

Recovering from Hurricane Harvey

Like our neighbors in the Gulf Coast Region, the University of Houston System was not immune from the damage we all experienced from this terrible storm in the Fall of 2017. Each of our universities were impacted by Hurricane Harvey, with nearly 100 buildings system-wide experiencing some damage. UH-Victoria experienced a direct hit when the storm made landfall along the Texas coast. As a result, we were forced to evacuate UH-Victoria students living in the dorms from Victoria and provide them temporary housing at the University of Houston for

almost a week. UH-Downtown's One Main Building, located at the confluence of the White Oak and Buffalo Bayous, was flooded with three feet of water.

Like so many in our region, the UH System community stepped up to help our community recover from the storm. At the University of Houston, in an effort to provide immediate relief to students, \$1.2 million was raised through generous donations from 761 alumni and friends, and distributed to 582 UH students. Similar efforts were created at the other three universities in the system.

Although the UH System has realized some relief from the damage that was caused at the universities through insurance coverage, we continue to wait for responses from FEMA and are unsure of when and if this will fully cover the damage that occurred.

UHS Legislative Priorities

None of the UH System's accomplishments would have been possible without strong support from the state. Yet, if we are to meet the economic and demographic challenges of the future, continued investment from the Legislature is essential. We will be emphasizing the following priorities during the 86th Legislative Session:

- **Base Formula Funding**

Formula funding is the foundation of the state's public universities. Without stable, reliable base formula funding, Texas universities will not be able to meet the needs of their students or adequately plan for growth. While the statewide formula funding rate for the FY 2018-19 biennium (\$55.39/sch) was 1% higher than the previous biennium, in inflation-adjusted dollars it was 25% lower than the rate for the FY 2010-11 biennium (\$62.19/sch). The UH System encourages the Legislature to provide base formula funding consistent with the 2010-11 rate.

- **Restoration of Non-Formula Support Item Funding**

Non-formula support funding has enabled the UH System universities to conduct research, provide vital public services, and generate economic development. In total, UH System universities lost \$20M in non-formula support during the 2018-19 biennium. UHS encourages the Legislature, as much as possible and is prudent, to restore this reduction.

Exceptional Item	Biennial Request
Restoration of Non-Formula Support Item	\$474,859
NASA Texas Aerospace Scholars/Technology Outreach Program	\$653,490

- **Financial Aid/TEXAS Grants**

State funding for financial aid is essential to expand access to higher education and facilitate student graduation. This is especially true at UH System universities, where the education of many of our students is not covered by their families. Rather, our students typically work to pay for college and rely heavily on financial aid. The UH System encourages the Legislature to increase funding for TEXAS Grants so that all eligible students have access to the funds promised by this program.

- **Hazlewood Exemptions**

The UH System is committed to supporting veterans and their families by expanding opportunities for them to earn a college degree. To that end, the UH System funded \$13.5M in Hazlewood exemptions in FY 2017 – 7% more than the prior year and 268% more than FY 2010. Simply put, Hazlewood costs are unsustainable if a university is also expected to keep its cost of attendance affordable for all of its students. Absent full coverage, UHS universities must fund these exemptions through other resources, including tuition paid by other students. As the Comptroller of Public Accounts noted in August 2016, public colleges and universities are losing tuition revenue due the exemption, and as a result “students without Hazlewood benefits are subsidizing those who have them.” The UH System recommends that the state appropriate resources to cover all Hazlewood exemptions or modify the exemptions to reduce the cost.

- **Hurricane Harvey**

As noted previously, the gulf coast region was devastated by Hurricane Harvey in August of 2017 and University of Houston System was not spared from this devastation. Overall, 97 buildings that account for 60% of the total buildings throughout the UH System suffered some form of damage from the storm. The current estimated uninsured cost for the system is approximately \$26.5 million. The UH System is requesting some relief from the outstanding costs as a result of this storm.

- **State Funding for Research Programs**

Combined, the Core Research Support Fund, the Texas Research Incentive Program (TRIP), the National Research University Fund (NRUF), and the Governor’s University Research Initiative (GURI) constitute an innovative and powerful tool for developing more nationally competitive Tier One research universities. They are of critical importance to the continued growth of Texas’ economy and advancement in research and industry. They are also the primary resources through which the University of Houston and other universities not supported by the Permanent University Fund pursue their national competitiveness/Tier One goals. The UH System recommends increased appropriations to each of these funds and specifically requests that the TRIP backlog be fully funded in order to encourage continued investment from private donors.

- **Equalize Funding for Health Related Academic Programs**

Over the years, funding for academic programs such as Pharmacy and Nursing at higher education institutions that are located at general academic institutions (GAI) like the University of Houston and University of Houston - Victoria, has slowly fallen behind the same programs at those higher education institutions that are designated health related institutions (HRI). Funding for programs at GAIs now receive approximately ½ of the funding allotted to similar programs at HRIs. The UH System requests that the Legislature change the funding formulas to equalize funding for these similar programs.

- **Infrastructure Support**

The four UH System universities continue to expand course offerings and are increasing enrollment at a rapid pace. To keep pace with this expansion, our universities are in need of additional academic buildings to account for expected growth. Therefore, each university within the UH System has requested support for one Tuition Revenue Bond (TRB) funded building. The University of Houston System has also requested an additional TRB for UH Katy, since this UH System facility is shared by both the University of Houston and University of Houston-Victoria.

- **Funding for Small Business Development Centers**

The UH SBDC serves as a regional hub for 15 centers in a 32 county area and the UHV SBDC serves 11 counties, connected through the University of Texas San Antonio regional hub. These centers provide low cost business consulting and training to all Texans, create and expand businesses vital to the Texas economy, and generate state tax revenue as a return on investment for these centers. During the past several sessions, these centers have been subject to state budget cuts as lawmakers consider the budgets for our universities. The University of Houston respectfully requests that funding for these important centers be moved to a new bill pattern so that their funding may be considered separately from the funding that universities receive from the state to educate students.

University of Houston

Presentation to the Texas House Committee on Appropriations, Art. III
February 18, 2019

Overview of the University of Houston

Founded in 1927, the University of Houston has transformed from its beginnings as a "college for working men and women." Today, it is a nationally competitive Tier One university that generates more than \$160 million in annual research and educates the people of Houston and the world. Ranked among the Top 1% of universities worldwide, UH has been recognized for its academics, affordability, diversity, and research. The university's number one priority is ensuring its students succeed. Our graduates have higher than average early career salaries, and the university ranks among the top five for social mobility in the United States. Nearly 40% percent of our undergraduates receive Pell grants. At UH, access and excellence go hand-in-hand.

UH serves over 45,000 students. It is the flagship of the University of Houston System and its principal doctoral degree-granting institution. UH is also the primary supplier of college-educated workers in Greater Houston, and its research activity fuels the regional/state economy. Located in the Energy Capital of the World, UH reflects the diversity, vibrancy, and international reputation of the city and state it serves. Hurricane Harvey tested our students and university, but we returned to class not long after—Houston and Cougar Strong.

→ Record enrollment: 46,324 students	→ Ranked among the top national universities by TARU and Princeton Review
→ Record research expenditures: \$160 million	→ Ranked 2 nd in diversity among national research universities by US News & World Report
→ Record scholarly citations: \$105,039	→ Rose 21 spots in 2018 U.S. News & World Report Rankings (192 to 171)

A Decade of Transformation

In the past decade, under the leadership of President Renu Khator, the University of Houston has transformed in key areas of student success, research, facilities, athletics, and community service. While it maintains a metropolitan focus, UH is now a highly selective, international institution. Student enrollment has increased from approximately 35,000 to 45,000 students. The university attracts more academically competitive students. UH's mean SAT score is 1208—158 points higher than ten years ago. UH's FTIC graduation rate rose from 43% to 54%. In FY 2016, Phi Beta Kappa established a chapter at UH, reflecting the campus' increasing academic competitiveness.

Achieving Student Success for a Diverse Population

UH is the 2nd most diverse public research university in the United States, according to U.S. News & World Report. Achieving academic excellence for a diverse student body is central to the university's mission and identity. To that end, UH improved on various measures during the 2016-17 academic year.

Measure	2018	Increase from 2007-08
Total degrees awarded	10,283	+3322
Freshman first-year retention rate	85%	+8%
Freshman six-year graduation rate	59%	+16%
Freshman median SAT	1218	+163
Course completion rate	97%	+9%

UH's student population is unique among Texas' public research institutions. It is one of the very few Tier One universities the federal government has designated as a Hispanic Serving Institution. No ethnic group constitutes a majority of our students. In FY 2018, the student population was 31% Hispanic, 26% White, 21% Asian-American, 10% African-American, and 9% international. Many of UH's students are first generation college students, come from economically-disadvantaged households, and work while pursuing their education.

UH has implemented innovative and effective student success programs. For example, through UHin4 freshmen are guaranteed a flat tuition rate for four years as long as they earn 30 semester credit hours per year. Since the program began in 2014, freshman participation has increased from 49% to over 70%. These students are also performing better than non-UHin4 students in key areas of performance:

Measure	UHin4 (FTIC)	Non-UHin4 (FTIC)
% Completing 30 SCH in First Year	79%	65%
% Completing 60 SCH by End of Second Year	67%	49%
Average GPA by End of Second Year	3.14	3.02

UHin4 is transforming the university, cultivating a culture of success that will lead to higher graduation rates over time. In 2017, UH won the Texas Higher Education Coordinating Board's Star Award for UHin4 for helping meet the goals of *60X30TX*.

Committed to National Competitiveness: Building the Powerhouse

Thanks to support from the Legislature, the University of Houston reached a major milestone when it achieved Tier One status in 2011. As UH continues to progress, we aim for greater levels of excellence consistent with the Association of American Universities (AAU). Rising to these levels will occur only if the university increases external research funding and enhances its academic programs. To that end, the university achieved record highs last year on the following national competitiveness measures:

- Total research expenditures: \$162M
- Number of scholarly citations: 105,039
- Doctorates awarded: 369
- Graduate programs ranked in the top 50 nationally: 11

UH has also achieved success in several other key areas of national competitiveness:

- UH has been identified as a Top American Research University since 2012 by the Center for Measuring University Performance;
- UH was ranked among the top 1% of institutions of higher education in 2018 by the Center for World University Rankings;
- Royalty revenue has grown from \$1M to \$34M per year. UH is the top royalty-earning institution in the U.S. without a medical school;
- The National Academy of Inventors ranked UH/UH System 67th in the world and 2nd in Texas for utility patents in 2017; and
- UH has 19 National Academy Members as faculty.

Of course, to reach new levels of excellence and meet student growth, UH also requires first-rate facilities. UH has over 160 buildings—over 14 million square feet—and almost half are over 40 years old. Two of the university's six core buildings date back to World War II. To that end, we have launched a \$100 million multi-year capital renewal plan to renovate some of the university's most important academic buildings. Much of this renovation is due to the funds provided by the Legislature through the Higher Education Fund (HEF). Moreover, thanks to TRBs approved in 2015, UH broke ground on academic buildings in Sugar Land and Katy. Each of these buildings are planned for opening in the Fall of 2019. These campuses will enhance the university's ability to reach students in two of the fastest growing regions of the Houston metropolitan area. The University of Houston is grateful to the Legislature for this support.

A Great Value for Students

As UH has grown over the past ten years, we have made significant efforts to ensure college affordability and strategically invest our financial resources. These include:

- UHin4, the four-year, fixed-rate tuition plan;
- Cougar Promise, which covers tuition and fees to undergraduates with family incomes of \$50,000 or less (increased from 45,000 to extend this benefit to more students);
- Implementing performance-based funding, through which the UH colleges are rewarded for improvements in student success and national competitiveness;
- Increasing the endowment to \$842 million (+55%);

- Increasing annual giving to \$144 million (+250%); and
- Reducing administrative costs (from 10.4% in FY 2000 to 6.8% in FY 2017).

UH has been nationally recognized for its affordability and return on investment for students:

- The U.S. Department of Education named UH an Affordable Four-Year School with Good Outcomes;
- Princeton Review named UH a “College that Pays You Back” and “College that Creates Futures”;
- UH students earn nearly \$50,000 during their early career years—much higher than the national average;
- Average student debt is lower than state and national averages; and
- The Brookings Institute ranked the UH/UH System #5 for social mobility and socially-beneficial research.

Committed to Community Advancement: A Highly Engaged Community Partner

Among Texas universities, UH stands out as a metropolitan university whose mission is focused on advancing the community in which it is located. Houston is a national model for ethnic, socioeconomic, and cultural diversity. UH is a highly engaged community partner. Highlights of the university’s efforts include:

- TEACH Houston, which prepares undergraduates to teach in STEM fields. Nearly all graduates teach in Greater Houston, most in high-need schools;
- Third Ward Initiative, which focuses on improving the education, health, arts, and economy of UH’s shared local neighborhood;
- Houston Public Media, which provides public broadcasting and radio. During Hurricane Harvey, a local network television station had to relocate to HPM facilities to stay on air; and the
- Optometry Clinic and Speech, Language, and Hearing Clinic (a United Way partnership), which both provide indigent care.

UH 2020-21 Legislative Priorities

None of the accomplishments the University of Houston has made would have been possible without strong support from the Texas Legislature. As we look to the 86th session, we will seek state investment necessary to continue the momentum and support that has transformed the university. We ask that the Legislature consider the following priorities:

I. ADEQUATE AND FAIR FUNDING FOR STUDENTS

1. Stable Base Formula Funding

Formula funding is the foundation of the state's public universities. Without stable, reliable base formula funding, Texas universities will not be able to meet the needs of their students or adequately plan for growth. While the statewide formula funding rate for the FY 2018-19 biennium (\$55.39) was 1% higher than the previous biennium, in inflation-adjusted dollars it was 25% lower than the rate for the FY 2010-11 biennium (\$62.19). It is essential to close this gap. For the upcoming biennium, the University of Houston encourages the Legislature to provide funding consistent with the 2010-11 rate.

2. Financial Aid/TEXAS Grants

State funding for financial aid is essential to expand access to higher education and facilitate student graduation. This is especially true at the University of Houston where the education of many of our students is not paid for by their families. Rather, our students typically work to pay for college and rely heavily on financial aid. The University of Houston encourages the Legislature to increase funding for TEXAS Grants.

3. Hazlewood Exemptions

UH is committed to supporting veterans and their families by expanding opportunities for them to earn a college degree. To that end, UH funded \$9.2 million Hazlewood exemptions in FY 2017—5% more than the prior year and 263% more than FY 2010. Simply put, Hazlewood costs are unsustainable. Absent full state coverage, we must fund these exemptions through other resources, including tuition paid by other students. As the Comptroller of Public Accounts noted in August 2016, public colleges and universities are losing tuition revenue due to the exemption, and as a result "students without Hazlewood benefits are subsidizing those who have them." UH recommends that the state appropriate resources to cover all Hazlewood exemptions or modify the exemption.

4. Equity Funding for Health-Related Programs

Currently, there is considerable disparity between the funding for health-related programs (pharmacy, nursing) that are funded through the health sciences formula versus those that are funded through the formula for general academic institutions (GAIs). Pharmacy programs at the general academic institutions (including the University of Houston, University of Texas at Austin, and Texas Southern University) receive significantly less funding on a per student basis for delivering the same curriculum. To achieve

equity, the University of Houston encourages the Legislature to maintain funding for UH's pharmacy non-formula support item and/or to equalize funding for health related programs like nursing and pharmacy at GAIs.

5. Restoration of Non-Formula Support Item Funding

Non-formula support funding has enabled the University of Houston to achieve its Tier One goals, provide public service, and generate economic development. Much of this funding is for energy and health sciences research—two vital sectors of the local and state economy. This funding is especially important to universities like UH that do not have access to the Permanent University Fund. In total, UH lost over \$11M in non-formula support for the 2018-19 biennium. UH encourages the Legislature, as much as is possible, to restore this reduction.

II. BEYOND TIER ONE

1. College of Medicine

UH requests \$20 million during this biennium to establish a College of Medicine (COM) focused on preparing primary care doctors to practice in underserved urban and rural communities and on building upon the interdisciplinary health research already underway at the university. An additional \$5 million will be needed in each of the subsequent four biennia to complete the funding needed for the college of medicine's startup period. We are very fortunate that the requested funding for the current session has been included in the filed version of HB 1. We hope that this funding will be maintained in the budget as the bill is finally passed. The 85th Legislature requested that UH conduct a study about the need for a medical school. Based on those results, the University of Houston System Board of Regents approved the establishment of the COM in August 2017.

This is a fundamental need for Houston and Texas. Although Houston is home to the Texas Medical Center, it has grown by four million people since the last medical school was established in 1972. Texas ranks 47th out of 50 states in primary care physicians per resident. To keep up with population growth, Texas will need more than 6,000 new primary care physicians by 2030. The COM will help meet this workforce need, especially for groups and areas that need greater attention. For example, the college will educate and graduate students from under-represented communities, leading to physicians that better reflect the communities they serve.

In order to ensure that a majority of students will practice in primary care areas, the curriculum has been designed to consistently expose students to this area of practice, which is distinct from all other existing state funded medical schools in the state. Based upon the study of similarly designed curriculum at medical schools in other states, we are confident that more than fifty percent of our students will choose to practice in primary care or family medicine.

After it is fully established, the anticipated enrollment is 480 students and 130 faculty and support staff.

UH has already laid the groundwork for this endeavor:

- Along with our hospital partner, HCA Healthcare, the COM will add at least than 389 new residency positions by 2024, including 142 first year residency positions. This will address the state’s need for more residency slots so graduates stay in Texas to practice.
- UH has a facility in place for start-up administration and student instruction as well as a funding plan for a new building.
- UH has business and operating plans for the first ten years.

2. State Funding for Research Programs

Combined, the Core Research Support Fund, Texas Research Incentive Program, National Research University Fund, and Governor's University Research Initiative constitute an innovative and powerful tool for enhancing and developing more nationally-competitive Tier One research universities. They are of critical importance to the continued growth of Texas' economy and advancement in significant areas of research and industry. They are also the primary resources through which UH and other universities not supported by the Permanent University Fund pursue their national competitiveness/Tier One goals. The University of Houston recommends increased appropriations to each of these funds and, specifically, to fund the backlog of on TRIP funding.

3. Small Business Development Centers

Small Business Development Centers (SBDCs) are important engines for economic development. A recent independent impact study reported that the UH SBDC contributed to the generation of approximately 5,000 new jobs, \$300 million in sales, and \$38.5 million in tax revenue. The University of Houston encourages the Legislature to continue its support for SBDCs, especially since they generate tax revenue and are essentially “cost neutral.”

In addition, UH recommends all SBDCs be grouped into a new budget structure that would continue to recognize their affiliation with institutions of higher education and while also recognizing their distinct ongoing missions separate from items appropriated to these institutions.

4. Hurricane Harvey

Hurricane Harvey had a devastating effect on the Gulf Coast Region and the University of Houston was not immune from the damage caused by the storm. Almost two-thirds of the University of Houston buildings experienced some damage during the storm, with additional costs associated with safely maintaining the campus during the storm and caring for the students who rode out the storm in campus dorms. Total costs of Hurricane Harvey to the University of Houston are approximately \$32 million. Of that \$32 million, only \$12 million was covered by insurance. The University of Houston is requesting funds to help defray the remaining costs as a result of the storm.

Exceptional Items	Biennial Request
College of Medicine	\$20,000,000

Restoration of Non-Formula Support Item Funding \$11,080,047

Hurricane Harvey \$20,288,883

III. Tuition Revenue Bonds

The University of Houston is seeking support to construct a new five-story, 170,000 square foot academic building, to drastically improve its learning environment to reflect the reputation of the University of Houston and the UH Law Center (UHLC) in particular. The building is expected to be funded through a combination of tuition revenue bonds and philanthropy. The Law Center is a world-class institution, yet its current facility prevents the center from being ranked consistently among the top 50 law schools in the nation. With 54% of the Law Center's current space in two underground stories, students experience a constant, negative cycle of storm damage and water intrusion. The new building will be designed for a modern, integrative curriculum featuring a modern library with more electronic sources, space facilitating on-campus studying for students, and distinctive state-of-the-art events space, all of which will improve student success. The current facility is one of the oldest non-adapted law school buildings in the U.S. and has no central entrance making it difficult for visitors to find their destination. Located deep in the basement, the clinical program, which annually provides millions of dollars of pro bono legal services to Houston, is difficult for the public to access. The facility is also largely noncompliant with the Americans with Disabilities Act (ADA), having been built before enactment. With completion of this project, it is expected that UHLC will experience a positive "rankings effect" in the decade following completion of the project. The college is expected to improve by ten to twenty spots in the national rankings at the completion of the building.

UNIVERSITY OF HOUSTON-CLEAR LAKE

**Biennium 2020-21
Legislative Appropriations Request**

**House Appropriations Committee
Article III**

Testimony by Dr. Ira Kincade Blake, President

My name is Ira Kincade Blake and I am the fifth president of the University of Houston-Clear Lake. I succeed Dr. William Staples who served UH-Clear Lake with vision and accomplishment for 22 years. I am honored to have been selected to succeed him and I intend to continue the university's commitment to well-serving our region.

I am midway through my second year of leadership at UH-Clear Lake. I arrived here in Houston, just in time for Hurricane Harvey. Fortunately, my leadership team and the President of Alvin Community College, Dr. Christal M. Albrecht, were knowledgeable and experienced. We were able to recover from flooding and the associated disruption within a week.

Much of my administrative experience took place in another state higher education system – Pennsylvania's State System of Higher Education. I served in several roles on two university campuses and in the system office, including Assistant to the President for Enrollment Management, Interim Dean of the College of Education, and Associate Vice Chancellor for Academic and Student Affairs. My last role was 8 years as Provost of Bloomsburg University of PA, a master's comprehensive university with a similar student population to that of UH-Clear Lake.

A little about me personally, and you will understand why the work of UH-Clear Lake, and public higher education in general, is so meaningful to me. I am one of nine children of Arkansan cotton sharecroppers who migrated to Southern California in order to provide their children with opportunities for a better life. I am very fortunate to have had additional mentors and role models along my pathway to here. Because of their

support, encouragement and advice, I sit before you as living proof of what can happen when opportunity, hard work, persistence and financial assistance meet educational support and unwavering, motivating expectations. I consider myself one more example of the American Dream realized. This is the business of public universities like UH-Clear Lake.

I came to the University of Houston-Clear Lake because the faculty, staff, campus and community-at-large signal the kind of quality teaching, enriched experiential learning opportunities, and steadfast external stakeholder support needed to change the trajectories of students' lives, regardless of their beginnings. Faculty expectations are high; advisors and tutors support both in- and out-of-class student needs; administrators are committed to providing a comprehensive education with meaningful degree completion; and external stakeholders offer career-related experiences that reinforce workforce demands as well as workplace hard and soft skills.

I thank you for the opportunity to present some of the educational strides my team has under way at UH-Clear Lake. I also thank you and our regional legislators, as well as the Texas Higher Education Coordinating Board, the Regents of the University of Houston System and Chancellor Renu Khator, for their support. I look forward to your steadfast commitment as we at UH-Clear Lake continue to fulfill our role as a regional public university.

I will be brief in my remarks and refer you to UH-Clear Lake's formal Legislative Appropriations Request. That document contains relevant appropriations history and details for our specific requests. I also have UH-Clear Lake's Vice President for Administration and Finance – Mr. Mark Denney – here with me to help answer any questions beyond my knowledge. What I would like to share with you now are our multiple IMPACTS within our region. I will focus mainly on our Non-Formula Support Items in which the Legislature has invested: specifically, Downward Expansion, the Center for Autism and Developmental Disabilities, the Houston Partnership for Environmental Studies, and the High Technology Laboratory. At UH-Clear Lake, we repeatedly ask ourselves the following question: *What difference can a university make in the life of an individual, a community, a region, and the world?* I hope that the progress and accomplishments I summarize demonstrate that the funding UH-Clear Lake received in past biennia -- whether it was appropriations, formula funding, Institutional Enhancement, or Non-Formula Support -- was and still is critical for our success in answering that question and ultimately, realizing our public mission. Our ultimate mission is to prepare our

graduates for personal and professional success with the expectation that they will contribute to the prosperity and health of the Greater Houston Metropolitan region and beyond.

In addition to our specific Non-Formula Support Items, which I will outline shortly, UH-Clear Lake also requests the following to support the highest quality and affordable education for Texas university students:

- An increase in base formula funding to the 2011 base formula level (from \$55.39 per student credit hour to \$62.19 per student credit hour)
- Appropriation of funds to cover university costs for the sustainability of the Hazlewood Program

Turning now to UH-Clear Lake's specific Non-Formula Support Items:

Non-Formula Support for Downward Expansion

- The 82nd Texas Legislature granted UH-Clear Lake the authority for Downward Expansion in 2011. We opened our doors as a full undergraduate university in 2014. In 2015, the 84th Texas Legislature provided the Non-Formula Support of \$6.5M per biennium for university operations. That amount was reduced by 34% (-\$2,224,668) in the Biennium FY18-FY19. UH-Clear Lake received the full amount for only 1 biennium. My understanding is that it reasonable to receive such support for at least 4-5 biennia.

Our regional **IMPACT**:

- Comparing fall 2017 with fall 2018 enrollment, UH-Clear Lake achieved historical enrollment of 9,008 with a 22 percent increase (5283 to 6477 or 1,144) in overall undergraduate enrollment. First-time-in-college (FTIC) enrollment increased by 27 percent (234 to 306 or 72 students) and new transfer student enrollment increased by 7 percent (1470 to 1580 or 110 new transfers). The first FTIC cohort of 2014 achieved a graduate rate of 29 percent which exceeded the target rate of 25 percent. Moreover, 62 FTIC students are still enrolled at UH-Clear Lake and progressing toward graduation.

- What is wonderful is to see the diversity of our student body increasing – by gender, age, race/ethnicity, and disciplinary interests. Undergraduate female students increased by 13 percent (3539 to 4000 or 471 female students). Undergraduate male students increased by 39 percent increase in male students (1744 to 2427 or 683 male students).

Students who self-identified as Hispanic increased by 42 percent (1821 to 257 or 758 Hispanic students) which reinforces our status as a Hispanic Servicing Institution (HSI), a designation that all four UH System universities have. Students who self-identified as Asian increased by 40 percent (338 to 474 or 136 Asian students). Students who self-identified as White increased by 8 percent increase (2384 to 2568 or 184 White students). Students who self-identified as Black increased by 7 percent (497 to 534, or 37 Black students). Students who did not self-identify increased by 15 percent (167 to 192 or 25 Other students).

We now have close to 100 student organizations. All staff, including the president, are available and supportive of undergraduate student progress for success. We have increased student access to career-related work on campus. Specifically, we do not think, “Work study”; we think “First entry-level Job” and the opportunity to build relevant workplace hard and soft skills. This initiative actually began in the fall 2017 when a shy, young African American female student came up to me in the campus Patio Café. With shoulders hunched and trembling voice, she introduced herself and stuttered a congratulations to me on becoming UH-Clear Lake’s fifth president. After a very brief conversation and the student had walked away, I turned to my assistant and whispered that we needed to hire that student in our office because it took quite a bit of courage to come up to a president and to deliver that message. Well, that student - Naomi, who is an Alvin Community College transfer majoring in computer science – worked in the Office of the President for 1 ½ years and is now fulfilling a paid internship with a bank in Dallas with the promise of a full-time job based on her performance.. Across the campus now, all employed students – both undergraduate and graduate – are in entry-level job positions with learning goals.

- In terms of Full-time versus Part-time status, we also had a substantial increase in each. For students taking at least 15 hours to graduate in 4 years, we have seen a 35 percent increase (609 to 822 or 213). However, we are concerned about our increasing part-time enrollment. For students taking fewer than 15 hours, we have seen a 24 percent (2822 to 3507 or 685). Part-time status leads to greater

time to graduation, often more debt, and taxes students' persistence. While some college is better than no college, a meaningful credential leads to occupational and economic mobility.

- We have experienced greater financial need among our students given that we have become more diverse and more attractive to working-class, underserved, and first-generation students. Pell Eligible students have increased by 21 percent (2296 to 2787, or 491 Pell-eligible students). In present-day terms, this typically means that a greater number of our students need more assistance to make consistent academic progress and to identify those learning experiences that will enrich their education. In the fall term, I listened in on a conversation between Mike, a first-year African American male majoring in mathematics, and Dr. Timothy Richardson, who is in the newly created role of Associate Vice President for Student Success and Activities. Mike had obviously already spoken with Dr. Richardson about his goal to be most successful as a math major. Dr. Richardson had obviously done what good advisors do and connected Mike to a tutor in the Math Center. What was unexpected of a freshman, and pleasantly surprising, is what Mike did. He informed Dr. Richardson that he would check back with Dr. Richardson after his tutoring session in order to let him know how it had gone! In other words, the student was demonstrating self-agency – or rather, taking charge of his learning.
- Supporting our enrollment growth was the legislative approval of tuition bond funding for a new STEM and Classroom Building on UHCL's main campus as well as a Health Sciences Classroom Building on our Pearland Campus. The bonds were \$65.7M and \$24.6M respectively. Both buildings are in use, extraordinarily beautiful, and the talk of all community stakeholders who have toured them. Importantly, our new undergraduate Mechanical Engineering program, housed in the new STEM Building, was offered for enrollment in fall 2018. Enrollment in the program totaled 111 students, more than double our original target!

UH-Clear Lake is grateful to the legislators – particularly Senator Larry Taylor and Representatives Dennis Paul and Ed Thompson -- for their faith in our ability to leverage these state-of-the-art buildings with up-to-date equipment to enhance the education of our students and the research efforts of our faculty. One of our most dynamic physics professors – Dr. Dubrovskiy – actually gave me a big hug, exclaiming that he loved his new large lecture hall because he did not have to make a choice between using a white board or the video screen while instructing – something he had to do in his old large classroom in the Bayou Building.

I could go on, with more areas and examples of IMPACT. The real point I hope I have made is: the resources provided by the Legislature are not only needed to provide the highest quality learning experiences to support our graduates' competitiveness, confidence in the workplace and ability to assume helpful civic roles in Texas communities but those resources also are making the difference for which they were intended. Moreover, with the increase in students served well, we are having an even greater impact.

Non-Formula Support for Institutional Enhancement

- The 76th Texas Legislature created Institutional Enhancement funding to support innovation in academic programs and instructional delivery, enhance student access and success, and faculty development. UH-Clear Lake incurred a 35 percent reduction (\$4,554,966 for Biennium FY16-FY17, reduced to \$2,964,141 for Biennium FY18-FY19) in Institutional Enhancement. This reduction directly affects our ability to address sufficiently the evolving educational needs of our increasingly diverse student population.

Our Regional IMPACT:

- UH-Clear Lake's College of Education (COE) has adopted a clinical model for teacher preparation, similar to that used by nursing programs. Education faculty deliver hands-on learning opportunities in the field, early and often. Engagement through professional development school sites, local partnerships, and innovative classes provide students with intentional real-world experiences. The total number of certification completers for AY 2017-2018 was 234; teacher certificates totaled 157 and advanced certificates total 77. The pass rate for all certification completers was 99.57 percent for the 2017-2018 school year. The pass rate for undergraduate students was 99.4 percent for that year. Demand for our graduates is high in our region and there is a 95 percent job placement for completers seeking employment. Moreover, 63 certification completers received additional certifications for better preparation in teaching diverse students. These additional certifications included Bilingualism, English as a Second Language (ESL) and Special Education.
- The STEM Classroom Building is furnished with state-of-the-art equipment, expansive labs, interactive lecture halls, and faculty-student research space to support the increasing enrollment in STEM majors. The equipment, laboratories, and classrooms designed for the new undergraduate degree in Mechanical Engineering is raising our competitiveness in attracting both students and new faculty.

- UH-Clear Lake understands why employers prefer students who have completed an internship. Long gone are the days when new employees can expect to experience a comprehensive job orientation or training period. The employer goal is to hire employees who can hit the ground with a threshold command of an organization's operations, experience with the interdependent fit of the various job roles, demonstrate credible potential to contribute, and display interpersonal skills that support professionalism, good communication, teamwork, and workplace respect. To support these workplace changes, UH-Clear Lake created a new unit named the Office of Strategic Partnerships (OSP) in fall 2018. One critical goal is to expand the university's internship inventory and related career services, both on campus as indicated earlier and through the active recruitment of external partners within our service region. Our current baseline inventory was 433; we now total 478, a 10 percent increase in our inventory in one term. More internships, both paid and unpaid, exist on campus. OSP staff is meeting with managers and faculty to generate a more accurate count and to identify both types and numbers of needed internships in the broader community.

To ensure that our current faculty do not lose UH-Clear Lake's historical connection to real workplaces, we are collaborating with regional companies and organizations to place faculty on project teams within those workplaces in order to reinforce the critical thinking and flexibility in decision-making needed in real-world settings. We are currently in discussions with several companies interested in faculty placements.

Non-Formula Support for Center for Autism and Developmental Disabilities (CADD)

The 85th Texas Legislature provided \$400,000 for Biennium FY16-FY17 to support CADD, UH-Clear Lake's center where faculty and students in the Behavior Analysis, School Psychology, and Family Therapy programs research autism and developmental disabilities, train current and future professionals, and provide services to children and their families through partnerships with community organizations. Autism spectrum disorders (ASD) are the fastest growing developmental disabilities in the United States. According to the Center for Disease Control (CDC), nationally 1 in 59 children have ASD, a 190 percent increase since 2000. Texas does not formally track the rate of autism across the state, but a recent study by the Texas Health and Human Services Commission (HHSC) estimates that almost 400,000 Texas residents have an ASD diagnosis. CADD funding was reduced by 31 percent (-\$122,286) for the Biennium FY18-FY19.

Our Regional IMPACT:

- In 2017-2018, the Center directly touched the lives of 199 children and their families, providing intervention services and parental training for continuation of services in the home. A group of generous donors covered co-pays for the majority of families. Telehealth services, partially funded by a five-year-multi-institutional National Institutes of Health (NIH) grant, enabled services to 30 families. The Center delivered a training program to 94 teachers and 57 paraprofessionals of 502 students in strategies to teach the students with ASD new skills and reduce challenging behavior in the classroom. The majority of these participants were from Pasadena ISD and Fort Bend ISD, the last cohort of a two-year grant awarded by the Texas Higher Education Coordinating Board. The Houston Livestock and Rodeo Show Foundation provided funding to train an additional 20 teachers and 20 paraprofessionals from 6 local school districts. In addition, the Center provided behavioral consultation services to children and teachers in Clear Creek ISD and Pasadena ISD. Presently, the waiting list holds over 600 families who have requested services.
- The Center generated \$980,000 in grants, contracts and donations to support faculty, staff, students, equipment, and supplies in 2017-2018. The Texas Legislature’s Biennium FY18-FY 19 appropriation was \$277,714.
- The Center’s vision is to use restored funding to serve more families at the UH-Clear Lake clinic, to expand telehealth services to the Rio Grande Valley, and to initiate services at a new CADD satellite clinic in Pearland that would enable the Center to serve more low-income families near downtown and the Texas Medical Center.

Non-Formula Support for the Houston Partnership for Environmental Studies

- The 73rd Texas Legislature approved the creation of the Houston Partnership for Environmental Studies in 1994, which brought together representatives from local industry, agencies, municipalities, school districts, non-profits, and the University of Houston System faculty. Non-Formula Support has base-funded the ongoing operation and key staff members of the Environmental Institute of Houston (EIH). The Institute provides educational, outreach and research programs for our region.

Our Regional IMPACT:

- EIH has provided technical training programs for industry professionals. Of particular note is the critical technical and scientific support that EIH has provided to the Red River Authority, City of Galveston, City of San Marcos and the Harris County Flood Control District. Historically (from 1998 to 2018), EIH leveraged legislative funding of \$5.3M to secure an additional \$10.4M in external grants, contracts, and donations. Over 35 undergraduate and graduate students have held paid internships with EIH. These internships supported the students' pathways to advanced study and careers. Funding since EIH's inception has fluctuated from \$1M to \$419,860 for Biennium FY 18-FY19. That amount represents a 31 percent reduction from the 85th Texas Legislature's appropriation of \$604,736 for Biennium FY16-17.
- EIH will co-host the *2019 North American Prairie Conference* to occur June 2-5, 2019 at UH-Clear Lake. This conference is the result of a collaboration between the Native Prairies Association of Texas, the Katy Prairie Conservancy, the Coastal Prairie Partnership, the Nature Conservancy and EIH. The conference theme, *Healthy Prairies, Healthy Watersheds*, will bring together the brightest minds in prairie conservation from across the country. These experts will explore practical methods to restore, conserve, and manage our valuable and vulnerable prairies. The conference target audience includes private landowners, natural resource professionals, agency scientists, educators, landscape architects, and citizens interested in developing solutions. Participants will explore how to protect and rebuild prairies to reduce flooding risk, protect water resources, and conserve biodiversity. The landscape of the Houston area consists primarily of coastal prairies and one of our major environmental issues is flooding. Consequently, this conference will provide a unique opportunity for managers and scientists to discuss potential solutions to problems affecting our area.

Non-Formula Support for High Technologies Laboratory

- The 68th Texas Legislature created the High Technology Laboratory in 1984 which was named the Cybersecurity Institute. Original funding was \$150,000 to develop joint research among NASA JSC, UH-Clear Lake and area aerospace contractors, to provide mentorship and assistance to small businesses in establishing cybersecurity practices and to raise awareness on issues and better practices in securing cyber space. Funding totaled \$83,728 for Biennium FY16-FY17 with a 31 percent reduction to \$58,131 for Biennium FY18-FY19.

Our regional **IMPACT:**

- The Institute offered basic cybersecurity workshops regularly to local businesses. Faculty would like to expand professional training in various certifications for companies in aerospace, healthcare, energy, transportation/shipping and government.

CONCLUSION

The University of Houston-Clear Lake greatly appreciates the State's support and respectfully request restoration of all Non-Formula Support Items to Biennium FY16-FY17 funding levels. UH-Clear Lake is committed to increasing the college-going and college-graduation rates for the Greater Houston Metropolitan region as well as the State of Texas. With greater intentionality on the progress of students from diverse backgrounds, UH-Clear Lake will work to enhance academic support and to design more meaningful career initiatives for our increasing numbers of underserved, Pell eligible, and first-generation college students, many of whom are FTIC and transfer students. As a partnership-oriented and community-minded university, UH-Clear Lake will work to expand strategic partnerships with businesses, government agencies, and non-profit organizations as well as area school districts, community colleges, and universities in order to develop the educational resources to improve the social health of our communities and to respond to the economic needs of area employers.

Dr. Juan Muñoz
President, University of Houston - Downtown
Texas House Appropriations Committee Hearing
February 18, 2019

Introduction

Thank you for this opportunity to come before you and talk about the many good things happening at UH-Downtown and also about a few of the challenges we face. My name is Juan Muñoz and I serve as the president of UH-Downtown.

I am encouraged by the recent gains made in improving student success at UHD. We see tremendous opportunities for further improving the overall student experience at UHD, immediately and well into the future.

As I get into UHD's exceptional item requests, you will see the importance we place on creating spaces and opportunities for students to interact, both inside and outside of the classroom.

Before getting to that though, let me talk for a moment about what we've all seen happening in higher education over the past two decades.

- We've seen a big shift toward online learning,
- We've seen a growing receptiveness of students to starting their higher education career at a community college, and
- We've seen a significant increase in out-of-pocket costs to students, often covered through sizable student loans.

In coordination with the UH System, UHD has worked to adapt to this changing landscape.

- UHD has increased its online offerings.
- UHD has worked to strengthen its alliances with area community colleges, viewing ourselves not as competitors but as partners in student success.
 - For example, UHD's recent BSN 2 + 2 completion program with Houston Community College.
 - The University now embeds advisors at 2-year schools, reducing time-to-degree and student debt.
- UHD has maintained its position as one of the most affordable public universities in Texas. In fact, UHD was recently recognized by IPEDS as one of the 15 lowest net-price 4-year universities in the country.

By being nimble, affordable, and responsive to change, UHD has emerged from this period of change well-positioned for the future.

University of Houston System 2020-21 Legislative Priorities

Let me now talk for a moment about what I believe are universal priorities for Texas public universities.

- UHD would like to see an increase to base formula funding.
 - We appreciate the progress that the legislature has made in the last three sessions to move formula funding back toward 2011 levels and now urge lawmakers to fully close that gap, with an adjustment for inflation.

- UHD urges the legislature to increase funding for the TEXAS Grant program.
 - In FY17, 1,214 UHD students received over \$6.4 million in TEXAS Grant funding. This funding allows students to focus more on academics, enroll in more classes, and graduate on time.
- UHD asks that the state provide additional resources to offset the exemptions that support veterans and their military dependents through the Hazelwood Legacy program.
 - Between 2013 and 2017, UHD's annual Hazelwood exemptions have doubled, climbing from \$958,269 to \$1,862,540. (750 Vets at UHD)
- UHD also requests that the legislature consider restoring the non-formula funds that were cut during the last session.
 - For UHD these cuts amounted to over \$1.6 million for the biennium.

University of Houston-Downtown 2020-21 Legislative Priorities

Now, I would like to focus on UHD-specific priorities as presented in our LAR. UHD is proffering only three requests for Exceptional Item funding.

Visitors to UHD, including legislators and community leaders, routinely comment on the lack of gathering spaces for students to develop authentic communities. Such spaces are increasingly important since they foster a 'sense of place' that is inviting, flexible, and non-judgmental for non-traditional students. These areas support student-to-student networking and deeper faculty-student relationships which are vital to the improvement of persistence and graduation rates. This is particularly true at a university like UHD which is completely devoid of any residential housing and thus supports an entirely commuter student population. Thus, UHD has a three-pronged strategy to address this deficiency.

Collaborative, Retention and Academic Engagement Facilities (\$15 million)

First, UHD plans to construct a Wellness & Success Center (WSC) that will combine physical, clinical, and counseling amenities in one location to ensure that students have accessible services to maximize their total human potential and drive to succeed. The currently facility was constructed over twenty years ago for a maximum student population of 7,000. This fall, UHD's enrollment was comfortably above 14,000.

Secondly, UHD will re-purpose its current Student Life Center (SLC) into a comprehensive Student Union. By repurposing the SLC rather than constructing a new facility, we are ensuring the lowest cost to the state and to the university. While the existing SLC has been inadequately sized for over a decade, the structure itself can be redesigned to serve as a functional and first ever UHD Student Union. This transformation will take one year to complete following completion of the WSC. Design and construction costs for the Student Union are expected to be \$7 million.

Finally, the third phase of the university's overall strategy will be to build out a second level on its Girard Street Building (GSB). The GSB, which sits atop a three-level parking garage and includes a Welcome Center, was constructed to one day accommodate a second floor. The primary beneficiary of this new space will be UHD's University College (UC) which is at the center of UHD's student success efforts. It includes Student Advising and the Gator Success Center, oversees the Honors College and UHD's Minority Male Initiative (Men of L.E.G.A.C.I.), and is the home for students who have yet to declare a major. By relocating University College to the GSB, UHD will be able to better connect it to a number of engagement-focused functions including the Advising Center, W.I. Dykes library, and Student Activities. Design and construction costs for the second level of GSB are expected to be \$8 million.

UHD's next request relates to Hurricane Harvey Recovery:

Hurricane Harvey Recovery/Mitigation Costs (\$4 million)

Hurricane Harvey was a historic storm that spread damage and destruction across Houston. UHD's newer buildings were spared but the university's core structure, the iconic One Main Building, sustained major flooding. The first floor of One Main took in 33 inches of water. This devastated four major units located there (Facilities Management, university police, Parking and Transportation, and Shipping and Receiving) and severely damaged aspects of the central plant.

The total cost of recovery was approximately \$9 million. While some of this will be covered by insurance, the 2% deductible on the high-value One Main Building amounted to approximately \$3.1 million. UHD is requesting an extraordinary one-time appropriation to cover this deductible.

In the aftermath of Harvey, UHD has been examining ways to minimize damage from future storms. The two most significant steps the University can take would be to have a system of floodgates in place and to make watertight a subterranean tunnel that runs from the basement of UHD's One Main Building down to Buffalo Bayou. This existing tunnel dates back to an earlier use of the building and contributes significantly to the flooding of the building during high-water events. Preliminary research indicates that these two projects could be completed for a little under \$1 million.

Finally, if TRB funds are made available, UHD requests the following:

Arts, Sciences, Engineering, and Entrepreneurship Center (\$19,035,446)

UHD proposes a 173,000 gross square feet (gsf) facility with engaging maker-spaces to stimulate innovation and entrepreneurship in the arts, sciences, and engineering. This unique facility would serve UHD and the surrounding community as a hub for entrepreneurs, scientists, engineers, artists, and students.

The first floor would host a mixture of art and engineering spaces providing opportunities for creative collaborations between students and faculty across several disciplines. With the Marilyn Davies College of Business, STEM Building, and the Center for Urban Agriculture & Sustainability nearby, spaces in this building would serve as a hub for creativity and entrepreneurship. Other spaces would include studios, a theatre, study spaces, and larger open spaces to support gatherings.

This specific request is for funds to cover the first two years of debt service on the bonds to be issued.

Conclusion

As UHD prepares for the 2020-2021 biennium, it is truly a university in transition.

Its priority of increasing the number of students who graduate with certificates and degrees aligns with the state's 60x30 goal of doubling the number of Texans ages 24-35 with postsecondary credentials or degrees by 2030. In 2016-17 UHD increased the number of degrees and certificates it awarded by a significant 12.1%. At this rate, by 2030 UHD will more than double the number of academic credentials it awards.

In order to achieve this benchmark, UHD will continue to work with business, industry, educational, and governmental agencies to create curricula and programs that develop students' marketable skills. Regarding the 60x30 plan to limit student debt, UHD will sustain its track record of affordable tuition and fees as well as its effort to decrease excess semester credit hours that students attempt in completing their degrees.

The University of Houston-Downtown is grateful to the legislature(s) for the increased state appropriations over the past two biennia. Not only was UHD's base funding increased in both budget periods, but its Higher Education Assistance Fund (HEAF) allocation was increased by 50% and it was authorized to issue \$60 million in Capital Construction Bonds (CCBs) to construct a Science & Technology building which will open this coming Fall 2019.

These resources have been absolutely critical to the growth of the University. With continued legislative support, UHD will be well-positioned to support the diverse citizenry of the state in achieving their academic and career goals while helping drive the Texas economy.

House Appropriations Committee Hearing
FY2020 – 2021 Biennium
University of Houston-Victoria

I. The University

UHV began as a non-traditional upper-level institution serving working adults, who commuted from home to take evening courses. In 2009, UHV received legislative authority to expand downward, allowing us to include freshmen and sophomores. As of fall 2018, UHV has served more than 5,634 freshmen and sophomores.

In the past nine years, UHV has grown to an institution that serves a traditional full-time student population by offering 25 Bachelors and 17 Masters programs.

II. Where are we now?

As we look to the future and live in the present, we seek to continue to make an impact on our underserved region of South Texas. As stated here in my testimony, continued resources are crucial in the following areas for these citizens to realize a

higher level of education and economic attainment -- Downward Expansion, Master's Degree in Nursing, Small Business Development Center, Center for Regional Outreach, and Institutional Enhancement. We appreciate your continued support!

III. Where are we going?

UHV is requesting the following non-formula items to support growth opportunities, to assist the university in reaching its goal of 6,000 students served, and to meet the goals of the Texas 60x30TX initiative.

1. UHV Campus Expansion – This exceptional item is requesting approval of a \$74.7 million tuition revenue bond project that will provide the infrastructure needed to further establish a residential campus. The overall capital expansion plan for downward expansion is \$344.5 million. Of this amount, we are requesting that the state cover \$169,684,000 or 49.2%. UHV will cover \$174,860,000 or 50.8% of the overall cost through student fees, donations, and other revenue sources. In the 2016-17 biennium, the University was allocated \$60.0 million for Phase one of its Campus Expansion Plan. This funding request is \$74.7 million for Phase two of its campus expansion. This

continuation of campus expansion will enable the university to acquire much needed land, and will facilitate the remodeling and renovation of existing buildings. The plan will add labs to support health-related programs and additional classroom spaces, a lecture hall, auditorium and multi-purpose room, as well as enhance the STEM building.

UHV is requesting \$74,700,000 in tuition revenue bond interest resulting in debt service of \$6,512,686 per year over 20 years.

2. Restoration of Non-Formula Funded Items to 2016-17 levels – This exceptional item is requesting the restoration of non-formula support items to the 2016-17 levels in the additional amount of \$3,393,928 for the biennium or \$1,696,964 per year. In the FY2017-18 biennium, state funding of non-formula support items was reduced by 10%. The six critical areas affected are identified below:

- Master's Degree in Nursing – requesting an additional \$389,812 for the biennium or \$194,906 per year

- Downward Expansion – requesting an additional \$1,480,380 for the biennium or \$740,190 per year.
 - Small Business Development Center – requesting an additional \$166,757 for the biennium or \$83,379 per year
 - Center for Regional Outreach – requesting an additional \$210,099 for the biennium or \$105,050 per year
 - Institutional Enhancement – requesting an additional \$1,117,193 per biennium or \$558,587 per year
 - Worker’s Compensation insurance – requesting an additional \$29,687 for the biennium or \$14,844 per year
3. Hurricane Harvey Recovery - UHV is requesting one-time additional funding of \$2,086,973 to defray losses attributable to Hurricane Harvey. Funding will be used to restore lost revenues of \$383,145 incurred due to students not returning for that semester and \$678,828 for professional fees and services, staff salaries and wages incurred during the storm and its aftermath, and building reconstruction expenses that were not reimbursable by insurance for FEMA claims. UHV’s request also includes mitigation of \$1,025,000. Once

FEMA funding is received, we will reconcile funds and return the difference to the state.

IV. Summary

There are numerous important areas of concern for UHV and all of higher education; we respectfully request that they receive serious consideration and support during the Legislative session:

- Texas Grants provide underprivileged students opportunity to attend higher education institutions such as UHV. Minority students are especially impacted and represent over 70% of all students at UHV.
- Equity Funding for UHV Nursing Programs – As General Academic Institutions receive less formula funding for health-related programs, it is crucial that these programs receive the same consideration for funding as Health-Related Institutions.
- Maintain supplemental state funding for smaller universities with enrollments below 10,000. Fixed costs are unavoidably higher compared to

variable costs at smaller universities and it is essential to maintain supplemental state funding for smaller institutions such as UHV.

- Restore base funding semester credit hour rate to that supported by the 2010-2011 legislature at \$62.19 per weighted SCH.
- Provide continued support for employee health care costs. Shifting costs to employees may save money initially, but employee morale and satisfaction will deteriorate in the long term which will adversely affect our ability to attract and retain qualified personnel.
- Reimbursement of Hazlewood Exemptions. UHV requests that funds be appropriated by the state to cover the full costs of Hazlewood Act exemptions. While UHV is dedicated in supporting educational opportunities and benefits for veterans and their families, these exemptions have a greater proportional impact on the limited resources available to smaller institutions. The value of the Hazlewood Act and the size of the exemption has increased, providing very significant financial benefits to veterans. Students were issued \$760,241 in Hazlewood exemptions while

reimbursement from the state received were \$60,571 or 8% of the total exemption. The result is that Hazlewood exemptions are mostly supported by the general student population.

V. Summary

In summary, the history of Texas universities that have transitioned from upper-level two-year institutions to traditional four-year undergraduate institutions with residential campuses shows a pattern of accelerated growth when compared to other universities. This has been the pattern for UHV as well. As these upper-level institutions transitioned to four-year campuses, a common denominator associated with that growth was the continued support from the Legislature for funding.

UHV's Master Plan foresees Victoria as a "college town" for students who are seeking a university experience outside the populated metropolitan belt extending from Houston to Austin to San Marcos to San Antonio to Corpus Christi.

The University of Houston-Victoria, while a small institution, has had and will continue to have an important and growing influence on the welfare of the region:

- We enjoy widespread community and regional support.
- We have trained most of the teachers and many of the managers and entrepreneurs in the area.
- We have developed considerable experience and expertise in outreach, community cultivation, and collaboration which serves the interests of its region and is at the disposal of the UH System.
- We were instrumental in starting the Symphony Orchestra, the Bach Festival, Black History Month, Hispanic Heritage Day, Fiesta Day, the South Texas Woman Awards, Boys and Girls Leadership Academies, and more recently a regional Children's Discovery Museum all of which have become part of the fabric of Victoria. Such community activities enrich the spirit and elevate the quality of life.

Thank you.



TEXAS TECH UNIVERSITY SYSTEM

House Appropriation Committee Hearing

Tedd L. Mitchell, M.D.

TTUS Chancellor/TTUHSC President

February XX, 2019








The TTU System is a university system that provides high-quality education, innovative research, and exceptional health care to the fields critical to the future of West Texas and the World.

One of the main objectives of the TTU System is to produce leaders who act on bold initiatives to improve lives.

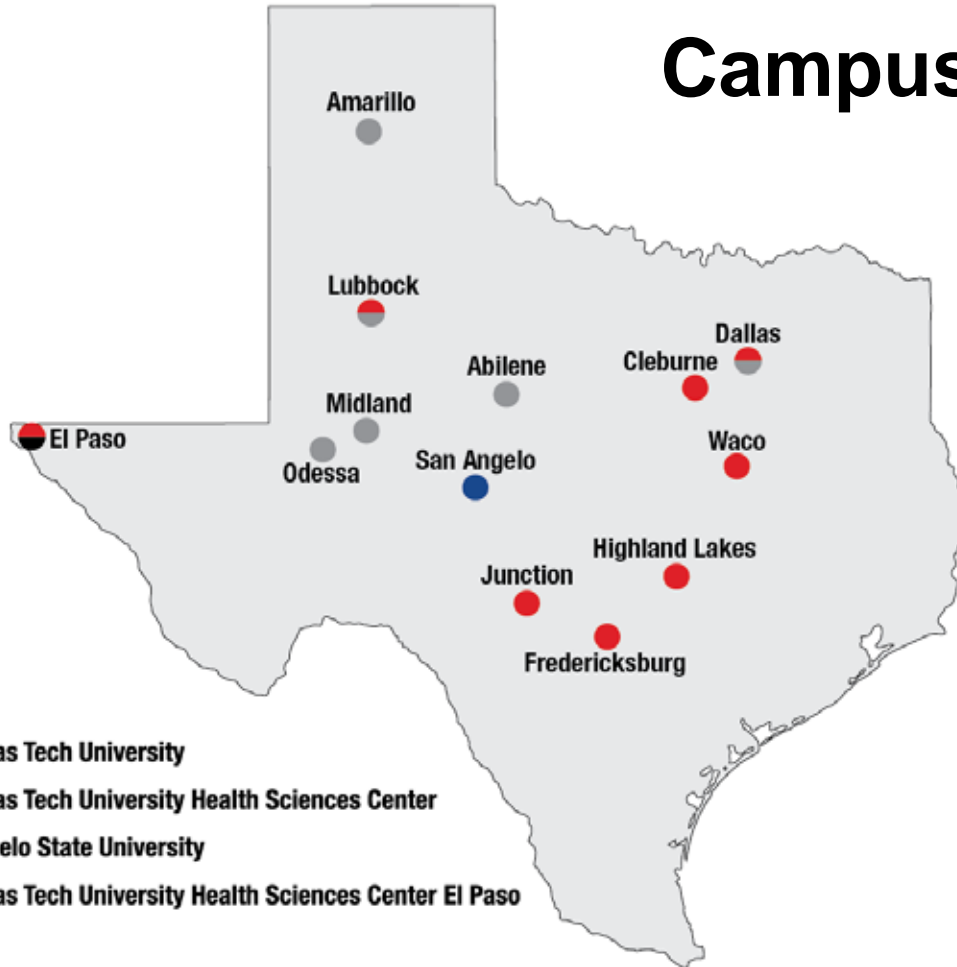


System-wide Growth

	 Total Student Enrollment	 Total Full-time Employees	 Component Universities	 Operating Budget	 Campus Locations
FY 1996	26,223	8,054	2	\$509M	7
FY 2018	54,758	13,775	4	\$2.1B	18



Campus Locations



- Texas Tech University
- Texas Tech University Health Sciences Center
- Angelo State University
- Texas Tech University Health Sciences Center El Paso



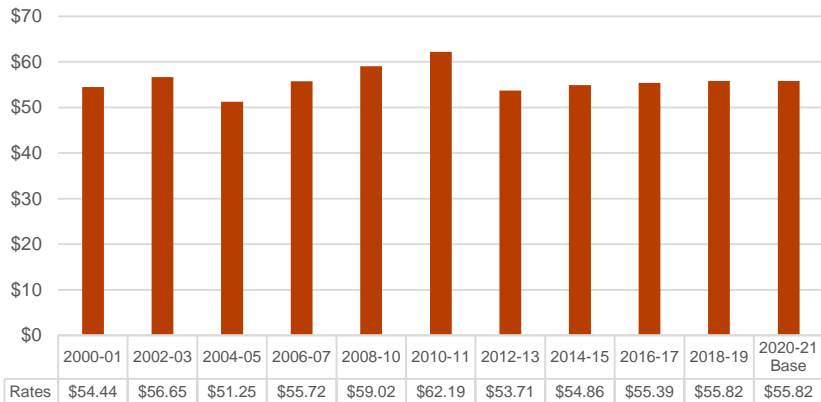


Legislative Priorities

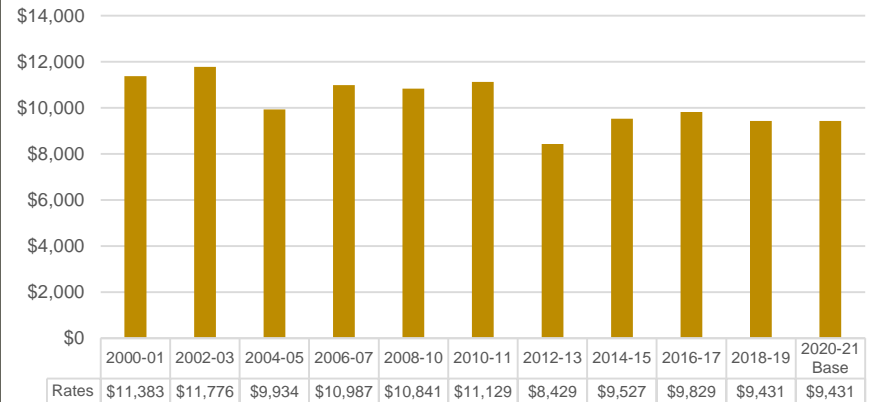
Enhance and Restore Formula Funding

- Funding formulas for higher education have not been fully restored since drastic cuts in 2003 & 2011.
- Fund enrollment growth in the formulas which are currently based on 2018 student numbers.
- Grow the formula rate by at least inflation for all formulas.

General Academic Institutions



Health-Related Institutions





Legislative Priorities, continued

Institutions' Top Exceptional Item Requests

- TTUSA – Restore \$1.26M in General Revenue funding to TTUSA's 2010 levels
- Components – Presidents will address their individual items

Continue & Enhance Funding for Research Efforts

- Support for TRIP, Core Research Fund, Texas Comprehensive Research Fund, and GURI

Higher Education Fund (HEF) Allocation

- HEF funds are a crucial source of consistent and predictable funding for infrastructure projects for HEF schools. These funds allow HEF schools to maintain aging facilities and address life safety issues.
- Authorize the Updated Five-Year Allocation for the eligible institutions of the Higher Education Fund as provided by the Texas Constitution.

Graduate Medical Education (GME)

- Support enhanced funding for GME formula and continued investment for GME expansion grant programs at THECB.



Legislative Priorities, continued

Higher Education Group Insurance Program

- Fully fund premiums at the same rate as other state agencies. Currently funded at approximately 80% of ERS premium rates.

Student Financial Aid

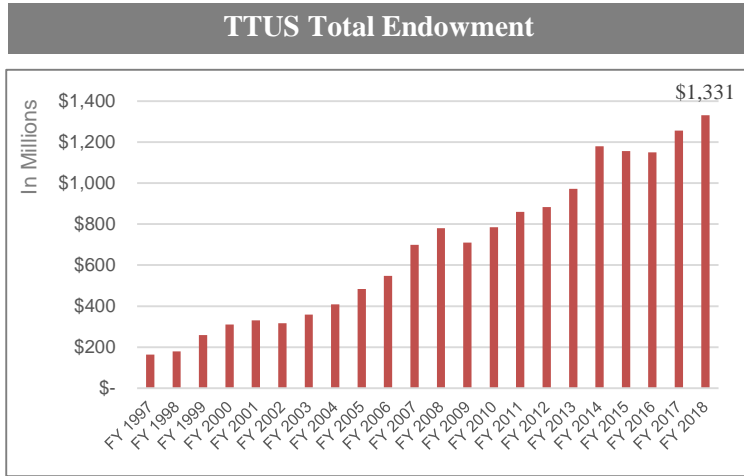
- Support for TEXAS Grant program which is vital to reducing student debt.
- Protect tuition set-aside funds that are used for need-based financial aid for students.

Hazelwood Costs

- Fully fund the Hazlewood Legacy exemptions that result in foregone revenue to all state institutions.
- The total cost to TTU System institutions in FY18 was \$19.3M, of which \$14.8M was for Legacy alone.



TTU System Highlights



External Grants and Contracts

Fiscal Year	Grants and Contracts (in Millions)
2014	\$347.2
2015	\$346.4
2016	\$400.7
2017	\$397.2
2018	\$400.5

Tuition and Fee Peer Comparisons Fall 2018

TTU – Emerging Research

Tuition & Fees (24 SCH)	Fall 2018
University of Texas at Dallas	\$11,528
University of North Texas	\$10,721
Texas A&M University	\$10,442
University of Texas at Arlington	\$9,778
Texas State University	\$8,968
University of Houston	\$8,786
→ Texas Tech University	\$8,768
University of Texas at San Antonio	\$7,968
University of Texas at El Paso	\$6,647

ASU – Lone Star Conference

Tuition & Fees (24 SCH)	Fall 2018
Midwestern State University	\$8,568
Texas A&M University-Kingsville	\$8,387
Texas A&M University-Commerce	\$8,373
West Texas A&M University	\$8,055
Tarleton State University	\$8,012
The University of Texas at Tyler	\$7,866
Texas Woman's University	\$7,530
→ Angelo State University	\$7,437
UT of the Permian Basin	\$6,143

Health Sciences Centers

Tuition & Fees (SOM, Annual)	2018-19
UT Southwestern-Dallas	\$20,521
UT Medical Branch-Galveston	\$19,479
UT-Houston	\$19,307
University of North Texas	\$19,005
→ TTUHSC El Paso	\$18,839
UT-San Antonio	\$18,809
→ TTUHSC	\$18,514
Texas A&M	\$17,859



House Appropriations Committee

Dr. Lawrence Schovanec
President
Texas Tech University

February 18, 2019



Goals

- **Enhance Student Success and Retention**

- Improve undergraduate student success that includes increased retention and graduation rates, high impact signature learning experiences, and diversity.

- **Increase Access and Quality**

- Increase both merit and need-based student financial support. Recruit statewide and internationally. Expand online and distance learning to reach a broader segment of students including nontraditional students and those enrolled at regional sites.

- **Strengthen reputation as a national research institution**

- Solidify status as a Carnegie Tier One research institution, while remaining student-focused and cost-efficient. Support core themes that emphasize innovative teaching and learning, research that is increasingly funded by external sponsorship, and impactful scholarship and creative activity.

Funding Priorities

- **Formula Funding, Employee Benefits & Financial Aid**

- Funding is key to sustaining the current quality of academic and research programs.

- **Enhanced Visibility as a National Research University**

- Funding support provided through the National Research University Fund assists in attaining national prominence.
 - Center for Functional Genomic of Abiotic Stress: Dr. Luis Rafael Herrera-Estrella, National Academy of Sciences, GURI
- Increase funding of the Core Research Fund for faculty and graduate student support that aligns with increases in Total Research Expenditures (TRE) and Restricted Research Expenditures (RRE).

	2014	2018	% Increase
TRE	\$153.7M	\$179.8M	17%
RRE	\$46.9M	\$57.3M	22%

- Sustainable Development of Water Resources: Dr. Danny Reible, National Academy of Engineering
- Increase funding of the Texas Research Incentive Program to the current level of unfunded matching gifts, \$180.5M.

Funding Priorities

- **Non-Formula Support**

- We appreciate the continued funding for strategic initiatives that leverage millions of dollars of additional non-state funding to support academic programs, research, and public service.

Institutional Enhancement: Enhances instructional capacity so that students can graduate on time and funds core operating expenses that support student retention and success.

Library Archival Support: Funds preservation of the 2nd largest collection of Vietnam War materials in the world.

Research Support:

Agriculture – Research related to food, fiber, natural resources, and viticulture.

Energy – Research related to sustainable sources of energy and water.

Emerging Technologies – Research in neuroimaging, nanotechnology, early child and career development, substance abuse/recovery, obesity and mental health.

Public Service Support:

Museums –

Museum of Texas Tech University (only Museum Masters Degree Program in Texas)

Lubbock Lake Landmark (archeological findings covering 12,000 years of history)

National Ranching Heritage Center (supports preservation of Texas ranch history)

Small Business Development Center – Supports small businesses in 95 counties in Texas.

Junction/Hill Country – Support academic and research programs in these areas. Research includes leveraging state funds with federal funds for ecological research at Llano River Field Station, addressing water and natural resource management and providing unique educational experiences.

Center for Professional Responsibility – 1st financial literacy program in State and nationally recognized Red-to-Black Financial Counseling Center.

Exceptional Item Requests

- **School of Veterinary Medicine**

- We appreciate the funding allocated in the base bill which will allow us to continue with the next steps for the School of Veterinary Medicine.
- With the collaboration between Texas Tech University and Texas Tech University Health Sciences Center, we are uniquely positioned to leverage research, health and academic resources that will embody a comprehensive educational experience that produces practice-ready veterinarians with the skills and knowledge to address the demand for veterinarians of all types, but especially those who serve in non-metropolitan areas.
- The curriculum will interconnect animal, environmental and human health through basic and applied research that translates discoveries and improves the economic vitality of the State.



TEXAS TECH

UNIVERSITY.
From here, it's possible.



HOUSE APPROPRIATIONS COMMITTEE HEARING

Fiscal Years 2020 and 2021
February 18, 2019



Dr. Brian J. May, President

Goals:



- **Students**
 - Enrollment, Retention and Graduation
 - Services and Support
- **Academic**
 - Curriculum, Support and Research
 - Maintain Student Faculty Ratio
- **Facilities**
 - Updating, Maintaining and Efficiency

Enrollment:



- Increased by 8.7% from Fall 2016 and 60.3% from Fall 2014
 - Fall 2018 enrollment 10,387
- 65.7% Increase in Graduate School in last 5 years
 - Fall 2018 enrollment 1,635
- Diverse Population
 - 215 Texas Counties, 47 US States, D.C., and Puerto Rico, 35 Foreign Countries
 - 37.2% Hispanic, 8% African American
 - Approaching MSI Designation by DOE

Success:



- **First-Year Retention Rate**

- Fall 2018 enrollment 66.9%

- **Second-Year Retention Rate**

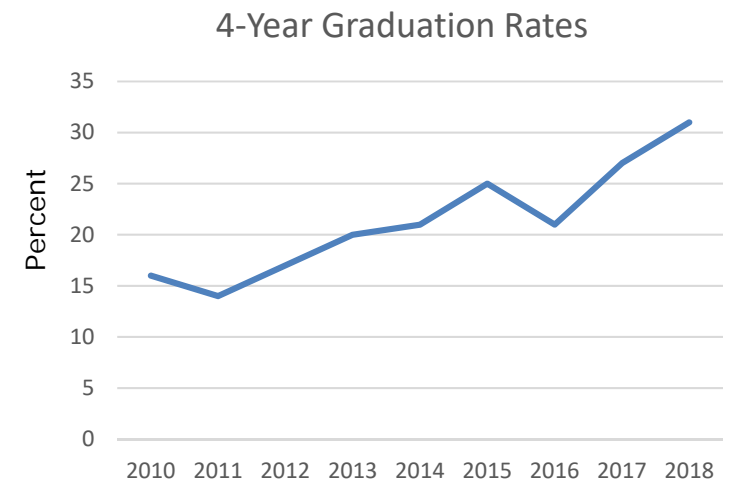
- Last two years have produced the highest second year retention in ASU history, 54.2% and 53.2%* respectively
- Credit due to Freshman College development

- **4, 5, and 8+ Year Graduation Rates are Highest in ASU history**

- 4-year rate is 31% (10% point increase from last biennium)
- 5-year rate is 36% (4% point increase from last biennium)
- 8+ year rate is 40% (6% point increase from prior year)

- **6 Year Graduation Rate**

- Slight decrease to 34% (-2% point decrease from last biennium)



Success:



- Recognition

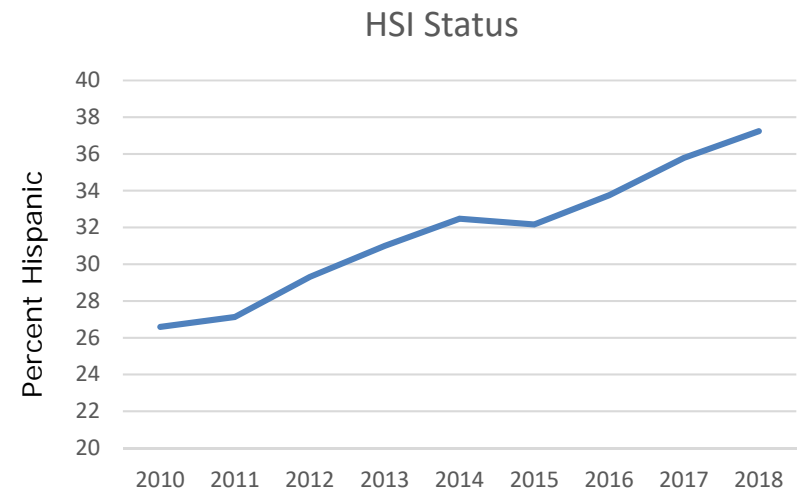
- Princeton Review, National Student Awards, Military Friendly, Great Colleges to Work for

- HSI Status

- Increases in enrollment, retention and graduation
- Over \$13.9 million in federal HSI grant funding

- Reduction of Student Debt

- Scholarship Endowments
- \$139 million Carr Foundation



Funding Priorities:



- Increased Formula Funding
 - Grow and Support Enrollment
 - Cover Inflation
- Maintain Non-Formula Funding
- Outcomes Based Funding
 - If implemented, it should be incremental and a bonus on top of current instructional operations funding
- Hazlewood
 - Increase funding to reduce impact of the legacy exemptions

Exceptional Item Request:



- **Academic & Student Success**
 - \$5,000,000 for the 20-21 Biennium
 - Implement new programs and enhance programs targeting undergraduate students
 - Emphasis on first generation, low socioeconomic and at risk students from underrepresented populations
 - Provide additional access to at-risk students – additional funds are needed to ensure this cohort is retained and graduate in a timely manner
 - Improve academic advising
- **Tuition Revenue Bond Debt Service**
 - \$3,495,881 for the 20-21 Biennium
 - Construction of a new building for the College of Arts and Humanities



ASU®



86th Legislative Session

**House Appropriations
Subcommittee on
Article III
Testimony**

**Dr. Suzanne Shipley, President
Midwestern State University
February 18, 2019**



I am Suzanne Shipley, president of Midwestern State University. Today I will tell you about our institution, highlight a few points of pride, and review our legislative request.

I recently completed my third year as president of Midwestern State University, also known as MSU Texas. Located in Wichita Falls, we are the only public institution of higher education in the northwest region of the state, and the only one located between Denton and Lubbock. We are also the state's only recognized public liberal arts university.

What began as a municipal junior college in 1922 has transitioned to a destination residential university with an enrollment of just more than 6,000 students. Our residential facilities in Wichita Falls can house 42% of our full-time undergraduate student population. This has become increasingly more important with 60% of our undergraduate students now coming from outside the local region, and a large number coming from the DFW area.

MSU Texas has long been valued for the liberal arts foundation it provides for students seeking 21st-century skills in a residential learning environment. As the only member of the Council of Public Liberal Arts Colleges (COPLAC) in the state of Texas, we provide our students with a broad-based interdisciplinary education that develops critical thinking, adaptability, and flexibility. These skills are essential in a rapidly evolving economic environment,

and employers from professional venues such as health sciences, engineering, business, and education value our workforce of critical thinkers who can adapt and thrive in rapidly changing conditions.

During the last two years we have begun to expand our mission to embrace seamless partnerships and shared presence with the community colleges of North Texas. By sharing space and missions with our partners, North Central Texas College and Weatherford College, we can offer working adults and place-bound students of all ages the needed access to an affordable four-year degree. We are working to apply what we have done in Wichita Falls to the growing population of students who wish to complete a baccalaureate or advanced degree without leaving their current careers or locations. We have extended our "brand" to the designation of MSU Texas in order to reflect this broader outreach.

Our goal as MSU Texas is to supplement our traditional, predominantly undergraduate student enrollment with community college transfer students, working adults, and graduate students from across our region. Offering our well-respected approach of individually tailored education to a population that otherwise would not be able to access it will benefit both the population and employers of the region. Largely due to the planned outreach, using Flower Mound as our hub, we are projecting five years of growth, aiming to add 2,000 new students by 2025 by growing by 4% per year.

POINTS OF PRIDE

- As a result of the greatly appreciated Tuition Revenue Bond (TRB) funding approved in 2015, we will finish construction of our Gunn College of Health Sciences and Human Service's new building in Wichita Falls in the summer of 2019. More than 30% of our graduates are preparing for careers in health sciences and human services. They will benefit greatly from this new facility.
- Midwestern State University earned the top spot in the *Diverse: Issues in Higher Education* magazine's lists of the Top 100 minority health science degree producers among U.S. institutions of higher education. MSU Texas ranked No. 1 for bachelor's degrees in allied health diagnostic, intervention, and treatment professions in 2017.
- MSU also ranked in the top 10 of two best-of university lists, including Most Affordable Online College in Texas by BestColleges.com, and a third-place national ranking in the Most Affordable Master's in Healthcare Administration degree programs in 2018 by Healthcare-Administration-Degree.net. Additionally, MSU was ranked in the top 50 in Best Bachelor's in Business Economics by BestCollegeReviews.org and Master's in Sports Management Online Degree Programs by Top-Business-Degrees.net.
- The salaries of our graduates continue to place MSU in the top ten Texas universities by graduates' earnings as reported by the website Best Value Schools. This ranking identified schools based on graduation rate, net price, acceptance rate, and 20-



year net return on investment; MSU was noted for its 20-year ROI of \$300,000.

- When the new Health Sciences and Human Services building comes online, our teacher education programs will move into the vacated space. The TRB funds are also being used to renovate and update our Moffett Library, and to complete long-needed renovations that address fire safety and accessibility in numerous older academic buildings on campus. These renovations will benefit students in all areas of our campus.
- Midwestern State University also receives great support from alumni, foundations, and donors. Through our

capital campaign, Boundless Opportunities, contributions have been received totaling more than \$50 million in the first two and one-half years of the campaign. This support has made it possible for our institution to expand scholarships and provide academic and student support that would have otherwise remained unmet.

- Our institution was recently awarded a Texas Affordable Baccalaureate Grant through the Texas Higher Education Foundation. Through this grant, we will offer a Bachelor of Science in Interdisciplinary Studies (Early Childhood-3) as a hybrid, competency-based, online program beginning in the fall 2019. This program will be a joint effort between MSU and North Central Texas College (NCTC) in Flower Mound and will allow learners the option of continuing to work while earning the degree and, ultimately, receiving a Texas teaching certificate.

PERFORMANCE

As our institution works toward increased enrollment growth we are concentrating on performance indicators such as those shown below.

Student Access	Base Year 2008-2009	2018-19
Average Course Load of Full-Time Undergraduate Students	13.85	13.91
Percent of Students Receiving Pell Grant	24.6%	38.9%
Number of Community College Transfer Students Enrolled	1,952	2,149
Percentage of Hispanic Students Enrolled	9.2%	20.5%
Percentage of African-American Students Enrolled	12.7%	14.8%
Distance Education Only (Fall)	777	1,340
Percent of Undergraduate Students Living on Campus	19%	30.3%

Student Success	2018-19	
First-Time Student Graduation Rate (Four-Year)	11.80%	22.3%
First-Time Student Graduation Rate (Six-Year)	30.60%	41.4%
Graduation Rate for Two-Year Transfers	48.1%	56.0%
Total Degrees Awarded	1,220	1,409

Operational Effectiveness	2017-18	
Total Expenditures per FTE Student	\$15,860	\$20,856
Appropriations per Full-Time Student Equivalent	\$4,935	\$5,194

Competitive Resources	2017-18	
Total Endowment (University held, Foundation, Charitable Trust)	\$44,588,397	\$80,942,000

LEGISLATIVE PRIORITIES

State funding to support the operation of our institution is high on our list of funding priorities. We have outlined below particular areas that are important to the university's overall funding needs.

- **Formula Funding** – Our highest priority is additional funding for the formulas. Formula funding ensures that Texas public institutions of higher education can provide high-quality teaching and support services for our growing student populations to prepare them for the workforce. We also welcome dialog on the issue of outcomes-based funding during the session.
- **Student Financial Aid** – We appreciate the additional funding provided for TEXAS Grants during the 84th legislative session and support any opportunity to provide more aid for our students. In FY18, more than 71.5% of MSU Texas students qualified for state, federal, and local grants and scholarships, and the numbers continue to increase. TEXAS Grants are an important component in aiding low-socioeconomic students in their pursuit of higher education.
- **Hazlewood Exemptions** – We value the relief provided during the last two legislative sessions for the Hazlewood program; however, this continues to be a growing cost to our institution. The continued absorption of these waivers without additional state funding is unsustainable. In FY17 the Hazlewood Exemption program alone cost MSU Texas an estimated \$1.73 million and the amount rose to \$1.95 million in FY18, an increase of almost 13% in a single year.
- **Higher Education Group Health Insurance** – MSU Texas, like all other institutions of higher education in Texas, continues to face increased employee and retiree health care costs that are beyond our control. Additional state funding to offset these rising costs would assist us in not passing these annually increasing operational expenses on to our students.



The following are Midwestern State University's Non-Formula Support Requests for the 2020-2021 biennium, which meet the goal of expanding our educational mission and growing our financial base.



Non-Formula Support Request – Academic Expansion and Outreach – Midwestern State University requests funding of \$1 million in each year of the biennium to aid in our investment in the academic expansion and outreach efforts in Flower Mound. We have leased a newly constructed educational facility adjacent to the current North Central Texas College (NCTC) location in Flower Mound, with the facility opening in May 2018. MSU's capital expenses for start-up funding, in addition to the facility lease and build-out, included \$450,000 for furniture/fixtures and \$550,000 for technology. This request of \$1 million each year of the biennium would support the costs of the leased facility.

While formula funding will become available in 2020 and 2021, this non-formula funding would provide support during these critical early years as enrollment increases. MSU Texas committed to deficit funding in order to provide this missing option for one of the largest metropolitan areas in Texas, hoping that a one-time appropriation of \$1 million in each year of the biennium for this initiative would allow MSU to move to profitability more rapidly.

Our non-formula support request of \$2 million, while not permanent funding, would significantly enhance Midwestern State University's future by replacing our working capital investment for additional expansion projects in the future and enhancing our ability to serve our current student populations.

Non-Formula Support Request – Infrastructure Upgrades – Tuition Revenue Bond (TRB) Funding Request – Midwestern State University requests \$10 million in funding over the next biennium for Infrastructure Upgrades. Many of the university's infrastructure and utility support facilities were built 60 or more years ago. While the university has regularly repaired and upgraded the facilities on a systematic basis, several of the items necessary are beyond the funding currently available to the institution. The infrastructure upgrades needing attention are outlined below.

- The university's Central Plant is running at capacity with the recent addition of two large campus structures: Legacy Hall, a new residence hall (2017) and the new TRB-funded building for the Gunn College of Health Sciences and Human

Services (opening in fall 2019). The current system has no redundancy or capacity for additional facilities with these two additions. The Central Plant building needs to be expanded by approximately 5,000 square feet and two additional boilers installed. The cost for this expansion and equipment is \$3 million.

- The utility tunnels on campus are almost 60 years old and are beginning to deteriorate. As part of the new TRB-funded Health Sciences and Human Services building, a walkway/fire drive will be built over one of the tunnels. Because of its poor condition, the tunnel will not support the drive. The cost to repair and strengthen 380 linear feet of tunnel at \$1,050 per linear foot was added to the cost of the new building, resulting in \$400,000 in new costs for this project. The university has 6,300 linear feet of tunnel, of which 3,000 linear feet are in the same poor condition. The cost to repair the tunnels is estimated at \$3.15 million.
- A main city sewer line runs under the Central Plant building, a parking lot, and one of the campus' academic buildings. The line was placed in this location in the late 1950s, and in 1967 and 1978 the university built the Central Plant and an academic building on top of the line. This sewer line is showing signs of aging and breakage. Because the university erected buildings on top of the sewer line, the university is responsible for any repairs required and/or to move the line. In order to prevent a major sewer line break and shutdown to the neighborhood adjacent to the campus, the university requests funds to permanently move this 2000' sewer line



to a more accessible location. The cost to move the line is estimated to be \$1 million.

- Sikes Lake is a 21.5-acre storm water retention lake on the Midwestern State University campus in Wichita Falls. The area around the lake is used for numerous university and community events and activities to include fun runs, concerts, and celebrations. The lake has silted up to the point of creating multiple acre "islands," made up of trash, muck, and duck/geese droppings, and creating an unhealthy and unsightly environment. Because the lake is so shallow and the silt is like quicksand, the university staff cannot clear out or even clean up these "islands" of muck. In 2000, the lake was dredged at a cost of approximately \$2 million with the Texas Legislature appropriating funds for this project. Dredging is required a minimum of every 20 years, depending on rainfall. The current cost to dredge the lake is estimated to be \$2.85 million.

Midwestern State University fulfills a vital mission for higher education in Texas. Our size, our program offerings, our partnerships with community colleges, and our public liberal arts emphasis provide students with outstanding preparation for professional and personal success. I look forward to continuing the dialogue with you and the members as we build upon our obvious strengths to serve an increasing number and range of students.





STEPHEN F. AUSTIN
STATE UNIVERSITY

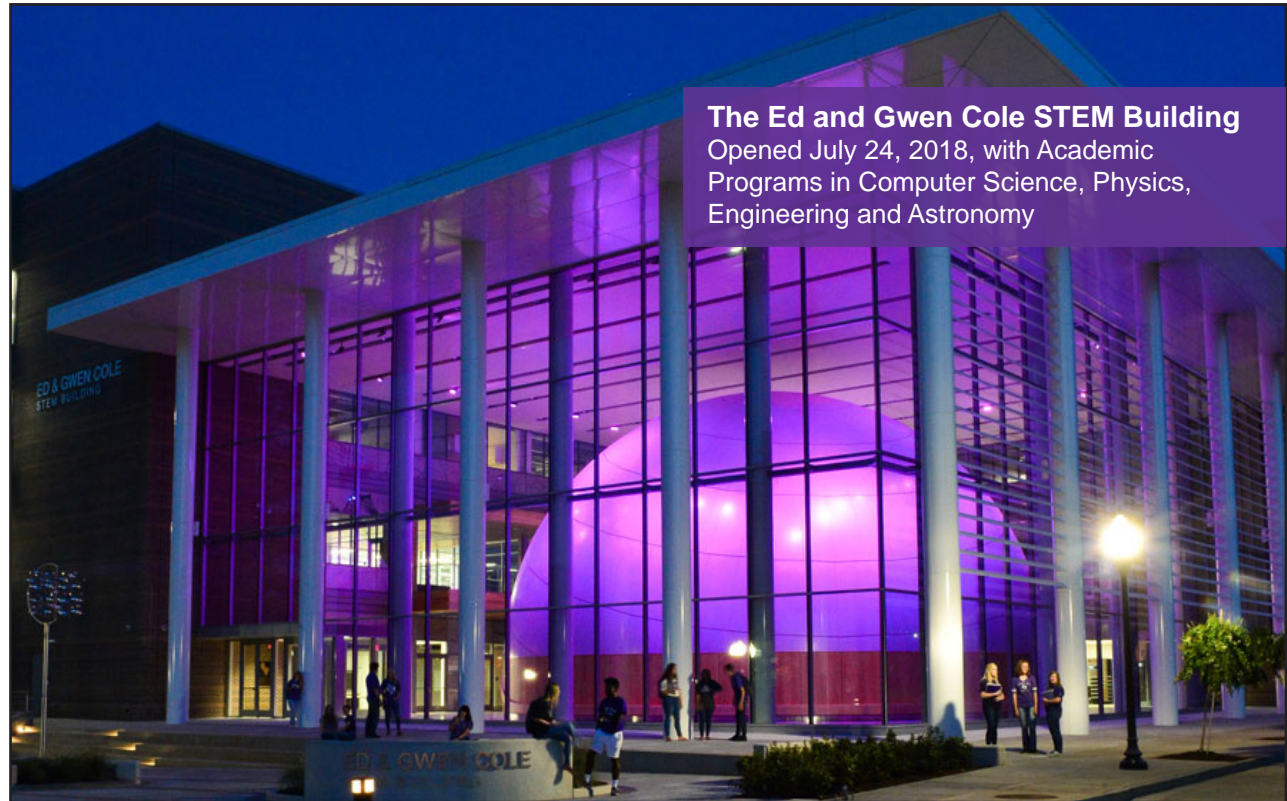
NACOGDOCHES, TEXAS

Testimony for the House Appropriations Committee

Dr. Steve Westbrook, Interim President

February 18, 2019

STEPHEN F. AUSTIN STATE UNIVERSITY is a comprehensive institution located in Nacogdoches (East Texas) that is dedicated to excellence in teaching, research, scholarship, creative work, and service. Since its founding in 1923, SFA has been a leader in the state in the preparation of educators. The University's programs in education and forestry are especially well-known and of benefit to the region and state.



Throughout the university, faculty and staff provide personal attention, engaging our students in a learner-centered environment and offering opportunities to prepare for the challenges of living in the global community. SFA serves students through a variety of undergraduate

and graduate programs. Seventy-six undergraduate programs and 44 master's programs are available in six colleges (Business, Education, Fine Arts, Forestry and Agriculture, Liberal and Applied Arts, and Sciences and Mathematics). Additionally, SFA offers three doctoral programs: the Doctor of Philosophy (Ph.D.)

in forestry and school psychology as well as the Doctor of Education (Ed.D.) in educational leadership. Many degrees offer complete programs or courses via distance education.

Student Participation and Success

- SFA is proud of its mission as a comprehensive university serving students who are primarily residents of Texas. In fact, 97 percent of SFA students are Texas residents, and 91 percent are residents within 200 miles of Nacogdoches. Most students (84%) come from either Dallas (22%), East Texas (32%), or Houston (30%).
- In fall 2018, SFA marked its 95th anniversary with a historical high enrollment of 13,144 (87% undergraduates and 13% graduates). Within the past year, SFA total enrollment has increased by more than 500 students (4%).
- Each year, approximately half of SFA baccalaureate graduates are first-generation college students.
- The university is increasing degree completion numbers with high-need populations by serving diverse groups, including nearly 1,200 economically disadvantaged graduates and more than 900 Hispanic and African American graduates in 2017.
- One of the 60x30TX goals is for 80% of students to be working or enrolled after receiving a degree. SFA already exceeds this goal with 83% of SFA graduates working or enrolled in another higher education institution for an additional degree.
- Overall one-year retention rate for first-time, full-time freshmen is approximately 71 percent. Our goal is to increase this rate by eight more percentage points by 2023.
- SFA continues to award an increasing number of degrees, with more than 2,700 degrees awarded in fiscal year 2018.
- The university's commitment to helping students succeed is further noted through the recent 4.5 percentage point increase in a six-year graduate rate of 48.6% (fall 2018).
- SFA's average semester credit hours to degree (133) is ranked 4th in the state.
- SFA's average time to degree (4.5 years) is ranked 3rd in the state.
- The percentage of SFA bachelor's degrees awarded to "at-risk" students (72.2%) exceeds the statewide average by more than nine percentage points.

Access and Affordability

- SFA is committed to making higher education affordable to its students through financial aid. In fiscal year 2018, approximately 87% of all SFA students received some form of financial aid. In fact, SFA disbursed \$150 million, including \$71.8 million in gift aid and \$78.1 million in federal and state loan funds.
- In fiscal year 2018, there were 1,804 SFA students who received Texas Grants. However, an additional 236 students who met the eligibility requirements did not receive that assistance due to insufficient funds. In total, SFA disbursed \$8.8 million in Texas Grant awards. Of the total awarded, \$4 million was provided to initial recipients and \$4.8 million for returning students' renewals.
- SFA has a strategic goal of increasing the numbers and the success rates of community college transfer students. We are reducing their costs and their time to completion by establishing guided pathways and discipline-based advising; this minimizes excess hours and ensures maximum applicability of hours taken at the community college.
- SFA has developed discipline-specific bachelor's degree programs that we offer in conjunction with community colleges, so that students may complete the degree at the community college, without the extra expenses of moving to Nacogdoches. Examples developed within the past few years include: interior design at Houston Community College, social work at Tyler Junior College and at Lone Star College, sports business and marketing at Lone Star College, human services at Angelina College, and an energy and technology track for the BAAS degree at Panola College. At Lone Star College, SFA has two full-time faculty members to assist students in our degree programs, and we offer the master's degree in social work at Lone Star's Montgomery campus.
- SFA has also developed multiple bachelor's and master's degree programs that are available for completion online, allowing students to access these degree programs without the expense of moving to our main campus in Nacogdoches.
- In an effort to reduce costs, SFA has been diligent to increase efficiency through energy conservation. SFA has completed three energy performance contract phases that have resulted in a nearly 30% reduction in electricity consumption. Our natural gas consumption has been reduced nearly 34%.
- One challenging issue for all universities is finding ways to support veterans and their families. We appreciate their sacrifice and service, but struggle to meet the mounting cost of the Hazlewood Act's tuition exemption for military veterans, their children, and qualifying spouses. During fiscal year 2018, 666 military veterans and their spouses and dependents were enrolled at SFA. Of this group, 71 students are veterans and 595 students are dependents of veterans. Thus, the total Hazlewood Exemption was almost \$4.80 million. This represents an increase of 2.4% from the previous year. The supplementary funds of \$590,944 distributed in fiscal year 2018 assisted in covering previous year's Hazlewood exemptions; however, the growing enrollment of veterans and their dependents requires institutions to seek alternative methods for covering the cost of this exemption. We hope that the legislature will help institutions find funding solutions to this growing challenge.

Stephen F. Austin State University Hazlewood Exemptions

Exemption	2010		2011		2012		2013		2014	
	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount
Veteran	74	258,166	97	339,096	108	467,260	127	560,888	104	445,857
Legacy	20	64,453	128	621,949	272	1,484,497	377	2,375,508	447	3,148,852
Non-Resident							1	5,909	1	5,427
Child/Spouse of Disabled Veteran									16	84,887
Child/Spouse of Deceased Veteran										
Total	94	\$322,619	225	\$961,045	380	\$1,951,757	505	\$2,942,306	568	\$3,685,023

Exemption	2015		2016		2017		2018		Difference		
	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	Percent
Veteran	85	365,269	70	316,192	79	312,464	71	311,393			
Legacy	480	3,425,679	527	3,729,368	545	3,975,763	533	4,006,736			
Non-Resident	1	5,360	1	4,585	2	5,566	1	2,668			
Child/Spouse Disabled Veteran	20	121,070	28	158,578	48	328,260	56	430,754			
Child/Spouse Deceased Veteran	5	29,022	7	54,736	7	43,883	5	27,769			
Total	591	\$3,946,400	633	\$4,263,458	681	\$4,665,935	666	\$4,779,320	572	\$4,456,701	1,381%

Exceptional Items Request

STEM Education/Early Childhood Program

SFA requests \$2 million over the biennium for a Science, Technology, Engineering, and Mathematics (STEM) Education/Early Childhood Program. Institutions of higher education are being called upon to widen the STEM pipeline at all levels of education. The early childhood years are particularly critical to the development of STEM concepts. Nationally, approximately 40% of U.S. children are not ready for kindergarten, and too many children reach grade 4 lacking key science and math knowledge and skills.

This investment will provide the resources to combine the efforts of SFA's College of Sciences and Mathematics and the James I. Perkins College of Education to dramatically increase our efforts in STEM teaching and learning specific to early childhood education. It also will provide professional development for early childhood educators and caregivers. We will develop best practices for the professional development of teachers and rich learning experiences for young children in preschool and kindergarten classrooms that will be sustainable and replicable across the state of Texas.

Capital Funding Request – Natural Resources Science & Innovations Laboratory

SFA is requesting capital funding in the amount of \$48 million to construct a natural resources science and innovations laboratory. This tuition revenue bond request would allow SFA to make necessary improvements to inadequate and antiquated facilities in the Arthur Temple College of Forestry and Agriculture. The initiative would involve constructing and equipping a new 90,000-square-foot environmental sciences building, renovating the existing forestry building and greenhouse, demolishing the agriculture and mechanics shop and military science building, and including those functions in the new facility.



TEXAS SOUTHERN UNIVERSITY

Chairman Zerwas and distinguished members of the committee:

My name is Dr. Austin A. Lane, and I have the distinct honor and privilege to serve as the President of Texas Southern University (TSU). On behalf of the students, faculty, staff, and alumni of TSU, it is my pleasure to appear before you today.

Since our founding in 1927, TSU has had a unique position in the State and City of Houston's educational community. As the first public institution of higher education in Houston, we were established to provide educational opportunities to African-Americans and minorities where none existed. Today, our population reaches most continents of the world and is becoming increasingly diverse. Yet, as one of the nation's largest historically Black colleges and universities (HBCUs), we continue to produce more African-American graduates in the fields of Accounting, Marketing, Law, Physical Sciences including Physics & Chemistry Health and Medical Administrative Services, Communication, Journalism and Related Fields including Radio and Television, Management Information Systems, and Transportation than any other university in this state.

The university is proud our achievements in these fields and gains realized throughout our ABEST measures in recent years. These improvements are largely attributable to the investments that the state has made in our university over the years and the result of dedicated students, faculty, and staff who have worked tirelessly to educate a population where roughly 45 percent of our Freshmen are first-generation college students and over half require some developmental education.

At TSU, we strive to continue to trend upward. However, we believe that in order to maintain our continued success we need the following investments to better support our students.

Initiatives: Pathways to Success and Completion – this \$4 million request seeks support to improve our retention, progression, and graduation rates by implementing technology that will encourage enhanced interactions between students, advisors, and faculty, improving academic planning and degree auditing capabilities, and mapping out success points that focus achievements realized at 30, 60, 90, and 120 hours attained.

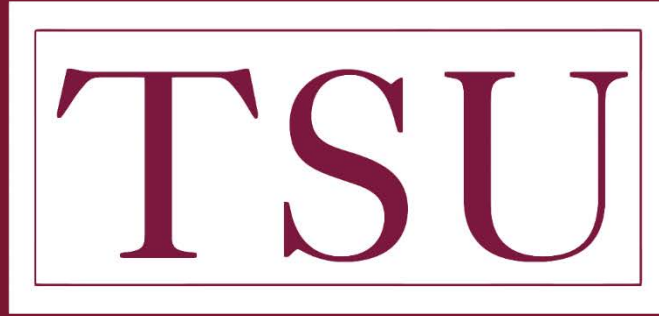
Infrastructure Support – this \$12 million request seeks support for an emerging need for capital to support the university's infrastructure following a recent facilities condition audit, which finds two facilities – Central Thermal Plant and Site/Steam Tunnels – to be in poor and very poor condition.

Pharmacy Equity Funding – this \$4 million request seeks support for equivalent formula funding as our HRI institutions to support our School of Pharmacy's exceptional academic program.

Finally, TSU remains committed to being good stewards of taxpayer dollars and appreciative of the investments that this committee has made in our institution over the years. On behalf of our students, faculty, and staff, I look forward to working with each of you this session to improve outcomes for our students.

Go Tigers!

Dr. Austin A. Lane
President



TEXAS SOUTHERN UNIVERSITY

Senate Finance Committee Hearing

Dr. Austin A. Lane, President
February 12, 2019

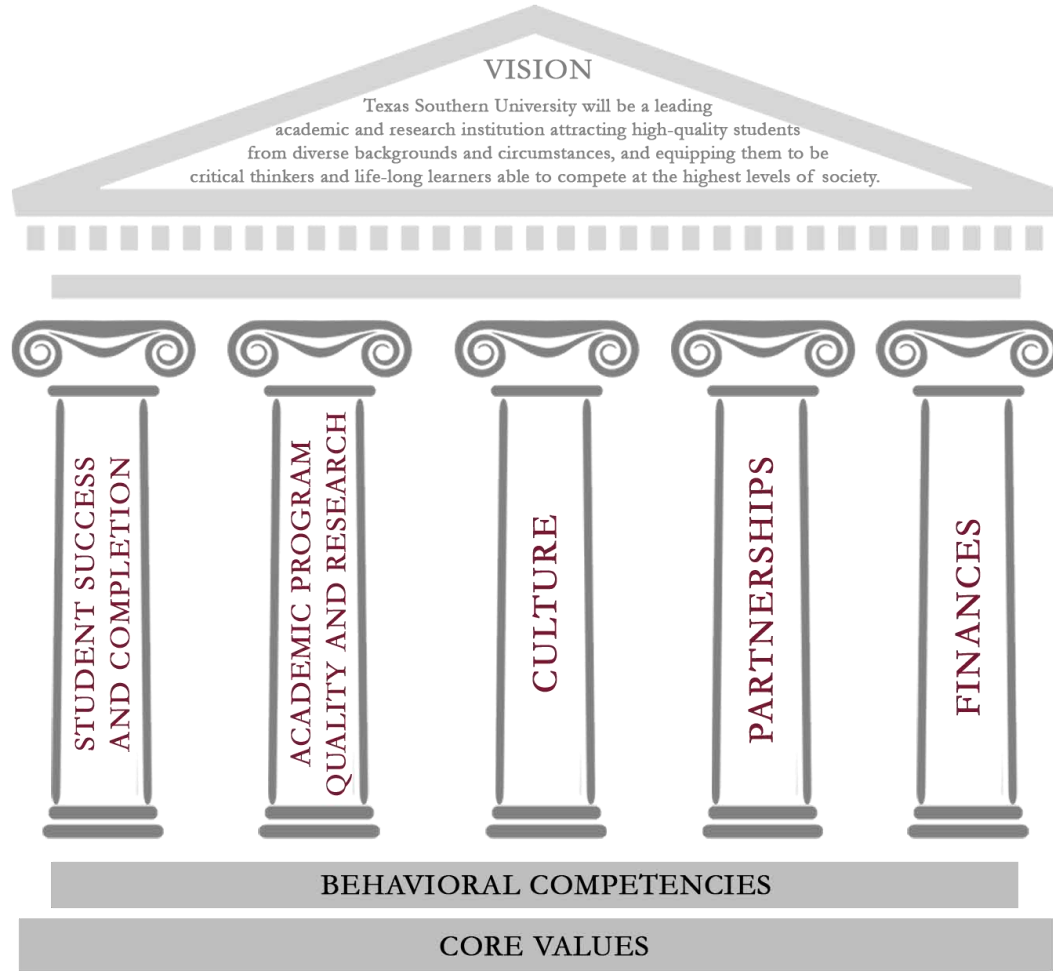
Student Success

Academic Quality

Culture

Partnerships

Finance



VISION

Texas Southern University will be a leading academic and research institution attracting high-quality students from diverse backgrounds and circumstances, and equipping them to be critical thinkers and life-long learners able to compete at the highest levels of society.

MISSION

Texas Southern University is a student-centered comprehensive doctoral university committed to ensuring equality, offering innovative programs that are responsive to its urban setting, and transforming diverse students into lifelong learners, engaged citizens, and creative leaders in their local, national, and global communities.



Student Success

Academic Quality

Culture

Partnerships

Finance

TOTAL OPERATING BUDGET
FY2018 \$192,368,353

FY2017: \$189,751,306 • FY2016: \$171,916,080

Total Student Headcount: Fall 2018 = 9,732 SCH = 125,803

DEMOGRAPHICS

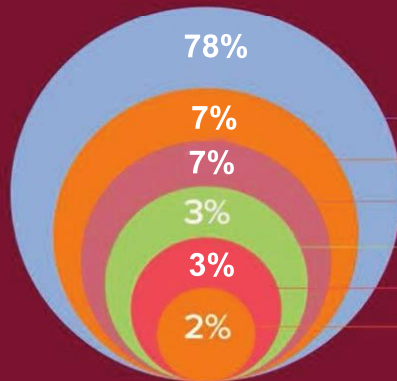
GENDER



FEMALE
58%



MALE
42%



RACE/ETHNICITY

- African Americans
- Hispanic
- International
- Asian
- White
- Other

Average Age: Undergrad 23 • Graduate 33 • Law 27 • Pharmacy 29

THE ROAD TO TIGER LAND TOP 5 STATES



Top 5 Countries: 1. Saudi Arabia 2. Nigeria 3. Qatar 4. Kuwait 5. Bahamas

*NEARLY 83% OF TSU STUDENTS ARE FROM TEXAS



Fall 2017-Summer 2018 Number of Degrees Awarded: 1665
 993 Undergraduate • 672 Graduate & Professional

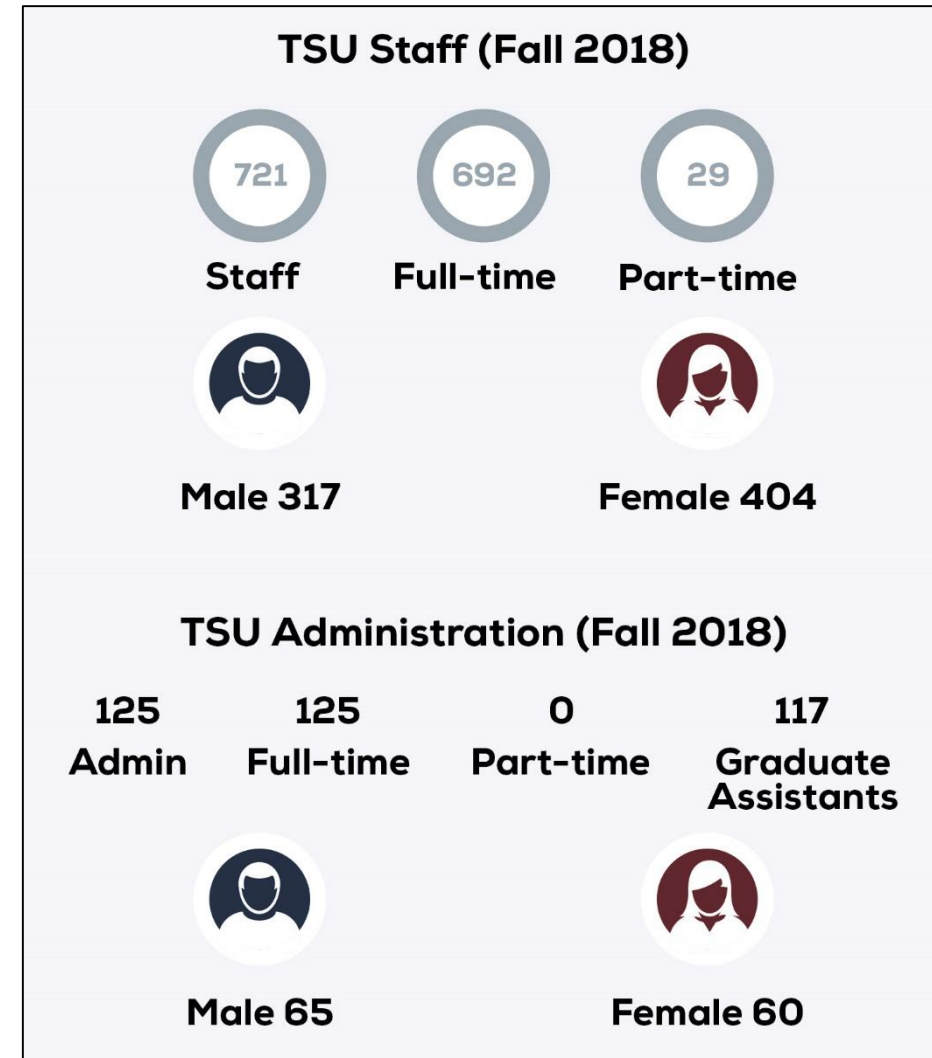
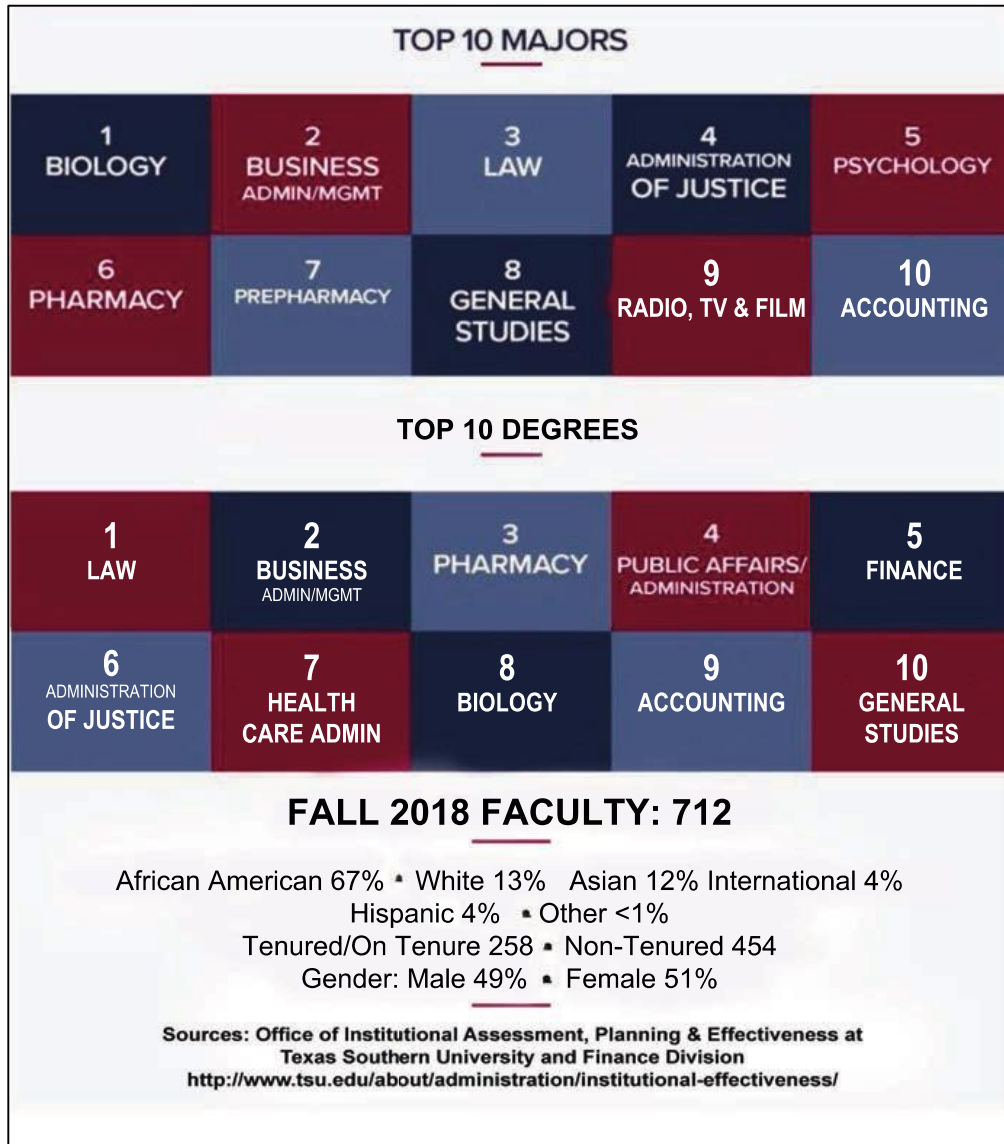
First-Time Freshmen Profile



FY 2018 TUITION & FEES

83% Received Financial Aid in Fall 2017

15 Hours: In-State \$4,586.65 • 15 Hours: Out of State/Foreign \$10,811.65
 12 Hours: In-State \$3,782.92 • 12 Hours: Out of State/Foreign \$8,762.92



Exceptional Item Requests

Initiatives: Pathways for Success and Completion

Initiatives: Pathways for Success and Completion



TCLAW – Benefits Students, Faculty, Advisors

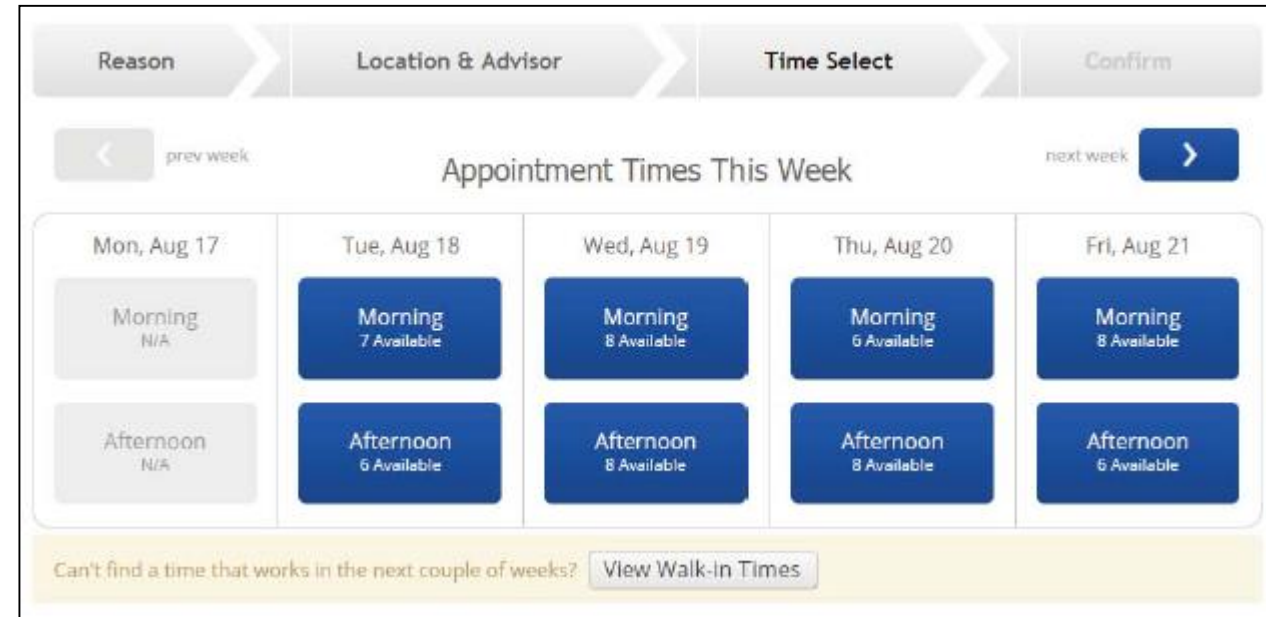
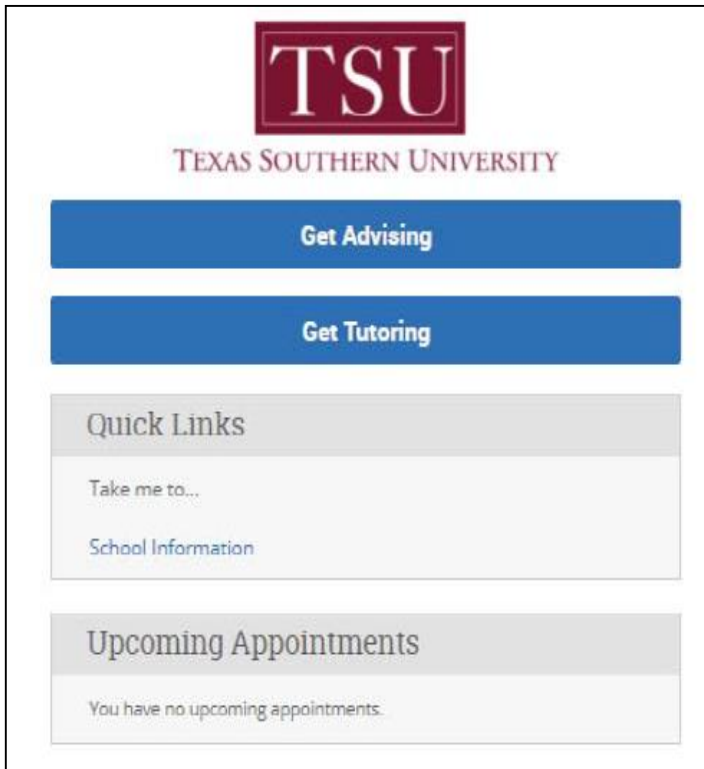
- Easy way to schedule an Academic Advising Appointment or Tutoring Session online
- Review information from Advising appointments such as Degree Plans
- Faculty/Advisors may easily communicate with students, record course attendance and issuing alerts for students who might be at-risk.

[T-CLAW Website](#)



TCLAW – Schedule an Appointment Guide

- Student follows prompts to select building for advising/tutoring, the preferred advisor/tutor, etc.
- Then the below schedule options will appear based on selections



What is Degree Works?



A user-friendly online degree audit system and academic planning tool that allows users to view students completed courses and remaining requirements for graduation, in accordance with the University Catalogue.

Degree Works: Capabilities

- Improve academic advising.
- Increase persistence and graduation rates.
- Students may review completed and current courses and grades.
- Students may review the courses needed for degree completion.
- Students can prepare ahead of time for an academic advising session.
- Advisors and students have a centralized place to view student's academic course history, major, major concentration, GPA, academic standing, minor, etc.

Degree Works: Capabilities

- Advisors can create a note indicating that the student has been advised.
- Departments can be assisted with course scheduling, by determining the courses needed for students to complete their degree.
- Students can use a “What If Analysis” to see what courses will be needed if they change their major or minor.
- The GPA calculator can indicate which grades are needed in order to increase one’s GPA to a specified level.
- Total cost of education can be decreased by students enrolling in the proper courses and reducing the time needed to graduate.

Project Graduation

Project Graduation (PG) is a pathway to success and completion at TSU. PG is a Campus Wide Accountability System that maps out the steps you should take each semester in the areas of:

- Academics
- Financial Planning
- Career Exploration
- Wellness.

Utilizing a passport model, pathways defined by student success points are outlined for what you should have completed by 30, 60, 90, and 120 credit hours.

PROJECT GRADUATION
YOUR PATHWAY TO SUCCESS & COMPLETION@TSU



Project Graduation

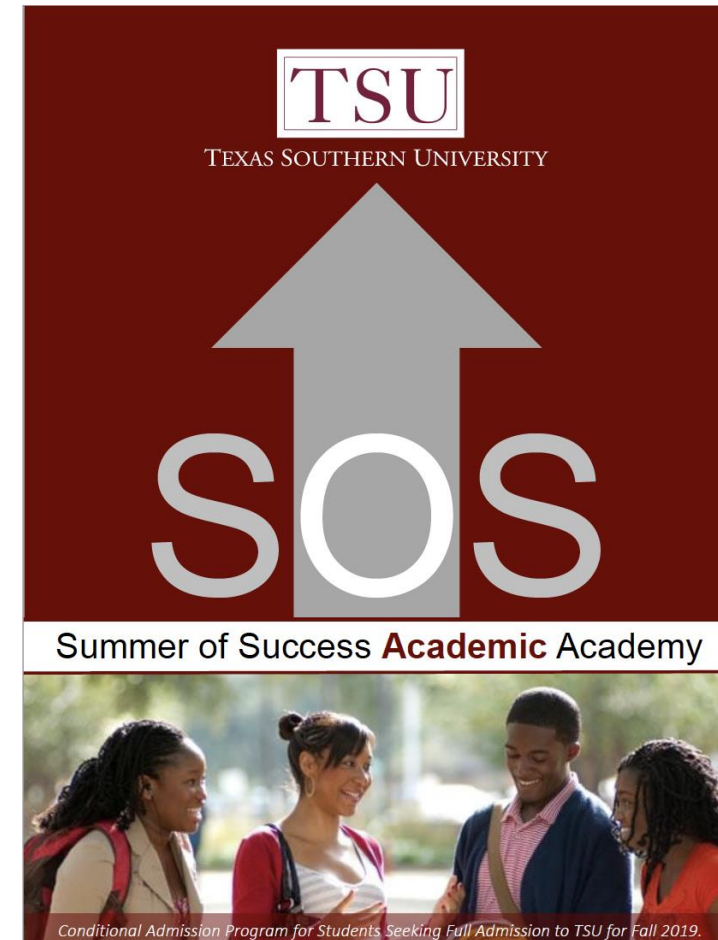
Credit Hours	30	60	90	120
Academics	<p>Meet with your advisor each semester to check:</p> <ul style="list-style-type: none"> Major Declared Accurately Progress towards the core Course Degree Plan Transfer Course Check <ol style="list-style-type: none"> Register for 15 Hours in Spring and Fall Participate in two college-based programs in the Fall and Spring. 	<p>Meet with your advisor for:</p> <ul style="list-style-type: none"> Core Complete Status Progress in Degree Plan Transfer Check <ol style="list-style-type: none"> Register for 15 Hours in Spring and Fall. Participate in two college-based programs in the Fall and Spring. 	<p>Meet with your advisor for:</p> <ul style="list-style-type: none"> Your 1st Degree Audit Check the interface between your minor and major Identify substitutions to keep you on track. <ol style="list-style-type: none"> Apply for Graduation Register for 15 Hours in Spring and Fall Participate in two college-based programs in the Fall and Spring. 	<p>Meet with your advisor for a prescriptive Roadmap to graduation.</p>
Career Exploration	<ol style="list-style-type: none"> Attend one job fair. Attend a resume boot camp. Apply for an internship or other work experience opportunity. 	<ol style="list-style-type: none"> Attend one job fair. Attend a resume boot camp. Apply for an internship or other work experience opportunity. 	<ol style="list-style-type: none"> Attend one job fair. Attend a resume boot camp. Apply for an internship or other work experience opportunity. 	X
Financial	<p>Meet with your financial aid counselor to discuss your aid package for the year, eligibility for scholarships, and grants,</p> <p>Attend a Financial Literacy workshop hosted by Student Academic Support and Financial Services.</p>	<p>Meet with your financial aid counselor to discuss your aid package for the year, eligibility for scholarships, and grants,</p> <p>Attend a Financial Literacy workshop hosted by Student Academic Support and Financial Services.</p>	<p>Meet with your financial aid counselor to discuss your aid package for the year, eligibility for scholarships, and grants,</p> <p>Attend a Financial Literacy workshop hosted by Student Academic Support and Financial Services.</p>	X
Wellness	<p>Attend The Health Center Open House.</p> <p>Attend one Health Center event a semester.</p>	<p>Attend The Health Center Open House.</p> <p>Attend one Health Center event a semester.</p>	<p>Attend The Health Center Open House.</p> <p>Attend one Health Center event a semester.</p>	X



Summer of Success Academic Academy

- Summer of Success (SOS) - Conditional admissions program, designed to meet the demands of the state’s 60X30TX Plan, requires students to take six hours with mandatory attendance; incorporates a residential component; provides students an opportunity for fall enrollment.

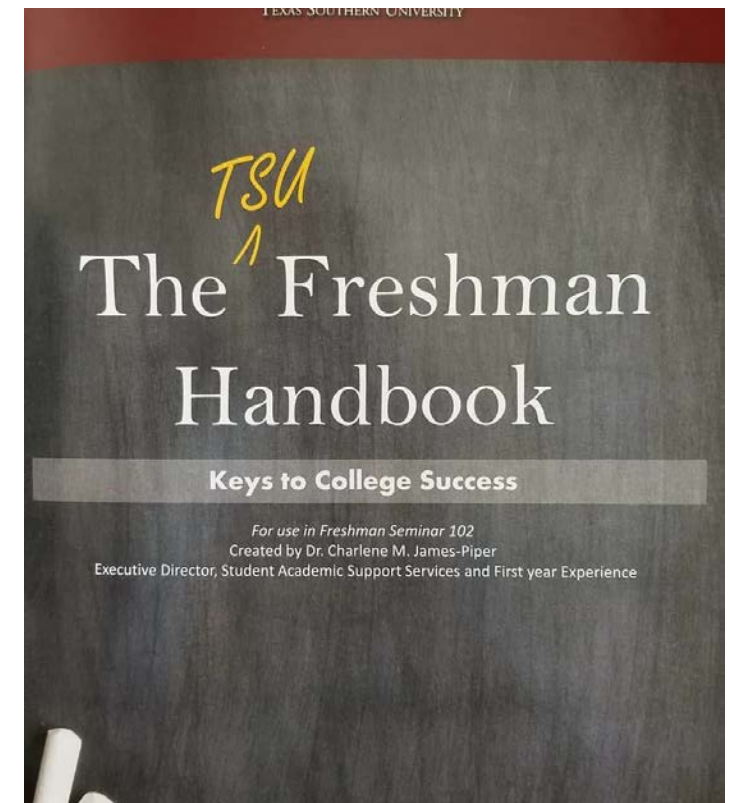
	2016 SOS	2017 SOS	2018 SOS
# Participants	256	286	198
# Successfully Enrolled in Fall	234	248	193



Freshman Seminar 102

- FS 102 is a multi-modal, 16-week course serving as TSU's first year student success course.
- Meets MW or TR
- Student receive a letter grade and 1 credit hour

FA18: 1,365 students were enrolled in FS 102





Freshman Seminar 102 – Fall 2018

Hours Completed by Students in FS 102 - Fall 2018		
# of Students	% of Total Population	Number of Hours Earned
90	6%	0-3
182	13%	(4-8)
222	16%	(9-11)
419	30%	(12-14)
452	33%	(15+)
1365	Total # of Students Enrolled in FS102	
Academic Standing - End of Semester (Fall 2018)		
# of Students	% of Total Population	Description
833	61%	Good Standing
532	38%	Not in Good Standing
Not in Good Standing (Breakdown)		
491	35%	<i>Academic Probation</i>
41	3%	<i>Academic Suspension</i>

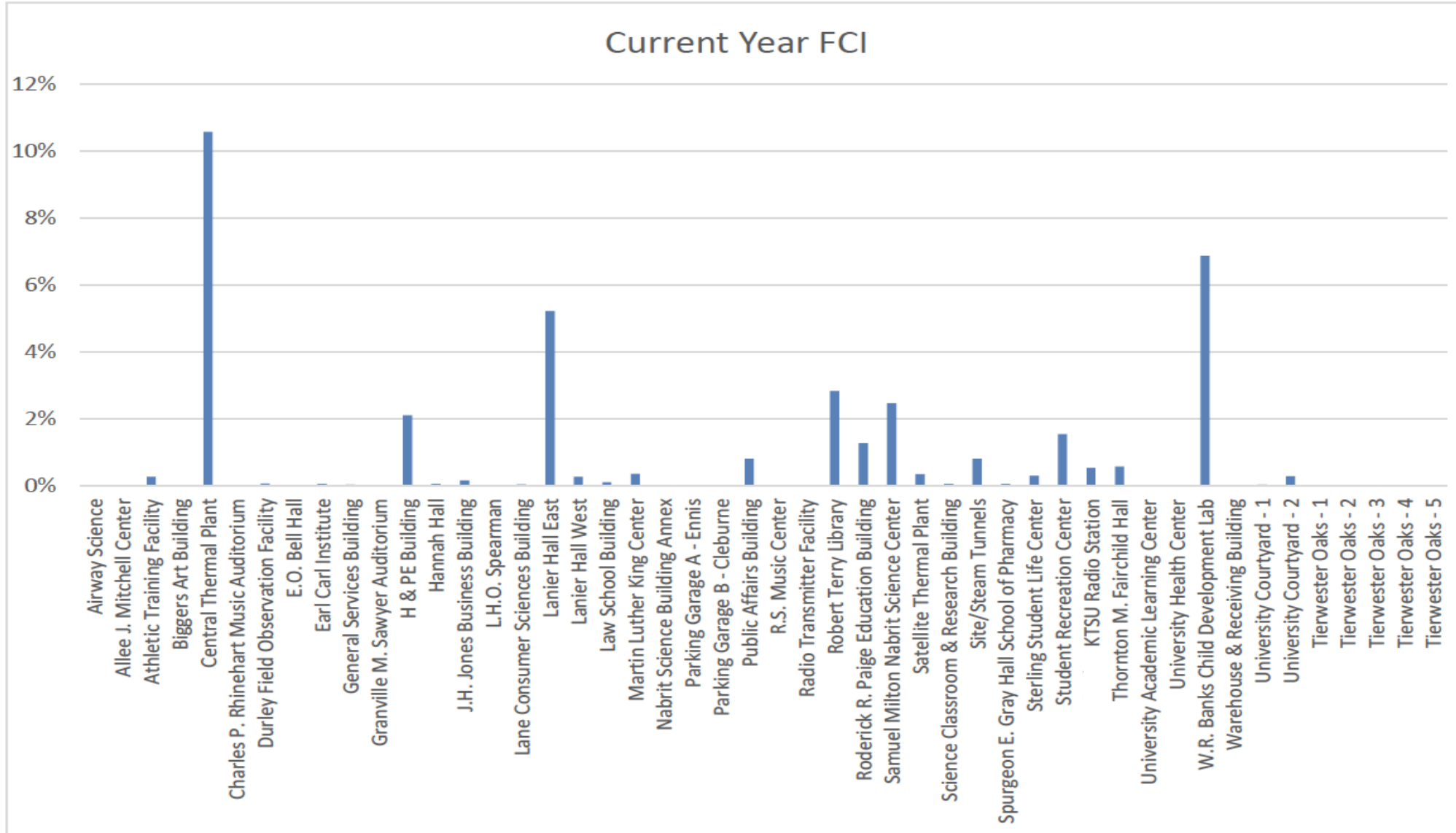
Exceptional Item Requests

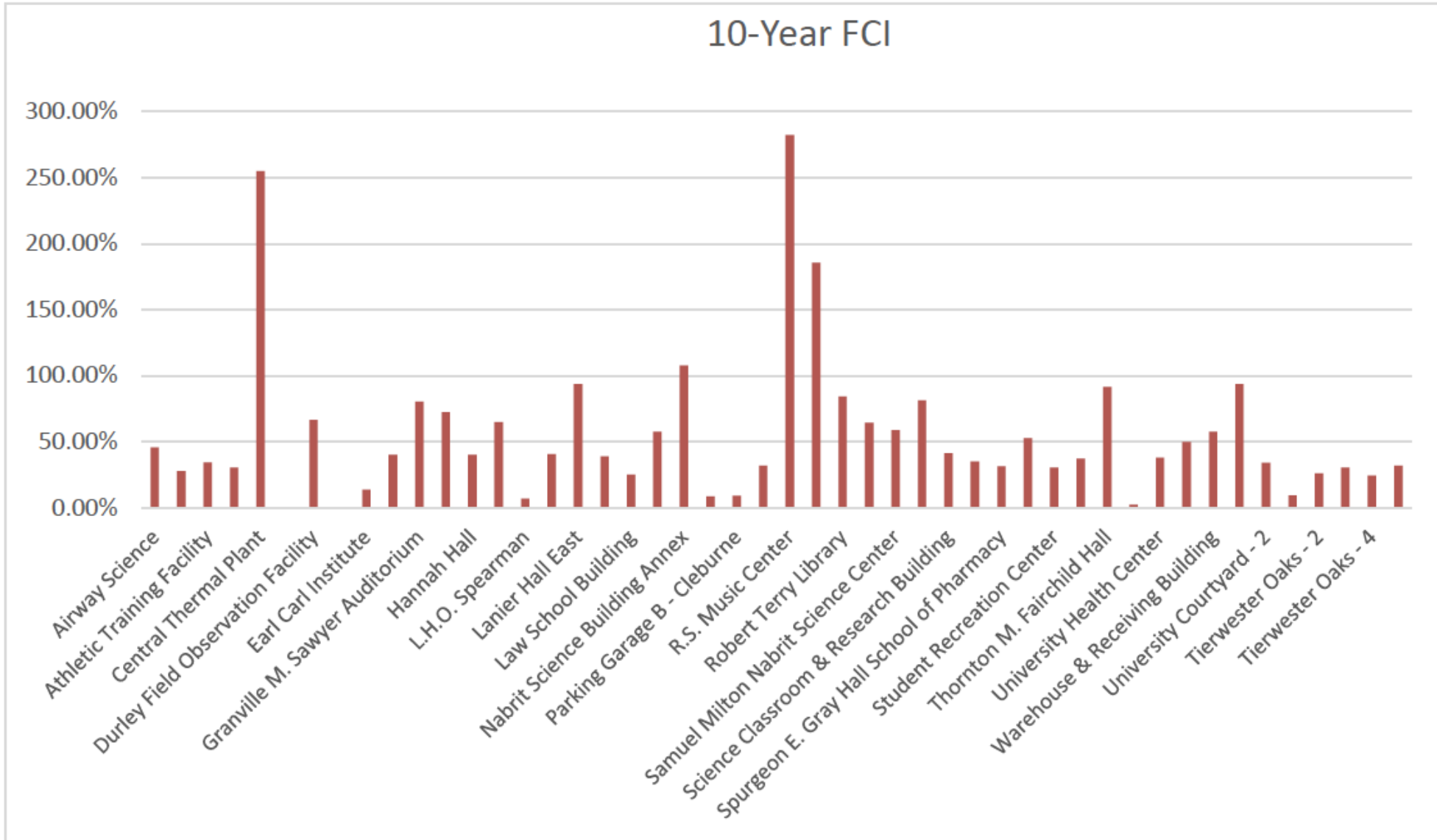
Infrastructure Support

Facilities Condition Index (FCI) Rating

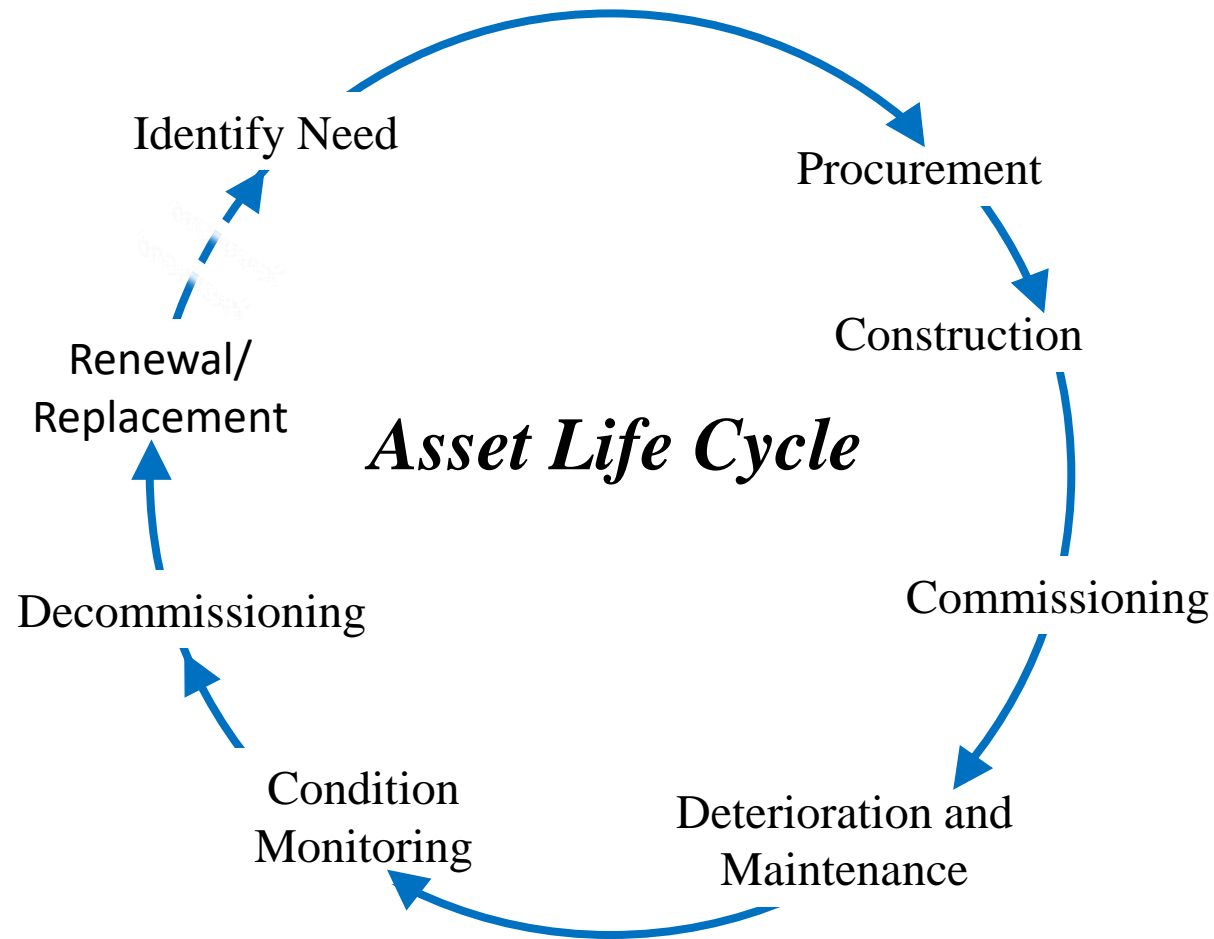
FCI CONDITION RATING	DEFINITION	PERCENTAGE VALUE	FY18 FCI	FY28 FCI
Good	<i>In new or well-maintained condition, no visual evidence of wear/soiling or other deficiencies.</i>	<i>0% to 5%</i>	44	1
Fair	<i>Subject to wear/soiling but still in a serviceable/function condition.</i>	<i>> 5% to 10%</i>	3	3
Poor	<i>Subjected to hard or long-term wear. Near the end of serviceable life.</i>	<i>> 10% to 60%</i>	1	29
Very Poor	<i>Has reached the end of useful/serviceable life. Renewal is now necessary.</i>	<i>> 60%</i>	0	15

Update on the facilities report commissioned for the state of repair/disrepair existing campus infrastructure.





Future Thinking About Campus Assets



TEXAS SOUTHERN UNIVERSITY

CAPITAL EXPENDITURE PLAN

3-YEAR INFRASTRUCTURE PLAN

The TSU Capital Plan is a tool that helps the University understand and plan for upcoming projects. This snapshot shows some of the implemented portions of the TSU Capital Plan.

CAPITAL PLAN 1 COMPLETED

OFFICE of INFORMATION TECHNOLOGY

<p>RODERICK R. PAIGE BUILDING COLLEGE of EDUCATION</p> <p>JESSE H. JONES SCHOOL of BUSINESS</p> <p>MARTIN LUTHER KING, JR. BUILDING SCHOOL of COMMUNICATION COLLEGE of LIBERAL ARTS AND BEHAVIORAL SCIENCES</p>	<p>67 INTERACTIVE PODIUMS</p> <p>48 SMART DISPLAYS</p> <p>387 LAB AND CLASSROOM COMPUTERS</p> <p>33 SMART INTERACTIVE DISPLAYS</p> <p>4 HD PROJECTORS</p>	<p>37 NEW NETWORK CORE SWITCHES</p> <p>13 MOP AND OIL RACK CLEANUP</p> <p>110 WIRELESS ACCESS POINTS</p> <p>9 UPS REPAIR OR REPLACEMENT</p> <p>2100 GATE BUILDING CABLEING L.A.N. AP'S AND AUDIO VISUAL</p>	
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CAPITAL PLAN 2 IN PROGRESS

OFFICE of INFORMATION TECHNOLOGY

<p>SCIENCE BUILDING COLLEGE of SCIENCE, ENGINEERING AND TECHNOLOGY</p> <p>BARBARA JORDAN-MICKEY LELAND SCHOOL of PUBLIC AFFAIRS</p> <p>NABRIT SCIENCE CENTER SPURGEON E. GRAY HALL</p> <p>COLLEGE of PHARMACY AND HEALTH SCIENCES</p>	<p>57 INTERACTIVE PODIUMS</p> <p>31 SMART DISPLAYS</p> <p>708 LAB AND CLASSROOM COMPUTERS</p> <p>13 SMART INTERACTIVE DISPLAYS</p> <p>52 HD PROJECTORS</p>	<p>83 NEW NETWORK CORE SWITCHES</p> <p>15 MOP AND OIL RACK CLEANUP</p> <p>341 WIRELESS ACCESS POINTS</p> <p>9 UPS REPAIR OR REPLACEMENT</p> <p>4035 GATE BUILDING CABLEING L.A.N. AP'S AND AUDIO VISUAL</p>	
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CAPITAL PLAN COMPLETED

DEPARTMENT of PUBLIC SAFETY

<p>7 MARKED POLICE VEHICLES</p> <p>Patrol the campus and have a better response time to calls for service while providing a potential detour to crime.</p>	<p>8 UNMARKED POLICE VEHICLES</p> <p>DPS Administrative Staff and Command Staff (1) for President's usage and Board of Regents transport.</p>	<p>6 EZ GO GOLF CARTS</p> <p>To assist with patrolling the campus and security escorts.</p>	<p>3 SEGWAY PATROLLERS</p> <p>Added to the police fleet to increase visibility and assist in areas where police vehicles may have trouble driving and patrolling.</p>	<p>POLICE DISPATCH SYSTEM was added to meet the Police Department's 100 and 1000 call requests in order to better serve the campus.</p>
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CAPITAL PLAN IN PROGRESS

<h5>DEPARTMENT of PUBLIC SAFETY</h5> <p>1 MARKED POLICE VEHICLES</p> <p>Patrol the campus and have a better response time to calls for service while providing a potential detour to crime.</p> <p>ACCESS GATE and CONTROL SYSTEM still pending an upgrade due to vendor contract not expiring until the end of June 2018.</p>	<h5>CAMPUS UPGRADES</h5> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>NEW BANNER 9 HAS BEEN CONFIGURED FOR THE STUDENT, HR AND FINANCE SYSTEMS ON CAMPUS</p> </div> <div style="width: 45%;"> <p>WALK IN THE DARK CAMPAIGN Improvement of the interior and exterior lighting campus wide:</p> <ul style="list-style-type: none"> • Martin Luther King • Roderick R. Paige • Jesse H. Jones • East and West Campus • School of Public Affairs </div> </div> <div style="background-color: #e91e63; color: white; padding: 10px; margin-top: 10px;"> <p>RELIABILITY IMPROVEMENTS WITHIN MEP INFRASTRUCTURE:</p> <ul style="list-style-type: none"> • Student Student Center (Domestic Water and One Meter) • Sports Hall (Cable and Fire Alarm Panel) • Student Recreation Center (HVAC and Fire Alarm) • Student Recreation Center (HVAC and Fire Alarm) • Student Recreation Center (HVAC and Fire Alarm) </div> <div style="margin-top: 10px;"> <p>MAJOR UPGRADES TO OUR TRANSFORMERS, SWITCHGEAR AND ELECTRICAL CIRCUITS:</p> <ul style="list-style-type: none"> • Jesse H. Jones • Student Recreation Center • Athletic Field House • Panther Building </div>
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FACILITIES DEPARTMENT

<p>ROOF AND WATERPROOFING UPGRADES:</p> <ul style="list-style-type: none"> • Alie Mitchell • W.R. Banks • Student Help Center • University Court Yard, 1 & 2 (Pending) • Tierwester Oaks 1-5 (Pending) 	<p>ACCESS CONTROL AND SECURITY:</p> <ul style="list-style-type: none"> • Alie Mitchell • W.R. Banks • Student Help Center • University Court Yard, 1 and 2 (Pending) • Tierwester Oaks 1-5 (Pending) 	<p>REPAIRS AND UPGRADES:</p> <ul style="list-style-type: none"> • Elevators campus wide by Amtech • Lighting upgrades in Biggers Art and R.S. Music • Domestic Water System in School of Public Affairs • Central and Satellite steam system upgrades • W. R. Banks Boiler replacement 	<p>BUILDINGS AND GROUNDS DEPARTMENT REQUESTED ITEMS:</p> <ul style="list-style-type: none"> • All terrain litter Vacuum • Box Panel van with lift gate • Riding Mowers 72" • 2 walk-behind mowers 36" & 48" • Crew Cab pickup with lift gate • 2 John Deere utility vehicles
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Updates will be posted on the TSU website to keep you informed regarding the progress of the plan.

Exceptional Item Requests

Pharmacy Equity Funding

Student Success

Academic Quality

Culture

Partnerships

Finance

Texas Southern University's pharmacy program has experienced a significant funding disparity from those programs that are funded through the health sciences formula. Our program receives significantly less funding on a per student comparison because the program is housed at a general academic institution rather than a health-related institution even though the curriculum is substantially similar.

In 2017, the university increased its Pharmacy NAPLEX pass rates by 8.2% and looks for continued success with the program.

Questions?



Chairman Zerwas and Members of the House Appropriations Committee:

My name is Dr. Carine Feyten and I am the Chancellor and President of Texas Woman's University (TWU). It is my honor to appear before you today on behalf of the students, faculty, and staff of TWU.

From our founding in 1901, Texas Woman's University has had a long and rich tradition of educating Texans who have little other access to higher education. Our original mission, to educate the women of Texas, is still very much a part of our DNA. That mission has expanded in recent years to include men, first generation students, minorities, and other underserved populations that demographers tell us we must reach if we want the next generation of Texans to continue to prosper.

Now that I have been at TWU for a few years I can say that what we do well, and I would argue better than any other institution, is focus on the whole student. Our student body is not traditional in any sense of the word. We are a majority minority, Hispanic Serving Institution, and over half of our students are first generation, over half are transfer students, almost half are Pell Eligible, and all of them bring a unique perspective to higher education. Educating this generation of Texans presents a different set of challenges and opportunities than any previous generation, and at TWU we are at the forefront of addressing those challenges and opportunities.

It may appear on paper that TWU is a middle of the pack university when you just look at the surface numbers. But we are anything but average. We excel at educating minorities. We excel at educating first generation students. We excel at educating women. We excel in Nursing and Physical Therapy and Occupational Therapy. We excel in educating veterans. And we blow the doors off the record books when it comes to educating and graduating former foster care youth. But all those points of excellence will never add up in the aggregate on a spreadsheet when compared to some of our bigger counterparts. That is fine with us. We are perfectly happy being an institution of excellence one pell-eligible first generation student at a time.

So what I am here today to ask of you, is to not only dive deep into the numbers, but also to look beyond the numbers because I am confident that once you do, you will recognize what an excellent investment Texas Woman's University is for the State of Texas.

I look forward to working with you. Thank you for your continued support.

Sincerely,

Dr. Carine Feyten



TEXAS WOMAN'S
UNIVERSITY

“Educate a Woman – Empower the World”

Our students reflect Texas

Texas 2018 Population
Estimates (28,110,803)



Texas Woman's Undergrad
Enrollment (9,429)



44% of TWU
students are
Pell eligible

■ White (43%) ■ Hispanic (40%) ■ Black (12%) ■ Asian (5%)

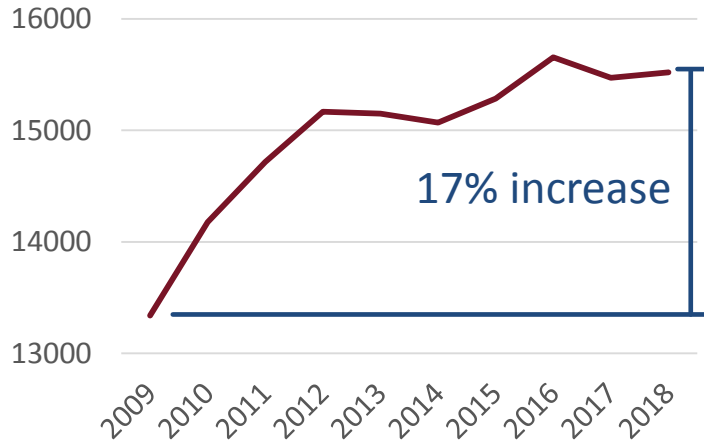
■ Asian (10%) ■ Black (19%) ■ Hispanic (32%) ■ White (39%)

Tied in 6th place on ranking by *U.S. News & World Report*
for most diverse student body in the country.



Growth, transfer & grad composition

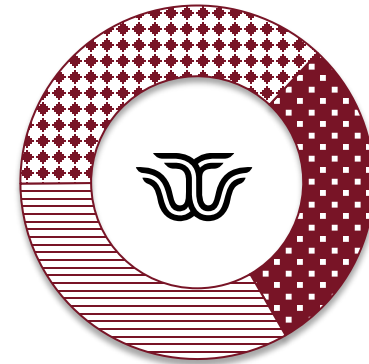
Total Fall Enrollment



Hispanic Growth
104% since 2009



Enrollment Composition

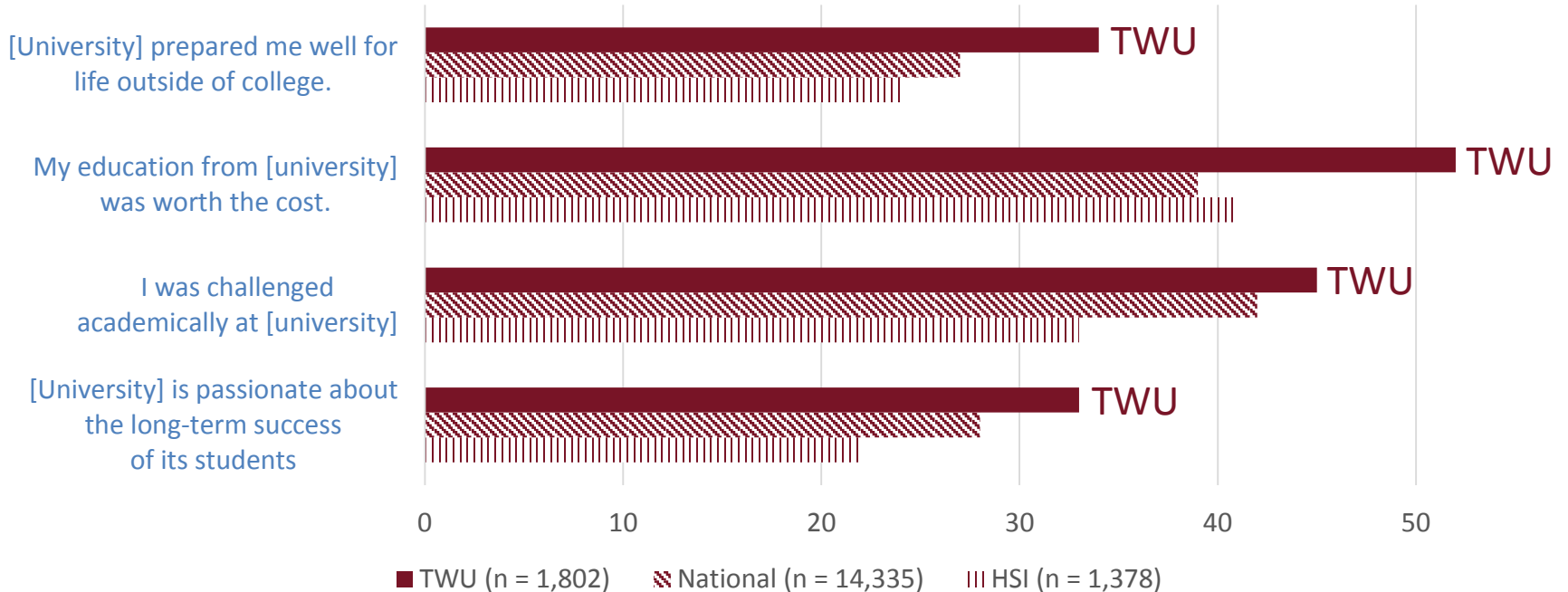


■ Traditional ■ Transfer ■ Graduate

38% of the Texas Woman's budget is supported by the State; \$15 million in scholarships to students.



Outcomes: Gallup & Excelencia



Gallup's data collection was conducted between Feb 12 and Mar 13, 2018. All samples include graduates from 2000 to 2017 from Title IV institutions; HSI status is designated by National Center for Education Statistics during 2015-16 academic year.



Bucking the trend

USC Race & Equity Center

- Black student representation grade: A
- Black student completion grade: B
- TWU Equity Index: 2.61 (20% above State)

Frontiers students graduation rate **60%**

- Texas Woman's: 60%
- National: 3%

Frontiers students are those who age out of the foster care system



Texas Woman's team wins 3 of 4 in Texas Space Grant Consortium Design Challenge Showcase against top engineering schools in the State.



24 percent of nursing PhDs graduate from Texas Woman's

11 partnerships w/ community college nursing program

200+ articulation agreements with eight community college systems



Opportunity & Excellence

College for All Texans cost ranking

Rank	Total
1	\$18,033
2	\$19,664
3	\$20,328
4	\$21,111
5	\$21,222
66	\$29,400
37	\$31,413

Texas Woman's

TWU graduates have less than state average on college debt

#1

in DFW for graduate salaries vs cost of attendance

— *Dallas Business Journal*

#2

in Texas for the value the university adds to grads income

— *The Economist*

85

percent of graduates are employed or attend graduate school within a one year of graduating

#4

in affordability as ranked by College for All Texans



Student Focus

Financial literacy programming and advising to reduce student debt

Free summer housing program reduces cost and time to degree

Campus Alliance for Resource Education (CARE) – serves needs of non-traditional, commuter, and veteran students

Wellness programs for healthy body, mind, and spirit

The Pioneer Center for Student Excellence center serves as one-stop shop for any student seeking help or to enhance their academic experience



Institute for Women's Leadership

Center for
Women in
Business

Center for
Women in
Politics and
Public Policy

Center for
Student
Leadership

- Helping to make Texas #1 for women entrepreneurship
- Interactive exhibit will chronicle female political leaders in the Texas and work to increase the number of women in public service leadership positions
- Intentional focus on developing women who can take on leadership roles in the workforce



Budget Priorities

THANK YOU for Full Formula Funding

- **Thank you** for fully funding the operational formula.
- Please correct HEGI formula to accurately reflect the costs of insuring faculty and staff.
- **Thank you** for restoring funding for Institutional Enhancement. IE is critical for TWU to maintain operational stability.



Budget Priorities (cont)

Tuition Revenue Bond for TWU Health Sciences Building (Exceptional Item)

- TWU has experienced rapid growth in enrollment (95% since 2001) and the College of Health Sciences (CHS) is in desperate need of additional clinical and academic space.
- A Health Sciences Center (HSC) on the Denton campus will facilitate enrollment growth in programs that will help address high workforce need in healthcare and provide badly needed clinical services to the North Texas region with a focus on rural areas.



Budget Priorities (cont)

Center for Longevity and Rural Health (Exceptional Item)

- The Center for Longevity and Rural Health will leverage TWU's strengths in health sciences in a clinical environment that will be designed to focus on rural health and Texas aging baby boomer generation.
- The proposed funds will create a Center engaged in scientific and clinical research that focuses on facilitating healthy aging and improved quality of life.



Budget Priorities (cont)

Additional funding to recruit and retain nursing faculty

- Addressing Texas nursing workforce shortage will not happen without additional nursing faculty.

Increased funding for Texas Grants

- TWU serves a high financial need student population with 44% of undergraduates qualifying for federal Pell grants for the 2017-18 award year

Increased funding to offset the costs associated with Hazlewood



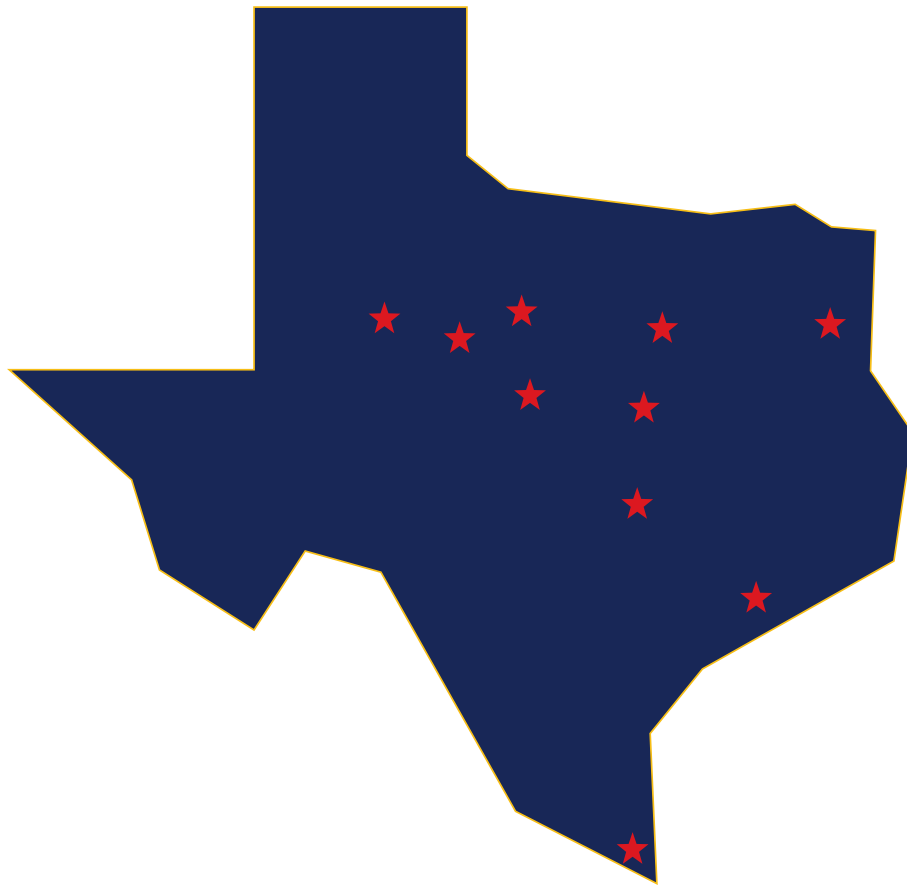
House Appropriations Committee Report



tstc.edu



TSTC Locations



- ABILENE
- BRECKENRIDGE
- BROWNWOOD
- FORT BEND COUNTY
- HARLINGEN
- MARSHALL
- NORTH TEXAS
- SWEETWATER
- WACO
- WILLIAMSON COUNTY



Preface

Transitioning to outcomes-based funding was not an easy task. Every process and structure at Texas State Technical College had to change and so did the entire culture of the College. As any leader knows, it is not easy to transform the manner in which an organization does business – especially one that has operated the same way for more than 50 years and, even more so, one that is in a sector steeped in the centuries-old traditions of higher education.

However, the TSTC family did it. Our team threw out the conventional operating manual, pulled together, and rewrote the book on technical education. TSTC not only changed *how* we do business – we changed *why* we do business.

Today, TSTC has a single purpose: **Student Employment Success**. This means we consider a college credential a means to an end, not a goal unto itself. Accordingly, our technical programs are high quality and relevant to the most urgent workforce needs of Texas employers. This distinction among colleges makes an enormously positive difference in the lives of our students and in the workplace effectiveness of the Texas companies that hire them. Just ask our graduates or their employers.

Most importantly, TSTC provides an extraordinary return on investment. We are affordable for both students and the state, and the employment outcomes realized through a TSTC credential are uncommonly high. This means that Texas families thrive. Businesses and industries expand. The economic vitality of Texas grows.

TSTC is far from the largest educational system in Texas, but **We Deliver High-Value Results** that are beyond our scale. Every day, we change lives, we grow industry, and we make Texas strong.

We are TSTC, and I am TSTC Proud!

Mike Reeser
Chancellor & CEO



Alignment of Stakeholders

For more than 50 years, Texas State Technical College has been purposefully job-focused. Training at TSTC is rigorous, hands-on, and lab-intensive. Programs are designed around high-skilled, high-wage technical jobs.

So why did TSTC accept the challenge in 2007 to transition from the traditional contact-hour funding model to the very innovative, never-been-done-before outcomes-based model?

A sincere desire for better outcomes for students, industry, and Texas.

TSTC's leadership knew that a funding method that incentivized results would naturally drive performance and achieve better outcomes.

Under what has become known as the Returned-Value Formula, TSTC receives funding only after students are in the workforce for five years. The formula pays TSTC a percentage of the economic activity generated for the state by the work effort of former students. Simply put, TSTC is paid a commission based upon student placement and performance in Texas jobs.

In order to operate under a results-only funding stream, TSTC was forced to revamp how it did business. The focus shifted from "student enrollment" to "student completion and placement in high-wage jobs."

The result is that TSTC, today, is a more efficient and nimble institution. TSTC awards (degrees, certificates, and skills badges) are up. First-year earnings for students are up. The economic return to Texas from student earnings is also up.

Each of TSTC's stakeholders has a specific objective:

- Students want skills and jobs sufficient to support their families.
- Industry wants an available, skilled workforce to maximize growth.
- Texas wants both demonstrated results for its appropriated revenues and an economic climate where industry and families flourish.

By measuring and rewarding results, the Returned-Value Formula perfectly aligns the objectives of all three of these stakeholders. When TSTC places job-ready students in well-paid careers, every stakeholder wins!

2007

Senate Finance challenges all colleges to consider outcomes-based funding; Texas State Technical College accepts challenge.

2007–2008

TSTC contracts with economist to recommend viable outcomes-based funding model; student employment outcomes recommended as ideal accountability measure.

2009

Budget Rider directs Texas Higher Education Coordinating Board (THECB) to determine feasibility of recommended formula.

2009–2010

THECB and Texas Comptroller conclude in separate studies that recommended formula is feasible for TSTC.

2010

THECB reports findings to Legislature; TSTC shifts internal operations from maximizing contact hours to maximizing student job placements and student salaries.

2011

Budget Rider calls for development of new TSTC formula that rewards student job placements and earnings, not contact hours.

2011–2012

Mechanics of TSTC's new formula resolved.

2013

Budget Rider directs use of new Returned-Value Formula for TSTC.

2015

Returned-Value Formula used in base budget bill for the first time; TSTC streamlines operations to maximize efficiencies.

2016–2017

TSTC grows enrollment by nearly 20 percent and posts record levels for credentials awarded, students placed in jobs, and student salaries; student satisfaction at TSTC at all-time high.



Students: TSTC's Most Important Stakeholder

Texas State Technical College's commitment to students and their success is embedded in the College's culture. Because TSTC's Returned-Value Formula is based upon the employment success of students after they leave TSTC, all programs and services focus on student readiness for the workforce and quality jobs upon graduation.

That makes TSTC a great choice for students and their families:

Affordable

TSTC is a low-cost option with total tuition under \$12,000 for the majority of two-year programs, meaning less debt for students relying on student loans.

Time in Training

Students finish two years sooner and often make higher salaries than those pursuing a bachelor's degree, meaning TSTC students' quality of life improves earlier.

Low Risk

Higher education for many families is a hurdle with no guarantee of a job even after a substantial investment of time, effort, and funds. TSTC reduces this risk with its **Money-Back Guarantee** on five in-demand programs to include Diesel Equipment, Electrical Lineworker, Electrical Power & Controls, Instrumentation, and Welding. It's simple – *Get a Degree, Get a Job, or Get a Refund.*

Job-Ready

Class size is small to accommodate extensive hands-on training in labs designed to mirror real-world job environments. TSTC's goal is to provide the most in-depth training possible so that students are attractive to employers.



Available High-Wage Jobs

TSTC does ongoing market analysis of its program mix to ensure programs match specific jobs in the current market. Programs that do not translate into jobs for students or that translate into low-paying jobs are eliminated from TSTC's program lineup.

Placement Rate

TSTC measures its placement rate using data from the Texas Workforce Commission (TWC), which tracks former students "found working" in Texas. The latest TWC data from 2014–2016 indicates that more than 82 percent of TSTC students are in the Texas workforce.

Note: Students who pursue a second degree, work out of state, or open their own businesses are not factored into this average – meaning TSTC's actual placement rate is slightly higher.



Industry: The Economic Engine Among Stakeholders

With the second-largest economy in the United States, Texas has long been a major economic driver on the world stage. In fact, CNBC ranks the Lone Star State as the No. 1 state in the United States for business in 2018, and the Federal Reserve Bank of Dallas reports that the Texas economy remains in a broad-based expansion. That means more jobs and more opportunities for Texans!

However, for the Texas economy to grow, industry must have a job-ready, skilled workforce. The Legislature specifically designed Texas State Technical College to supply that workforce and then, through the Returned-Value Formula, incentivized the College to maximize its efforts. The Texas economy, especially in highly specialized, heavily industrialized sectors, depends upon TSTC's performance.

Because job placement upon graduation is central to the College's measure of success, it is critical that the College understand the specific skill sets needed by employers in today's marketplace. Toward that end, **TSTC engages industry leaders in 40 active advisory groups, involving 409 companies, to address program content and training needs.** TSTC also routinely uses market analysis and analytics to gauge program viability and to ensure that the availability of jobs matches program offerings in each campus' region.

TSTC has an open-door policy for employers seeking hires and hosts them almost daily on its campuses. Additionally, the College sponsors **Job Fairs** each year to link students and employers.

Through **hireTSTC.com**, a free service, employers are able to:

- Build a profile.
- Search prospective applicants.
- Refer job postings.
- View résumés.
- Report a hire.

TSTC is committed to helping Texas employers find the exceptional employees they need to grow their industry and to grow Texas. TSTC students are both job-ready and highly trained. They are exceptional!

TSTC, Technically **Better**



in nation for conferring the **most associate degrees** in engineering-related fields.

SOURCE: COMMUNITY COLLEGE WEEK



Electrical Lineworker Technology Program **in nation** in 2018.

SOURCE: UNIVERSITIES.COM



Welding Technology Program **in nation** in 2018.

SOURCE: WASHINGTON MONTHLY

Innovation Award 2017

National recognition from Eduventures for **outcomes-based** formula funding.



More **medals awarded** to TSTC students than any other two-year or four-year Texas college.

TSTC, Maximizing the State's **Return on Investment**



35% growth in TSTC's economic return to Texas over the last four bienniums.



27,785 degrees **awarded** statewide since 2009.



66% growth in TSTC awards (degrees and certificates) from 2009 to 2018.

Over \$5.8 Million

in Skills Development Fund **grants awarded** by the Texas Workforce Commission in fiscal year 2018.

106

high schools in 42 Texas counties received TSTC **dual enrollment** programs in 2018.

Over \$1.45 Million

in additional Texas Workforce Commission **grants awarded** in 2018 for apprenticeships and specialized training for campus-based TSTC students.

Over \$370 Million

economic return to Texas generated by TSTC students under the Returned-Value Formula for the 2020–2021 biennium.

816

new employees and 1,632 incumbent workers at participating companies across Texas received **customized training** with Skills Development Fund grants in 2018.

State of Texas: Stakeholder Invested in TSTC's Results



- TSTC is the No. 1 single provider of **Welders** in Texas.
- TSTC is the No. 1 single provider of **Electrical Lineworkers** in Texas. In fact, TSTC provides 80 percent of them.
- TSTC is the No. 1 single provider of **Diesel Mechanics** in Texas.
- TSTC is the No. 1 single provider of **Electrical Power & Controls Technicians** in Texas.
- TSTC is the No. 2 single provider of **Instrumentation Technology Technicians** in Texas.
- TSTC is the No. 2 single provider of all **Aerospace** training in Texas, and the only provider of **Air Traffic Controllers**.



TSTC's Asks of the 86th Legislature

Texas State Technical College requests that the 86th Legislature fund the following initiatives:

1. Formula Funding – Pay for performance first in all formula funding and return TSTC's commission rate under the College's Returned-Value Formula to its historical rate of 33 to 36 percent. Make results and return on investment the priority in formula funding.

- In response to limited resources, the Legislature held all formula funding for higher education level in the last budget cycle. That meant that TSTC's outcomes-based formula was not used to fund the College and that TSTC's commission rate effectively dropped to 28 percent. That percentage rate ignored performance, growth, and three new TSTC campuses.

2. Dual Enrollment – Fund TSTC's dual enrollment programming in the same way as community colleges are funded for dual enrollment. Doing so would result in approximately \$2.7 million for TSTC's dual enrollment efforts over the biennium.

- TSTC provides dual enrollment programs in 106 high schools across 42 Texas counties. However, unlike any other college in Texas, TSTC receives no state funding for its dual enrollment programs.

3. Startup Funding / Exceptional Items – Restore \$6.9 million for full operational funding for TSTC's three newest campuses authorized by the Legislature.

- Because the Returned-Value Formula does not generate revenues for TSTC until graduates have five years of work experience, new campuses need time to mature into the formula. Once the formula generates funding, the Startup Funding will decrease and ultimately be eliminated. Full operational funding for these campuses would include the following additional amounts requested in Exceptional Items:
 - System (East Williamson County Higher Education Center) – \$2.7 million
 - North Texas – \$1.8 million
 - Fort Bend County – \$2.4 million

4. Forecasting & Curriculum Development – Appropriate \$1.5 million in operating funds for TSTC’s Center for Employability Outcomes (C4EO), an extension of the College’s Forecasting mandate in Chapter 135.61.

- C4EO is doing landmark, nationally recognized work aligning curriculum with specific job skills to assist colleges, employers, and state agencies across the nation. The Center also holds TSTC’s first patent for its web-based analytics platform.

5. Emergency Facility Abatement & Demolition – Use the Supplemental Appropriations Bill to fund a one-time appropriation of \$29.5 million to cover the cost of abatement, demolition, and water infrastructure for 450 World War II-era buildings on the TSTC campus in Waco.

- The original TSTC campus was located on the 2,100-acre James Connally Air Force Base when it closed in the 1960s. TSTC in Waco inherited all of the barracks, family housing, airport, and administrative buildings of the former military base – most of which predated World War II. While some of these buildings are still in use, others have now well exceeded their useful life. Rehabilitation is no longer a viable or economically feasible option. Additionally, many of the materials used in construction more than 70 years ago are hazardous and now require costly abatement. Formula funding and tuition revenue bonds are not sufficient to cover the costs associated with abatement and demolition of these structures; therefore, a one-time appropriation is necessary.

6. Capital Needs – Consider authorizing tuition revenue bonds to fund seven building projects at seven TSTC locations totaling approximately \$134.5 million.

- Facilities at TSTC’s three newest campuses have reached capacity. Growth across all campuses and projected demand require additional projects at multiple locations.
 - TSTC in Harlingen for construction of an Industrial Technology Center – \$20 million.
 - TSTC in North Texas for construction of an Industrial Technology Building (phase II) – \$10.9 million.
 - TSTC in West Texas, Abilene location (phase II), for construction of a Technology Building and campus consolidation – \$28.2 million.
 - TSTC in Waco for construction of a Computer Technology Center – \$20 million.
 - TSTC in Marshall for construction of an Industrial Technology Lab – \$8.6 million.
 - TSTC in Fort Bend County for construction of an Industrial Technology Lab (phase III) – \$30.3 million.
 - East Williamson County Higher Education Center (funded within the TSTC System bill pattern) for the construction of a Technology Building and Labs (phase II) – \$16.5 million.

**Higher Education Coordinating Board
Summary of Recommendations - House**

Page III-49

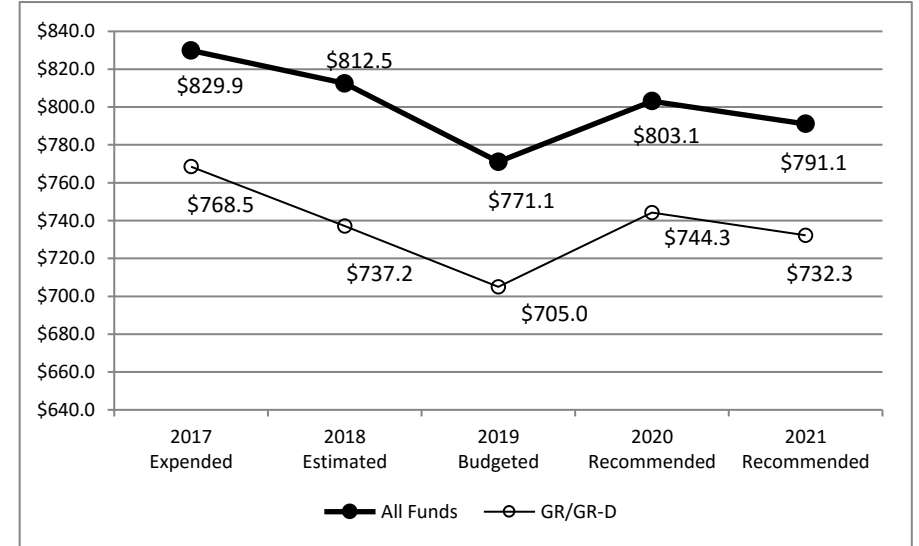
Raymund Paredes, Commissioner of Higher Education

Greg Owens, LBB Analyst

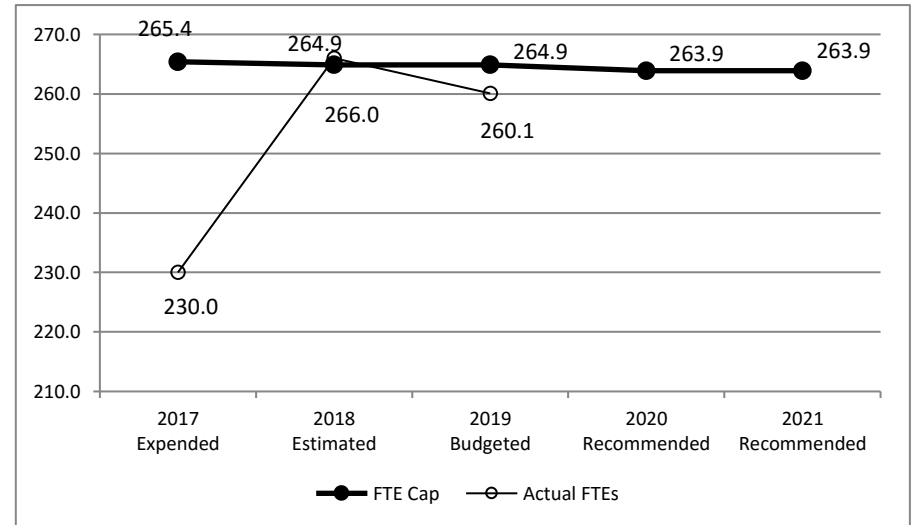
Method of Financing	2018-19 Base	2020-21 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$1,396,882,632	\$1,448,465,760	\$51,583,128	3.7%
GR Dedicated Funds	\$45,308,606	\$28,150,000	(\$17,158,606)	(37.9%)
<i>Total GR-Related Funds</i>	<i>\$1,442,191,238</i>	<i>\$1,476,615,760</i>	<i>\$34,424,522</i>	<i>2.4%</i>
Federal Funds	\$60,327,515	\$54,863,810	(\$5,463,705)	(9.1%)
Other	\$81,064,854	\$62,644,859	(\$18,419,995)	(22.7%)
All Funds	\$1,583,583,607	\$1,594,124,429	\$10,540,822	0.7%

	FY 2019 Budgeted	FY 2021 Recommended	Biennial Change	Percent Change
FTEs	260.1	263.9	3.8	1.5%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2020-21 Recommended) represents an estimated 83.4% of the agency's estimated total available funds for the 2020-21 biennium.

**Higher Education Coordinating Board
Summary of Funding Changes and Recommendations - House**

Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
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SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):

A)	B-On-Time Program-Public. Renewal students only at public institutions.	\$0.0	(\$17.2)	\$0.0	\$0.0	(\$17.2)	C.1.2
B)	B-On-Time Program-Private. Renewal students only at private institutions.	(\$7.1)	\$0.0	\$0.0	\$0.0	(\$7.1)	C.1.3
C)	Tuition Equalization Grants.	\$6.8	\$0.0	\$0.0	\$0.0	\$6.8	C.1.4
D)	Top Ten Percent Scholarship Program. This program has been phased out.	(\$3.2)	\$0.0	\$0.0	\$0.0	(\$3.2)	C.1.10
E)	Northeast Texas Initiative. Funding for the Texas Community College Consortium (TC3) has been transferred to Angelina Community College.	(\$2.5)	\$0.0	\$0.0	\$0.0	(\$2.5)	E.1.10
F)	Graduate Medical Education Expansion. Recommendations increase funding by \$60.2 million to meet the 1.1 to 1 ratio of first year residency positions for each Texas medical school graduate.	\$60.0	\$0.0	\$0.0	\$0.2	\$60.2	F.1.3
G)	Baylor College of Medicine-Undergraduate Medical Education. Formula allocations are tied to Health Related Institutions Formula.	(\$3.7)	\$0.0	\$0.0	\$0.0	(\$3.7)	G.1.1
H)	Baylor College of Medicine-Graduate Medical Education. Formula allocations are tied to Health Related Institutions Formula.	\$1.4	\$0.0	\$0.0	\$0.0	\$1.4	G.1.2

OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):

I)	Decrease in anticipated federal grants.	\$0.0	\$0.0	(\$5.5)	\$0.0	(\$5.5)	E.1.6 and E.1.0
J)	Decrease in anticipated tobacco funds.	\$0.0	\$0.0	\$0.0	(\$18.0)	(\$18.0)	H.1.1 and H.1.2

**Higher Education Coordinating Board
Summary of Funding Changes and Recommendations - House**

Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
K)	Decrease in anticipated donations.	\$0.0	\$0.0	\$0.0	(\$1.0)	(\$1.0)	A.1.5, E.1.7, F.1.7, and F.1.9
L)	Increase in Student Loan Funds (Other Funds) used for administration offset by a decrease in Other Funds needed to maintain current DCS obligations.	\$0.0	\$0.0	\$0.0	\$0.4	\$0.4	A.1.2 and B.1.4
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$51.7	(\$17.2)	(\$5.5)	(\$18.4)	\$10.6	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	As Listed

NOTE: Totals may not sum due to rounding.

**Higher Education Coordinating Board
Selected Fiscal and Policy Issues - House**

1. Funding Overview of Higher Education Coordinating Board (HECB). Appropriations to the HECB are composed of General Revenue, General Revenue-Dedicated (GR-D), which is primarily designated tuition set asides (B-On-Time Account for public institutions) and funding from a tax on smokeless tobacco (Physician Education Loan Repayment Account), Federal Funds and Other Funds, which includes donations. Below is a list of the selected fiscal and policy issues broken out by goal in the agency's budget structure. Supplemental Schedule 3 includes a comparison of the 2018-19 appropriated amounts, the 2018-19 estimated/budgeted levels, the HECB baseline requested 2020-21 amounts, and the 2020-21 recommended amounts for the agency's trustee programs that are over \$1 million in All Funds. Student projections for the financial aid programs included below are based on the most recent information provided by the agency.

1. Goal A: Coordination/Planning for Higher Education and Goal B: Agency Operations

- For the administrative strategies under Goal A and Goal B, the recommended funding amount matched the agency's requested amount.

2. Goal C: Affordability and Debt

Increases:

- **Tuition Equalization Grants.** Recommended funding level is \$178.6 million, an increase of \$6.8 million over the 2018-19 funding level. This program provides financial aid for students attending private institutions. Recommendations would support approximately 26,200 students per year. This increase was supported by excess funds in the B-On-Time Program-Private that were not needed renewal awards in the 2020-21 biennium.

Reductions:

- **B-On-Time Program-Public.** Recommended funding level is \$1.0 million. The 2018-19 funding levels for the program totaled \$18.2 million. The agency's requested amount, \$18.2 million, includes excess funding above what is needed for renewal awards. The agency included this excess funding as one of their 10 percent reduction proposals. Recommendations reduce the agency's requested amount by \$17.2 million, and would support renewal awards only at public institutions, approximately 200 students in fiscal year 2020.
- **B-On-Time Program-Private.** Recommended funding level is \$0.2 million, which is a reduction of \$7.1 million in General Revenue, and would support renewal awards at private institutions. The 2018-19 funding levels for the program totaled \$7.3 million and the agency transferred \$5.8 million in excess funding to the Tuition Equalization Grant Program in their 2020-21 request.
- **Top Ten Percent Scholarship Program.** This program has been phased out. The agency's requested funding level, \$3.2 million, was solely for the purpose of the 10 Percent Reduction Schedule. Recommendations eliminate this funding.

Maintained at 2018-19 levels:

- **TEXAS Grants.** Recommended funding level is \$786.5 million, which maintains 2018-19 levels and would support approximately 78,650 students per year.
- **TEOG Public Community College Grants.** Recommended funding level is \$88.5 million in General Revenue and would support approximately 23,200 students per year.
- **TEOG Public State/Technical College Grants.** Recommended funding level is \$7.5 million in General Revenue and would support approximately 800 students per year.

- **College Work Study Program.** Recommended funding level is \$18.8 million in General Revenue and would support approximately 4,200 students per year.
- **Educational Aide Program.** Recommended funding level is \$1.0 million in General Revenue.
- **Texas Armed Services Scholarship Program.** Recommended funding level is \$2.7 million in General Revenue.
- **Open Educational Resources.** Recommended funding level is \$0.2 million. This is a new stand-alone strategy (formerly part of Strategy A.1.4, Academic Quality and Workforce).

3. Goal D: College Readiness and Success

Maintained at 2018-19 levels:

- **Advise TX.** Recommended funding level is \$4.0 million, matching the agency's requested amount. Advise TX places recent university graduates on high school campuses as near-peer college advisors.
- **Developmental Education Program.** Recommended funding level is \$2.7 million, matching the agency's requested amount. Rider #41, Mathways Project, requires \$0.2 million per year to be transferred to The University of Texas at Austin to implement the Mathways Project. The Mathways project is a collaboration between the Dana Center at The University of Texas at Austin and the Texas Association of Community Colleges. The initiative enables college students placed in developmental mathematics to complete a credit-bearing transferable mathematics course in one academic year or less.
- **Student Completion Models.** Recommended funding level is \$320,000, matching the agency's requested amount. The program supports interventions and enhanced faculty professional development to increase student completion rates in entry-level courses. This is a new stand-alone strategy (formerly part of Strategy A.1.1, College Readiness and Success).
- **GenTX and P-16 Professional Development.** Recommended funding level is \$140,000, matching the agency's requested amount. The strategy supports Gen TX activities aimed at the completion of college and financial aid applications and the statewide P-16 conference. This is a new stand-alone strategy (formerly part of Strategy A.1.1, College Readiness and Success).
- **GradTX.** Recommended funding level is \$300,000, matching the agency's requested amount. The strategy supports the identification and recruitment of individuals who have earned a substantial number of college credits (90 plus SCH at universities and 45 plus SCH at two-year colleges), but have left higher education without earning a degree. The agency supports public colleges and universities in developing and targeting outreach to these individuals and recruiting them into completion programs. This is a new stand-alone strategy (formerly part of Strategy A.1.1, College Readiness and Success).
- **Texas Regional Alignment Networks (TX RAN).** Recommended funding level is \$126,000, matching the agency's requested amount. Within the existing TX RAN partnerships, each partner appoints faculty to collaborate in subject-area teams. Teams use aggregate data to help identify curricular and other areas for improving alignment between colleges and high schools. Teams also develop educational and support interventions to ease student transitions from high school to college. Institutions use these funds for Regional Coordinator salaries and stipends for faculty and ISD partner participation. This is a new stand-alone strategy (formerly part of Strategy A.1.5, Strategic Planning & Funding).

4. Goal E: Industry Workforce

Decreases:

- **Northeast Texas Initiative (NETnet).** Recommended funding level for NETnet, which provides aggregation of broadband network facilities for its 13 member institutions, is \$2.5 million, which maintains 2018-19 funding levels for the program. The 2018-19 appropriations to this strategy also included \$2.5 million to support the Texas Community College Consortium (TC3). Funding for this program is now reflected in the bill pattern for Angelina Community College.

Maintained at 2018-19 levels:

- **Teach for Texas Loan Repayment Program.** Recommended funding level is \$2.7 million.
- **Math and Science Scholar's Loan Repayment Program.** Recommended funding level is \$2.6 million.
- **Bilingual Education Program.** Recommended funding level is \$1.5 million.

5. Goal F: Industry Workforce-Health Related Programs**Increases:**

- **GME Expansion.** Recommended funding level is \$157.2 million, an increase of \$60.0 million in General Revenue and \$0.2 million in Other Funds over the 2018-19 funding level to meet the 1.1 to 1 ratio of first year residency positions for each Texas medical school graduate. Recommendations include \$135.2 million in General Revenue and \$22.0 million in distributions from the Permanent Fund Supporting Graduate Medical Education. The Higher Education Coordinating Board estimates that in order to meet this ratio, 1,991 residency positions would need to be established in 2020 and 2,144 residency positions in 2021. Recommendations would support the estimated 105 medical school graduates from The University of Texas at Austin Dell Medical School and The University of Texas Rio Grande Valley School of Medicine in fiscal year 2020 and fiscal year 2021 and the estimated 162 medical school graduates from Incarnate Word in fiscal year 2021.

Maintained at 2018-19 levels:

- **Family Practice Residency Program.** Recommended funding level is \$10.0 million.
- **Preceptorship Program.** Recommended funding level is \$3.0 million.
- **Trauma Care Program.** Recommended funding level is \$4.1 million.
- **Joint Admission Medical Program.** Recommended funding level is \$10.2 million.
- **Professional Nursing Shortage Reduction Program.** Recommended funding level is \$19.9 million.
- **Physician Education Loan Repayment Program.** Recommended funding level is \$25.4 million.
- **Mental Health Loan Repayment Program.** Recommended funding level is \$2.1 million.
- **Nursing Faculty Loan Repayment Program.** Recommended funding level is \$3.0 million.

6. Goal G: Baylor College of Medicine**Increases:**

- **Baylor College of Medicine Graduate Medical Education.** Recommended funding level is \$16.8 million, an increase of \$1.4 million in General Revenue. The recommended funding amount is tied to the Health Related Institutions Formula.

Decreases:

- **Baylor College of Medicine Undergraduate Graduate Medical Education.** Recommended funding level is \$72.4 million, a decrease of \$3.7 million in General Revenue. The recommended funding amount is tied to the Health Related Institutions Formula.

7. Goal I: Trusteed Funds for Research

Maintained at 2018-19 levels:

- **Texas Research Incentive Program.** Recommended funding level is \$35.0 million. The current backlog of unmatched donations is \$182.5 million as of January 2019.

2012-13 Appropriations	2014-15 Appropriations	2016-17 Appropriations	2018-19 Appropriations	2020-21 Recommendations
\$70.0 million*	\$35.6 million	\$138.1 million	\$35.0 million	\$35.0 million

*Includes supplemental appropriation in HB 1025, 83rd Legislative Session of \$34.4 million.

- **Autism Program.** Recommended funding level is \$7.8 million.

2. TEXAS Grants Overview

The TEXAS Grant program includes several eligibility pathways. The High School pathway is the main eligibility pathway utilized by students. Under this pathway, individuals must enroll at a public university within 16 months of graduating high school. Historically, this has been the only pathway included in the Higher Education Coordinating Board (HECB) eligibility projections. The pathways that were not captured in these projections include the Associate’s Pathway, Texas Educational Opportunity Grant (TEOG) Pathway and the Military Pathway. Under the Associate’s Pathway, individuals must enroll within 12 months of receiving an Associate’s degree. This pathway, along with the High School Pathway, was created when the TEXAS Grant program was established in the 76th Session. The TEOG Pathway was created in the 83rd Legislative Session, and requires students to enroll after having received a TEOG while completing at least 24 credit hours with a 2.5 GPA. According to the HECB, data related to this pathway first became available in FY 2017. The Military Pathway requires enlistment within 12 months of high school graduation and enrolling in a public university within 12 months of an honorable discharge. The HECB reports that they do not have student data for the Military Pathway to include in the projections below but are working with financial aid officers at public universities to capture this data. HECB projections for the Associate’s Pathway and the TEOG Pathway are included in the tables below (Transfer Pathways).

Eligibility Projections

Included below are projections that capture these different pathways. During the 85th Legislative Session, the HECB provided projections that 92 percent of eligible students in the High School Pathway would be supported based on an appropriation level of \$786.5 million. This is the first projection included below in Table 1. Table 2 shows the impact of including the transfer pathways in the calculation. Table 3 shows the eligibility projections for 2020-21 based on level funding and a \$5,000 award amount and illustrates how this funding would be allocated between the High School Pathway and the Transfer Pathways respectively. Table 4 shows the additional funding needed, which is \$79.8 million, to maintain the 70 percent of eligible students at the \$5,000 award amount. Table 5 shows the additional funding needed, which is \$112.6 million, to maintain 70 percent of eligible students and increase the target award amount by 2.5 percent per year.

Table 1-TEXAS Grant 2018-19-High School Pathway Only								
		IY	RY	Total	Funding	Target Award	Total IY Eligible	% IY of Eligible
Projected	FY2018	33,172	44,295	77,467	\$381,432,976	\$5,000	36,136	92%
Projected	FY2019	34,530	47,692	82,222	\$405,026,768	\$5,000	37,841	91%
		67,702	91,987	159,689	\$786,459,744		73,977	92%

Table 2 TEXAS Grant 2018-19 High School and Transfer Pathways								
		IY	RY	Total	Funding	Target Award	Total IY Eligible	% IY of Eligible
Projected	FY2018	33,502	44,295	77,797	\$383,005,895	\$5,000	46,925	71%
Projected	FY2019	33,960	47,919	81,879	\$403,453,849	\$5,000	49,139	69%
		67,462	92,214	159,676	\$786,459,744		96,064	70%

Table 3-TEXAS Grant 2020-21-Level Funding-All Pathways								
		IY	RY	Total	Funding	Target Award	Total IY Eligible	% IY of Eligible
Projected	FY2020	27,963	50,683	78,646	\$393,229,872	\$5,000	49,696	56%
Projected	FY2021	30,506	48,140	78,646	\$393,229,872	\$5,000	51,187	60%
		<u>58,469</u>	<u>98,823</u>	<u>157,292</u>	<u>\$786,459,744</u>		<u>100,883</u>	<u>58%</u>
High School Pathway Portion								
		IY	RY	Total	Funding	Target Award	Total IY Eligible	% IY of Eligible
Projected	FY2020	26,275	46,866	73,141	\$365,703,781	\$5,000	34,095	77%
Projected	FY2021	28,246	44,895	73,141	\$365,703,781	\$5,000	35,118	80%
		<u>54,521</u>	<u>91,761</u>	<u>146,282</u>	<u>\$731,407,562</u>		<u>69,213</u>	<u>79%</u>
Transfer Pathway Portion								
		IY	RY	Total	Funding	Target Award	Total IY Eligible	% IY of Eligible
Projected	FY2020	1,688	3,817	5,505	\$27,526,091	\$5,000	15,601	11%
Projected	FY2021	2,260	3,245	5,505	\$27,526,091	\$5,000	16,069	14%
		<u>3,948</u>	<u>7,062</u>	<u>11,010</u>	<u>\$55,052,182</u>		<u>31,670</u>	<u>12%</u>

Table 4-TEXAS Grant 2020-21 Funding Needed to Maintain 70% Eligible Students								
		IY	RY	Total	Funding	Target Award	Total IY Eligible	% IY of Eligible
Projected	FY2020	33,679	50,683	84,362	\$421,808,469	\$5,000	49,696	69%
Projected	FY2021	36,605	52,298	88,903	\$444,517,004	\$5,000	51,187	72%
		<u>70,284</u>	<u>102,981</u>	<u>173,265</u>	<u>\$866,325,473</u>		<u>100,883</u>	<u>70%</u>

Table 5-TEXAS Grant 2020-21 Funding Level Need to Maintain 70% and Increase Award Amount by 2.5%									
		IY	RY	Total	Funding	Target Award	Total IY Eligible	% IY of Eligible	
Projected	FY2020	33,679	50,683	84,362	\$432,353,680	\$ 5,125	49,696	68%	
Projected	FY2021	36,605	52,298	88,903	\$466,742,854	\$ 5,250	51,187	72%	
		70,284	102,981	173,265	\$899,096,535		100,883	70%	

Challenges for Transfer Students in Receiving TEXAS Grants

The Higher Education Coordinating Board has identified six challenges to transfer students receiving initial awards.

- 1) **Priority Deadline.** The financial aid priority deadline for General Academic Teaching Institutions, currently January 15th, is well before most transfer students have started the application process to public universities.
- 2) **Admissions Application Cycle.** The admissions application cycle for high school students occurs primarily in the fall of the student’s senior year, with decisions made in winter and spring before fall enrollment. The admissions application cycle for transfer students occurs in the spring, with decisions made in the summer before fall enrollment. Financial aid packages are not finalized until after an admissions decision is completed. As a result, the financial aid packages for transfer students are not being assembled until the summer prior to fall admission.
- 3) **Delay in Determining Financial Aid.** For high school applicants, the high school transcript is used in the admissions process and institutions assume that the student will complete his or her final semesters of high school coursework and graduate successfully. For transfer students, transcripts are reviewed for coursework that has already been completed, but there is no assumption that current coursework or the pending completion of an associate degree will occur. Admission decisions may be made contingent on the completion of that coursework/degree, and financial aid packages are often not assembled until documentation of the completed coursework or degree is provided.
- 4) **Financial Aid Eligibility.** Determining financial aid eligibility is more difficult for transfer students. While high school transcripts are usually clear about the pending degree that will be issued, college transcripts do not have the same level of clarity regarding the upcoming completion of an associate’s degree. While certain institutions utilize supplemental forms to collect some data, it is not usually sufficient to make an award determination.
- 5) **Availability of Funding.** After institutions have distributed awards to renewal students and students under the priority model, there is usually not a lot of funding left for transfer students.
- 6) **Holding Funds for Transfer Student.** Statutorily, institutions cannot hold a portion of their funds to award later to transfer students if they still have Priority Model students that have not been awarded grants.

3. B-On-Time Program Overview

House Bill 700, 84th Legislative Session, phased out the B-On-Time Program effective September 1, 2015. Under provisions of the bill, the Texas B-On-Time Student Loan Account will be abolished on September 1, 2020, and any money in the account may be appropriated in accordance with a formula adopted by the Higher Education Coordinating Board. The Higher Education Coordinating Board has reported that this formula methodology will take into account total set asides sent to the agency by institutions from the period starting FY 2007 through fiscal year 2015 and disbursements to the institutions during the same period of time. Institutions whose total set-asides were less than total program disbursements over the FY 2007-2015 period will not be eligible for this one-time distribution. For the remaining eligible institutions, program disbursements will be subtracted from set asides sent to the Higher Education Coordinating Board to determine unused set-asides. Each institution's allocation from the Texas B-on-Time Student Loan Account will be based on the percentage of the institution's unused set-aside as compared to the total of all unused set-asides from the eligible institutions.

The spreadsheet on the following page illustrates the different factors in the allocation methodology. Based on information provided by the Comptroller, the estimated balance in the Texas B-On-Time Student Loan Account is \$127.8 million. The balance has been lowered by \$1.0 million to reflect recommendations for the B-On-Time Program-Public. Recommendations do not include an appropriation of this balance.

	Total Set-Asides sent to THECB FY2007-FY2015	BOT Disbursements FY2007-FY2015	Unused Set-Aside	% of total unused set- aside	Institutional share
<i>Midwestern State University</i>	\$ 2,637,130	\$ 1,950,233	\$686,897	0.458%	\$ 580,568
<i>Stephen F Austin State Univ</i>	\$ 9,413,048	\$ 9,809,542	\$0	0.000%	\$ -
<i>Texas Southern University</i>	\$ 5,009,164	\$ 1,257,912	\$3,751,252	2.500%	\$ 3,170,571
<i>Texas Woman's University</i>	\$ 6,294,084	\$ 7,379,877	\$0	0.000%	\$ -
Prairie View A & M University	\$ 5,262,108	\$ 6,615,689	\$0	0.000%	\$ -
Tarleton State University	\$ 5,203,513	\$ 1,284,039	\$3,919,474	2.612%	\$ 3,312,753
Texas A&M University	\$ 40,645,352	\$ 50,759,294	\$0	0.000%	\$ -
Texas A&M International Univ.	\$ 1,941,363	\$ 5,796,594	\$0	0.000%	\$ -
Texas A&M Univ Sys - HSC	\$ 108,078	\$ 23,210	\$84,868	0.057%	\$ 71,731
Texas A&M Univ - Central TX	\$ 474,171	\$ -	\$474,171	0.316%	\$ 400,771
Texas A&M Univ - Commerce	\$ 3,360,606	\$ 4,853,632	\$0	0.000%	\$ -
Texas A&M Univ - Corpus Christi	\$ 5,445,840	\$ 7,716,968	\$0	0.000%	\$ -
Texas A&M Univ - Galveston	\$ 1,671,011	\$ 815,594	\$855,417	0.570%	\$ 723,001
Texas A&M Univ - Kingsville	\$ 2,429,929	\$ 1,655,224	\$774,705	0.516%	\$ 654,783
Texas A&M Univ - San Antonio	\$ 781,927	\$ -	\$781,927	0.521%	\$ 660,887
Texas A&M Univ - Texarkana	\$ 371,591	\$ 43,748	\$327,843	0.218%	\$ 277,094
West Texas A&M University	\$ 3,143,419	\$ 2,654,377	\$489,042	0.326%	\$ 413,340
<i>Texas A&M System Total</i>	\$ 70,838,910	\$ 82,218,369	\$0		\$ 6,514,360
Angelo State University	\$ 3,268,387	\$ 1,652,212	\$1,616,175	1.077%	\$ 1,365,997
Texas Tech University	\$ 24,556,879	\$ 10,253,373	\$14,303,506	9.532%	\$ 12,089,371
Texas Tech - HSC	\$ 1,019,623	\$ 182,225	\$837,398	0.558%	\$ 707,771
<i>Texas Tech University System Total</i>	\$ 28,844,889	\$ 12,087,810	\$16,757,079		\$ 14,163,139
Lamar University	\$ 8,699,844	\$ 4,741,859	\$3,957,985	2.638%	\$ 3,345,302
Sam Houston State University	\$ 12,473,429	\$ 7,117,132	\$5,356,296	3.570%	\$ 4,527,159
Sul Ross State University	\$ 558,848	\$ 247,294	\$311,554	0.208%	\$ 263,326
Texas State University	\$ 31,407,161	\$ 24,610,895	\$6,796,265	4.529%	\$ 5,744,226
<i>Texas State University System Total</i>	\$ 53,139,280	\$ 36,717,181	\$16,422,099		\$ 13,880,013

	Total Set-Asides sent to THECB FY2007-FY2015	BOT Disbursements FY2007-FY2015	Unused Set-Aside	% of total unused set- aside	Institutional share
University of Houston	\$ 33,639,021	\$ 16,700,963	\$16,938,059	11.288%	\$ 14,316,104
University of Houston - Clear Lake	\$ 2,841,599	\$ 477,947	\$2,363,652	1.575%	\$ 1,997,767
University of Houston - Victoria	\$ 1,287,349	\$ 488,020	\$799,329	0.533%	\$ 675,595
University of Houston - Downtown	\$ 6,766,086	\$ 1,171,720	\$5,594,366	3.728%	\$ 4,728,377
<i>University of Houston System Total</i>	<i>\$ 44,534,055</i>	<i>\$ 18,838,650</i>	<i>\$25,695,406</i>		<i>\$ 21,717,842</i>
Univeristy of North Texas	\$ 31,561,946	\$ 20,641,470	\$10,920,476	7.278%	\$ 9,230,022
University of North Texas at Dallas	\$ 1,149,104	\$ 338,003	\$811,101	0.541%	\$ 685,545
<i>University of North Texas System Total</i>	<i>\$ 32,711,050</i>	<i>\$ 20,979,473</i>	<i>\$11,731,577</i>		<i>\$ 9,915,568</i>
University of Texas - Arlington	\$ 30,171,019	\$ 10,241,535	\$19,929,484	13.282%	\$ 16,844,466
University of Texas - Austin	\$ 55,662,732	\$ 39,248,338	\$16,414,394	10.939%	\$ 13,873,500
University of Texas - Dallas	\$ 17,502,681	\$ 6,975,423	\$10,527,258	7.016%	\$ 8,897,673
University of Texas - El Paso	\$ 12,840,716	\$ 2,663,401	\$10,177,315	6.782%	\$ 8,601,901
University of Texas - Pan American	\$ 9,569,222	\$ 12,515,266	\$0	0.000%	\$ -
University of Texas - Brownsville	\$ 1,865,785	\$ 609,463	\$1,256,322	0.837%	\$ 1,061,847
University of Texas - Permian Basin	\$ 1,791,370	\$ 790,797	\$1,000,573	0.667%	\$ 845,688
University of Texas - San Antonio	\$ 21,766,330	\$ 15,324,150	\$6,442,180	4.293%	\$ 5,444,952
University of Texas- Tyler	\$ 3,437,917	\$ 2,384,707	\$1,053,211	0.702%	\$ 890,177
University of Texas HSC - Houston	\$ 573,089	\$ 340,265	\$232,824	0.155%	\$ 196,784
University of Texas HSC - San Antonio	\$ 394,224	\$ 493,419	\$0	0.000%	\$ -
University of Texaas Medical Branch-Galveston	\$ 641,816	\$ 373,841	\$267,975	0.179%	\$ 226,493
University of Texas Southwestern Med. Center	\$ 775	\$ -	\$775	0.001%	\$ 655
<i>University of Texas System Total</i>	<i>\$ 156,217,675</i>	<i>\$ 91,960,604</i>	<i>\$64,257,070</i>		<i>\$ 56,884,136</i>
Total	\$ 409,639,284	\$ 283,199,651	\$ 150,054,067	100.000%	\$ 126,826,196

Comparison of Higher Education Coordinating Board's Trusteed Programs over \$1 million in All Funds - House

	HIGHER EDUCATION COORDINATING BOARD	2018-19 Appropriated	2018-19 Est/Bud	Difference of 2018-19 Est/Bud to Appropriated	2020-21 Base Request by HECB	2020-21 Recommended	Difference of Recommended to 2018-19 Est/Bud	Explanation
Strategy	Goal C, Affordability and Debt							
C.1.1	TEXAS Grants	\$786.5	\$786.5	\$0.0	\$786.5	\$786.5	\$0.0	Recommendations maintain 2018-19 funding levels and would support approximately 78,650 students per year or 58 percent of eligible students in FY 2020-21 in the high school and transfer pathways.
C.1.2	B-On-Time (BOT) Program- Public-General Revenue-Dedicated	\$18.2	\$18.2	\$0.0	\$18.2	\$1.0	(\$17.2)	The agency's base line request, \$18.2 million, maintains 2018-19 funding levels even though program is being phased out. Recommendations reduce funding by \$17.2 million and will cover renewal awards only, approximately 200 students in fiscal year 2020 at public universities.
C.1.3	B-On-Time (BOT) Program-Private-General Revenue	\$7.3	\$7.3	\$0.0	\$1.5	\$0.2	(\$7.1)	Recommendations reduce funding by \$7.1 million and would support renewal awards only, approximately 40 students in fiscal year 2020. The agency's 2020-21 Base Request includes a transfer of \$5.8 million from this program to the Tuition Equalization Grant Program.
C.1.4	Tuition Equalization Grants	\$171.8	\$171.8	\$0.0	\$177.6	\$178.6	\$6.8	Recommendations increase funding by \$6.8 million. This increase was supported by excess funds in the B-On-Time Private Program that were not needed in the 2020-21 biennium. Recommendations would support an estimated 26,200 students per year.
C.1.5	Texas Educational Opportunity Grants (TEOG)-Public Community Colleges	\$88.5	\$88.5	\$0.0	\$88.5	\$88.5	\$0.0	Recommendations maintain funding and would support approximately 23,200 students per year or 19 percent of eligible students.
C.1.6	Texas Educational Opportunity Grants (TEOG)-Public State and Technical Colleges	\$7.5	\$7.5	\$0.0	\$7.5	\$7.5	\$0.0	Recommendations maintain funding and would support approximately 800 students per year or 13 percent of eligible students.

Comparison of Higher Education Coordinating Board's Trusteed Programs over \$1 million in All Funds - House

	HIGHER EDUCATION COORDINATING BOARD	2018-19 Appropriated	2018-19 Est/Bud	Difference of 2018-19 Est/Bud to Appropriated	2020-21 Base Request by HECB	2020-21 Recommended	Difference of Recommended to 2018-19 Est/Bud	Explanation
C.1.7	Texas College Work Study	\$18.8	\$18.8	\$0.0	\$18.8	\$18.8	\$0.0	Recommendations maintain funding and would support approximately 4,200 students per year.
C.1.9	Educational Aide Program	\$1.5	\$1.5	\$0.0	\$1.5	\$1.5	\$0.0	
C.1.10	Top Ten Percent Scholarships	\$3.2	\$3.2	\$0.0	\$3.2	\$0.0	(\$3.2)	This program has been phased out. The agency included \$3.2 million in their baseline request for purposes of the 10 Percent Reduction Schedule.
C.1.11	Texas Armed Services Scholarships Program	\$2.7	\$2.7	\$0.0	\$2.7	\$2.7	\$0.0	
	Goal D: College Readiness and Success							
D.1.1	Advise TX	\$4.0	\$4.0	\$0.0	\$4.0	\$4.0	\$0.0	Currently, there are 112 advisors across 110 high schools across 44 districts in Texas.
D.1.2	Developmental Education Programs	\$2.7	\$2.7	\$0.0	\$2.7	\$2.7	\$0.0	
	Goal E: Industry Workforce							
E.1.2	Career/Technical Education Programs	\$55.1	\$54.9	-\$0.2	\$54.9	\$54.9	\$0.0	Program is supported by federal funds.
E.1.4	Teach for Texas Loan Repayment Program	\$2.7	\$2.7	\$0.0	\$2.7	\$2.7	\$0.0	
E.1.6	Teacher Quality Grants Programs	\$4.9	\$4.9	\$0.0	\$0.0	\$0.0	(\$4.9)	Recommendations reflect an anticipated decrease in federal funds. The agency reports that the funding for the Teacher Quality Grant Program has been discontinued and the final award is expected in FY 2017. Residual expenditures are expected to continue through FY 2018.
E.1.10	Math and Science Scholar's Loan Repayment Program	\$2.6	\$2.6	\$0.0	\$2.6	\$2.6	\$0.0	
E.1.11	Northeast Texas Initiative	\$5.0	\$5.0	\$0.0	\$5.0	\$2.5	(\$2.5)	In the 2018-19 biennium, the funding for the Texas Community College Consortium (T3) was included in the appropriation for the Northeast Texas Initiative. Recommendations transfer this funding, \$2.5 million, to Angelina Community College.
E.1.12	Bilingual Education Program	\$1.5	\$1.5	\$0.0	\$1.5	\$1.5	\$0.0	

Comparison of Higher Education Coordinating Board's Trusteed Programs over \$1 million in All Funds - House

	HIGHER EDUCATION COORDINATING BOARD	2018-19 Appropriated	2018-19 Est/Bud	Difference of 2018-19 Est/Bud to Appropriated	2020-21 Base Request by HECB	2018-19 Recommended	Difference of Recommended to 2018-19 Est/Bud	Explanation
	Goal F: Industry Workforce-Health Related							
F.1.1	Family Practice Residency Program	\$10.0	\$10.0	\$0.0	\$10.0	\$10.0	\$0.0	
F.1.2	Preceptorship Program	\$3.0	\$3.0	\$0.0	\$3.0	\$3.0	\$0.0	
F.1.3	GME Expansion	\$97.1	\$97.1	\$0.0	\$97.3	\$157.2	\$60.1	Recommendations increase General Revenue by \$60.0 million to meet the 1.1 to 1 ratio of first year residency positions for each Texas medical school graduate. Recommendations include \$135.2 million in General Revenue and \$22.0 million in allocations from the Permanent Fund Supporting Graduate Medical Education (Other Funds).
F.1.5	Trauma Care Program	\$4.3	\$4.1	-\$0.2	\$4.1	\$4.1	\$0.0	The 2018-19 estimated/budgeted amounts reflect a transfer of funding to administrative strategies.
F.1.6	Joint Admission Medical Program	\$10.2	\$10.2	\$0.0	\$10.2	\$10.2	\$0.0	
F.1.7	Professional Nursing Shortage Reduction Program	\$20.0	\$19.9	-\$0.1	\$19.9	\$19.9	\$0.0	The 2018-19 estimated/budgeted amounts reflect a transfer of funding to administrative strategies.
F.1.8	Physician Education Loan Repayment Program	\$25.4	\$25.7	\$0.3	\$25.4	\$25.4	(\$0.3)	In FY 2018, the agency received a one-time donation of \$0.3 million for the program. The 2020-21 recommendations do not include any anticipated donations.
F.1.10	Mental Health Loan Repayment Program	\$2.1	\$2.1	\$0.0	\$2.1	\$2.1	\$0.0	
F.1.12	Nursing Faculty Loan Repayment Program	\$3.0	\$3.0	\$0.0	\$3.0	\$3.0	\$0.0	
	Goal G Baylor College of Medicine							
G.1.1	Baylor College of Medicine-Undergraduate Medical Education	\$76.1	\$76.1	\$0.0	\$0.0	\$72.4	(\$3.7)	Funding amounts for Baylor College of Medicine Undergraduate Medical Education are tied to Health Related Institutions formula.
G.1.2	Baylor College of Medicine-Graduate Medical Education	\$15.4	\$15.4	\$0.0	\$0.0	\$16.8	\$1.4	Funding amounts for Baylor College of Medicine Undergraduate Graduate Medical Education are tied to Health Related Institutions formula.
G.1.3	Baylor College of Medicine Permanent Endowment Fund	\$2.9	\$2.9	\$0.0	\$2.9	\$2.9	\$0.0	
G.1.4	Baylor College of Medicine Permanent Health Fund	\$3.8	\$3.8	\$0.0	\$3.8	\$3.8	\$0.0	

Comparison of Higher Education Coordinating Board's Trusteed Programs over \$1 million in All Funds - House

	HIGHER EDUCATION COORDINATING BOARD	2018-19 Appropriated	2018-19 Est/Bud	Difference of 2018-19 Est/Bud to Appropriated	2020-21 Base Request by HECB	2020-21 Recommended	Difference of Recommended to 2018-19 Est/Bud	Explanation
	Goal H Tobacco Settlement Funds to Institutions							
H.1.1	Tobacco Earnings-Permanent Fund for Minority Health Research and Education	\$7.9	\$10.8	\$2.9	\$2.1	\$2.1	(\$8.7)	The agency reports that requested amounts align with anticipated revenue. The estimated/budgeted amounts include unexpended balances from the previous biennium.
H.1.2	Tobacco Earnings-Permanent Fund for Higher Education Nursing, Allied Health, and Other Health-Related Programs	\$10.8	\$13.1	\$2.3	\$3.8	\$3.8	(\$9.3)	The agency reports that requested amounts align with anticipated revenue. The estimated/budgeted amounts include unexpended balances from the previous biennium.
	Goal I Research							
I.1.1	Texas Research Incentive Program	\$35.0	\$35.0	\$0.0	\$35.0	\$35.0	\$0.0	Recommendations maintain 2018-19 appropriation levels. The agency reports that the current backlog in eligible donations that have not been matched as of October, 2018, is \$182.5 million. Of this amount, \$24.3 million has not been reviewed by the Higher Education Coordinating Board.
I.1.2	Autism Program	\$7.8	\$7.8	\$0.0	\$7.8	\$7.8	\$0.0	
	Total Compared to 2018-19 Amounts*						\$11.4	The difference in this schedule as compared to Section 1 is primarily due to the expiration of several federal grants and a decrease in anticipated donations.

*Totals only include trusteed programs over \$1 million in All Funds.

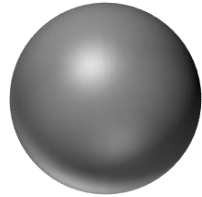
**Strategy numbering aligns with Legislative Budget Estimates.

Higher Education Coordinating Board

Summary of Federal Funds (2020 - 21) - House

Total \$54.9M

Career & Technical Education
\$54.9
100.0%

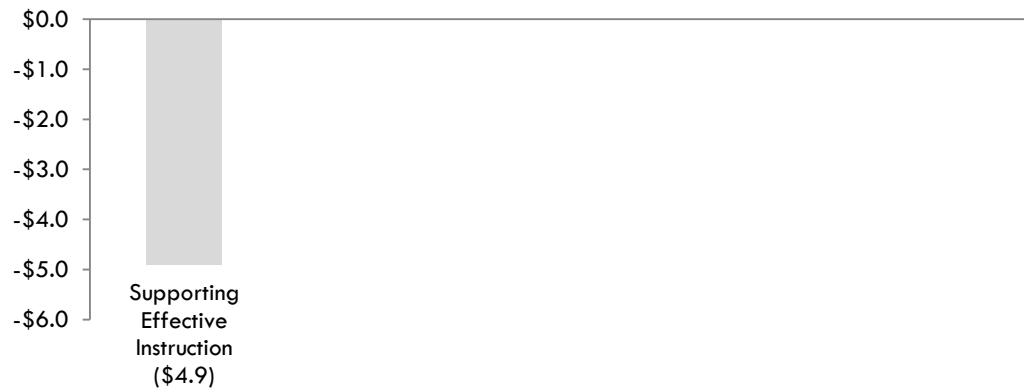


Funds to develop the skills of students enrolled in career and technical education programs

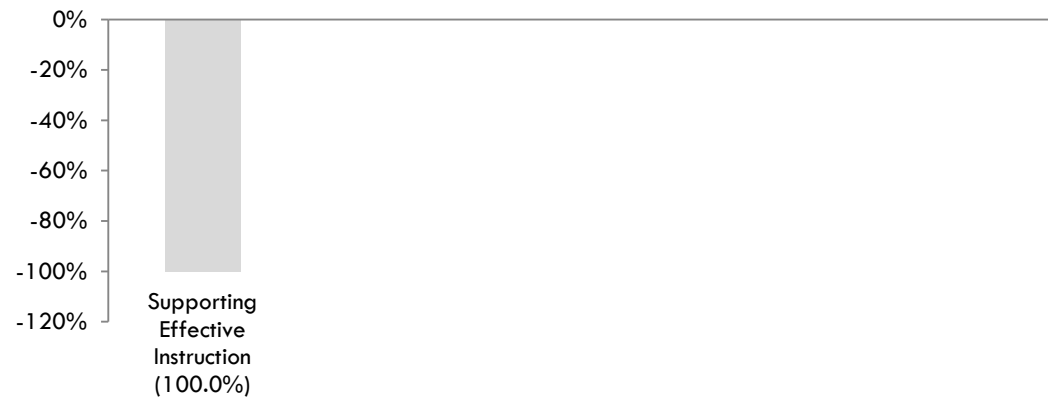
Selected Federal Fiscal and Policy Issues
Federal Funds estimates for Career & Technical Education State Grants in the 2020-21 biennium maintain level funding equal to fiscal years 2018-19.
The decrease in Supporting Effective Instruction State Grants is attributable to the reduction of funds available to state agencies of higher education as a result of changes made by the Every Student Succeeds Act of 2015.

Programs with Federal Funding Changes from 2018 - 19

**Program Change - by Amount
(In Millions)**



Program Change - by Percentage



Higher Education Coordinating Board Contracting Highlights

As of 8/31/2018, the Higher Education Coordinating Board had 293 active procurement contracts valued at \$269.3 million and none of these are revenue generating contracts.

Summary of Contracts Awarded in Fiscal Years 2017-2018 and Reported to LBB Contracts Database ¹

(Dollar values rounded to the nearest tenth of a million)

	Number	Total Value	Average Value	% of total
Procurement Contracts	430	\$ 462.1	\$ 1.1	100%

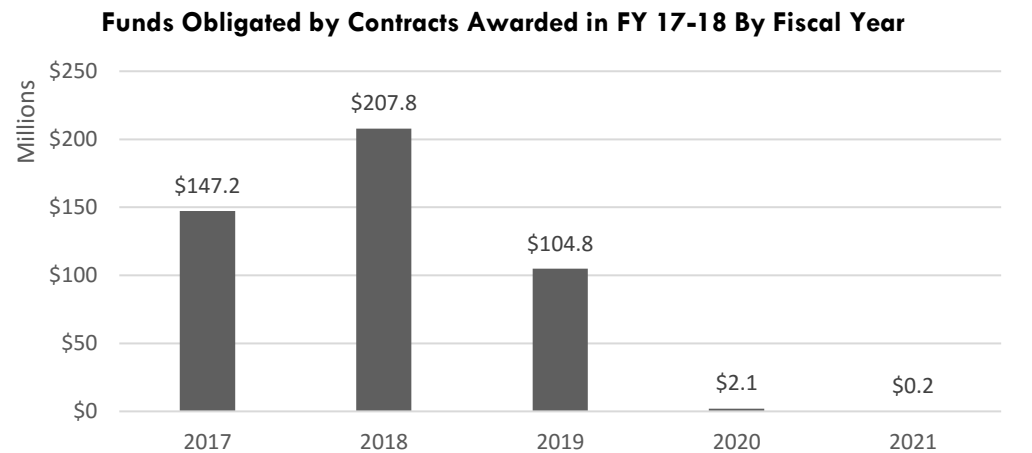
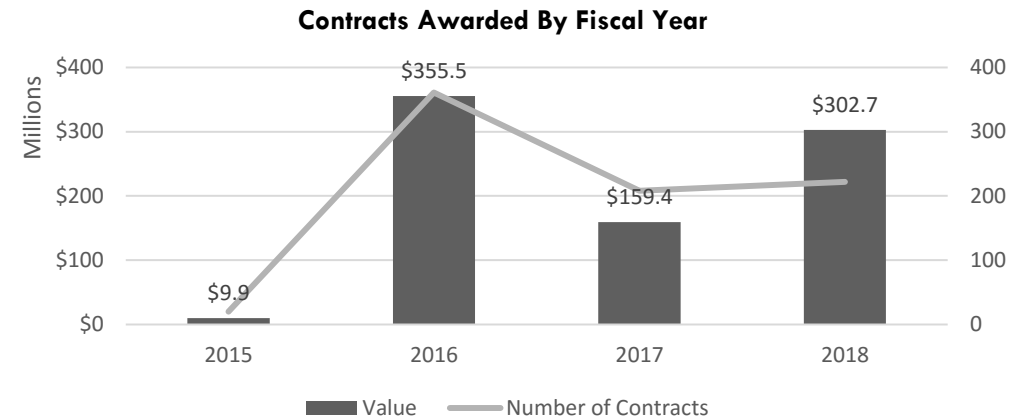
Award Method

Total Competitive Contracts	200	\$ 72.0	\$ 0.4	15.6%
Total Non-Competitive	230	\$ 390.1	\$ 1.7	84.4%
Emergency		\$ -	\$ -	0.0%
Sole Source	158	\$ 254.3	\$ 1.6	55.0%
Interagency Agreement	72	\$ 135.7	\$ 1.9	29.4%

Procurement Category

Information Technology	14	\$ 4.7	\$ 0.3	1.0%
Professional Services	0	\$ -	\$ -	0.0%
Construction	0	\$ -	\$ -	0.0%
Goods	0	\$ -	\$ -	0.0%
Other Services	412	\$ 457.2	\$ 1.1	98.9%
Lease/Rental	3	\$ 0.2	\$ 0.1	0.0%
Consulting	1	\$ 0.1	\$ 0.1	0.0%

Revenue Generating Contracts	0	\$ -	\$ -	100%
Competitive	0	\$ -	\$ -	0.0%
Non-competitive	0	\$ -	\$ -	0.0%



¹These figures reflect the total value of reported contracts awarded in FY 17-18 and reported to the LBB contracts database. Values can include planned expenditures for subsequent years and represent the amounts contracted which may include funds from sources other than appropriated or General Revenue Funds.

Higher Education Coordinating Board
Contracting Highlights

(Dollar values rounded to the nearest tenth of a million)

Largest Active Contracts from Previous Fiscal Years	Award Method	Total Value	% Change*	Award Date	Length	Renewals	Vendor
1 Student Loan Mangement System	Competitive	\$ 3.5	0.0%	06/24/15	4 years	0	Nelnet
2 T-STEM Challenge Scholarship Program	Competitive	\$ 1.5	14.3%	06/20/16	3 years	1	Texas State Technical College
3 T-STEM Challenge Scholarship Program	Competitive	\$ 1.3	14.3%	07/25/16	3 years	1	Alamo Community College District
4 Comprehensive College Readiness	Competitive	\$ 0.9	0.0%	08/15/16	3 years	1	Amarillo College
5 Financial Audit Services	Competitive	\$ 0.7	77.3%	10/01/15	5 years	3	KPMG

Largest Competitive Contracts Awarded in FY 17-18

1 Perkins Basic Grant for Academic Year 18	Competitive	\$ 2.2	12.5%	09/18/17	1 year	1	Texas State Technical College
2 Perkins Basic Grant for Academic Year 18	Competitive	\$ 2.0	0.0%	09/18/17	1 year	0	Dallas Community College District
3 Perkins Basic Grant for Academic Year 17	Competitive	\$ 2.0	0.0%	09/21/16	1 year	0	Dallas Community College District
4 Perkins Basic Grant for Academic Year 17	Competitive	\$ 1.9	4.7%	09/07/16	1 year	1	Texas State Technical College
5 Perkins Basic Grant for Academic Year 18	Competitive	\$ 1.9	12.5%	09/18/17	1 year	1	South Texas College

Largest Non-Competitive Contracts Awarded in FY 17-18

1 Undergraduate Medical Education	Sole Source	\$ 76.1	0.0%	10/31/17	2 years	0	Baylor College of Medicine
2 HHSC Transfer to Baylor College of Medicine for Medical Education	Interagency	\$ 46.2	0.0%	02/15/18	1 year	0	Health and Human Services Comm.
3 HHSC Transfer to Baylor College of Medicine for Medical Education	Interagency	\$ 46.2	0.0%	12/30/16	1 year	0	Health and Human Services Comm.
4 Undergraduate Medical Education	Sole Source	\$ 39.0	0.0%	11/21/16	1 year	0	Baylor College of Medicine
5 Joint Admission Medical Program Council	Interagency	\$ 10.2	0.0%	09/01/17	2 years	0	The University of Texas at Austin

*Note: The percent change is the difference in contract value between initial the award amount and the current contract value. This calculation includes contract amendments and renewals.

**Higher Education Coordinating Board
Rider Highlights - House**

Modification of Existing Riders

2. **Capital Budget.** Rider modified to reflect funding will be used for cybersecurity.
5. **Student Loan Program.** Rider modified to clarify that all funds, including loan repayments, are appropriated to support the program.
7. **Texas Success Initiative** Rider modified to conform with statute.
10. **Tuition Equalization Grants.** Rider modified to clarify source of data used for the TEG study. Rider combined with Rider #36, Tuition Equalization Grant (TEG), which provides unexpended balance authority within the biennium.
27. **Texas Armed Services Scholarship Program.** Rider modified to clarify which strategy administers the program.
32. **Developmental Education.** Rider modified to conform with statute.
44. **B-On-Time Program-Private.** Rider modified to allow payments received on B-On-Time loans to be used for administration of loan program. Rider language consistent with provision in Rider #34, B-On-Time Public.
50. **Math and Science Scholar's Loan Repayment Program.** Rider modified to allow transfer of excess funds from the program to the Teach for Texas Loan Repayment Program.
52. **Program to Encourage Certification to Teach Bilingual Education, English as a Second Language or Spanish.** Rider modified to clarify how funds are used and allow intra biennium unexpended balance authority.
54. **Northeast Texas Initiative.** Rider modified to take out reference to the Texas Community College Consortium (TC3). Funding for this program has been transferred to Angelina Community College.
55. **Open Educational Resources.** Rider modified to remove reference to being a contingency for Senate Bill 810, relating to open educational resources. Rider modified to remove reference to FTE increase.

New Riders

56. **Mental Health Loan Repayment Program.** New rider to allow intra biennium unexpended balance authority.
57. **Preceptorship Program.** New rider to allow intra biennium unexpended balance authority.

Deleted Riders

- 27. **Top 10 Percent Program.** The program has been phased out.
- 36. **Tuition Equalization Grants.** The rider has been combined with Rider #10.
- 55. **Collaborative Dual Credit Program Evaluation.** Funding for the evaluation was vetoed by the Governor.

**Higher Education Coordinating Board - House
Items Not Included in Recommendations**

	2020-21 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2022-23
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items-In Agency Priority Order

1)	TEXAS Grants Program. The exceptional item request, in addition to the 2020-21 base line request of \$786.5 million, would support approximately 70 percent of eligible students, with a 2.5 percent increase to the target award amount, currently \$5,000.	\$112,636,791	\$112,636,791	0.0	No	No	\$112,636,791
2)	Support Critical Agency Operations. The exceptional item would support a total of 10.5 FTEs across several functions of the agency, professional development and competitive salaries, enhancing accountability system and pay for the Board-directed annual external audit of the agency's financial statement. The increase in FTEs includes the following: 1) review of academic degree programs (1 FTE), 2) assisting public institutions of higher education in achieving the marketable skills goal of 60X30TX (0.5 FTE), 3) data analysis (1.0 FTE), 4) information technology security (1.0 FTE), 5) web programming (1.0 FTE), 6) technology operations and support (1.0 FTE), 7) contract and grant management (1.0 FTE), 8) chief privacy officer (1.0 FTE), 9) fiscal analyst (1.0 FTE), and 10) administrative assistance (1.0 FTE).	\$2,247,400	\$2,247,400	10.5	Yes	Yes	\$2,247,400

**Higher Education Coordinating Board - House
Items Not Included in Recommendations**

		2020-21 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2022-23
		GR & GR-D	All Funds	FTEs			
3)	IT Application Portfolio Modernization. The exceptional item would provide the agency with one-time funding for the hiring of two contract developers to complete the implementation of the modern architecture design and integrate existing applications into the new framework. The agency reports that the current application portfolio is complex, costly and only moderately effective and is comprised of a wide array of disparate and disconnected applications.	\$1,040,000	\$1,040,000	2.0	Yes	Yes	\$0
4)	GradTX Consortium. GradTX supports the identification and recruitment of individuals who have earned a substantial number of college credits (90+ SCH at universities and 45+ SCH at 2-year colleges), but have left higher education without earning a degree. The exceptional item would be used to create a consortium of 3-5 institutions around the state prepared to support these students. These funds would be used for the development of a transcribing tool, outreach and technology to address these issues.	\$500,000	\$500,000	0.0	No	No	\$500,000
5)	Support Transfer Initiatives. The agency's Academic Quality and Workforce Division engages in three activities related to transfer: Fields of Study, Programs of Study and Learning Outcome Workshops. Committees of faculty are formed to create or revise student learning outcomes of courses associated with the development of these activities. The exceptional item would be used to defray some of the costs associated with faculty participation in these committees.	\$50,000	\$50,000	0.0	No	No	\$50,000
6)	Support 60x30TX Regional Strategies. In fiscal year 2018, the agency developed and introduced regional 60x30TX targets for each of the ten higher education regions in the state. Regional targets provided guidance to institutions of higher education, as well as K-12 and workforce stakeholders, about the progress needed to achieve statewide goals and targets. The exceptional item request would be used to award 4-5 regional target grants in each year of the biennium through a competitive process to launch the regional strategies that have been developed at a level of \$100,000-\$150,000 per region.	\$1,300,000	\$1,300,000	0.0	No	No	\$1,300,000

**Higher Education Coordinating Board - House
Items Not Included in Recommendations**

		2020-21 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2022-23
		GR & GR-D	All Funds	FTEs			
7)	<p>Texas Success Initiative Assessment (TSIA) Enhancement and Success. The exceptional item request would be used to issue an RFA and require upgraded components to TSIA which includes the following:</p> <p>1) one comprehensive diagnostic aligned to the National Adult Basic and Secondary Standards and Texas College and Career Readiness Standards.</p> <p>2) easy access to and transportability of TSIA results for students and institutions.</p> <p>3) integration of the reading and writing sections with an essay resulting in one composite score, and</p> <p>4) appropriate and robust standard setting.</p>	\$1,000,000	\$1,000,000	0.0	No	No	\$0
8)	<p>Access to Out-of-State Student Data. The exceptional item request would cover the costs associated with the acquisition of National Student Clearinghouse data. Currently the agency only collects data from college and universities in Texas and does not have access to data for students who graduate in Texas but who enroll in higher education out-of-state. This data could be matched to TEA and THECB records to understand out-of-state enrollment and help explain if student enrollment and completion patterns are changing.</p>	\$270,000	\$270,000	0.0	No	No	\$270,000
9)	<p>Enhance Compliance Monitoring. The exceptional item request would support the hiring of four FTEs to support the agency's compliance monitoring function established in Senate Bill 215, 83rd Legislature. Under this function, the agency is required to perform risk-based monitoring of the funds it disburses to institutions of higher education as well as examining the accuracy of data reported by institutions that are used for funding or policy-making decisions, such as formula funding allocations. Currently the agency's compliance team consists of four full-time staff.</p>	\$707,450	\$707,450	4.0	No	No	\$707,450
10)	<p>Financial Literacy Initiatives. The exceptional item request would support the identification, administration and scaling of effective institutional financial literacy initiatives focused on promoting a better understanding of reducing student debt and how to pay for training and education after high school.</p>	\$100,000	\$100,000	0.0	No	No	\$100,000

**Higher Education Coordinating Board - House
Items Not Included in Recommendations**

		2020-21 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2022-23
		GR & GR-D	All Funds	FTEs			
11)	Open Education Resources (OER) Repository. The exceptional item request would support the development of a repository for Open Education Resources (OER) using OER Commons, an existing resource. The first year costs, \$160,000, would support one FTE to set up and maintain the repository and pay for set-up fees to OER Commons. The second year funds, \$90,000, would be used to support an FTE for maintenance of the repository and ongoing maintenance fees to OER Commons.	\$250,000	\$250,000	1.0	No	No	\$90,000
12)	Open Education Resources (OER) Grants. The exceptional item request would support additional grants to faculty for the development of OER course materials.	\$200,000	\$200,000	0.0	No	No	\$200,000
13)	Family Practice Residency Program. The exceptional item request would increase the funding per resident from \$6,236 to \$7,600. The agency reports there are an estimated 773 family medicine residents supported through the program.	\$2,000,000	\$2,000,000	0.0	No	No	\$2,000,000
14)	Facilities Contract Lease Extension. The agency is being assigned by the Texas Facilities Commission to occupy a portion of one of the new buildings in the capital complex. The first phase is expected to be completed around 2022 or 2023. The current ten year lease of the existing THECB leased facility expires on June 30, 2020. A contract/lease extension will be required to allow the THECB to occupy the current leased building until the capital complex building is completed. The exceptional item will support the additional costs of negotiating terms of less than five years and the inclusion of a termination clause that will allow the THECB to vacate the lease earlier than contracted.	\$150,000	\$150,000	0.0	No	Yes	\$330,000

Rider Revisions Requested by Agency but not Recommended

1)	B-On-Time Program-Public. The agency requested appropriation authority in Rider #35, B-On-Time Program-Public for B-On-Time balances. Based on information provided by the Comptroller, adjusted for recommendations for the B-On-Time Program-Public, \$1.0 million, the estimated balance in the B-On-Time Account is \$126.8 million.	\$126,826,196	\$126,826,196				
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**Higher Education Coordinating Board - House
Items Not Included in Recommendations**

		2020-21 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2022-23
		GR & GR-D	All Funds	FTEs			
2)	B-On-Time Program-Private. The agency requested to modify language in Rider #46, to allow excess funds in the program to be transferred to the Tuition Equalization Grant Program.						
3)	Mathways Project. The agency requested to lower the transfer amount from \$200,000 per year to \$100,000 per year.						
4)	For-Profit Repository. The agency requested a new rider that would allow the Higher Education Coordinating Board to charge a fee to individuals requesting academic records from closed institutions. The fees would cover the cost of the expense of maintenance, retrieval, reproduction and mailing of the student academic record. This fee would require a statutory change.						
TOTAL Items Not Included in Recommendations		\$249,277,837	\$249,277,837	18			\$120,431,641

**Higher Education Coordinating Board
Appendices - House**

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	29
B	Summary of Federal Funds	49
C	FTE Highlights	50
D	Performance Measure Highlights	51
E	Summary of Ten Percent Biennial Base Reduction Options	52

Higher Education Coordinating Board
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
COLLEGE READINESS AND SUCCESS A.1.1	\$4,126,727	\$3,828,352	(\$298,375)	(7.2%)	
STUDENT LOAN PROGRAMS A.1.2	\$14,440,523	\$15,007,036	\$566,513	3.9%	
FINANCIAL AID SERVICES A.1.3	\$1,435,052	\$1,458,886	\$23,834	1.7%	
ACADEMIC QUALITY AND WORKFORCE A.1.4	\$3,853,038	\$3,938,952	\$85,914	2.2%	
STRATEGIC PLANNING AND FUNDING A.1.5	\$5,604,927	\$5,221,878	(\$383,049)	(6.8%)	
INNOVATION AND POLICY DEVELOPMENT A.1.6	\$560,159	\$565,272	\$5,113	0.9%	
OVERSIGHT FOR-PROFIT INSTITUTIONS A.1.9	\$500,000	\$500,000	\$0	0.0%	
FIELDS OF STUDY A.1.10	\$378,374	\$230,794	(\$147,580)	(39.0%)	
Total, Goal A, COORDINATION/PLANNING FOR HIGHER ED	\$30,898,800	\$30,751,170	(\$147,630)	(0.5%)	Recommendations reflect a decrease in General Revenue due to the agency transfer of administrative funding to Goal B, Agency Operations, and an anticipated decrease in donations (Other Funds) in 2020-21. These decreases were offset by an anticipated increase in Student Loan Funds (Other Funds).
CENTRAL ADMINISTRATION B.1.1	\$10,162,232	\$10,585,379	\$423,147	4.2%	
INFORMATION RESOURCES B.1.2	\$12,274,227	\$11,918,486	(\$355,741)	(2.9%)	
FACILITIES SUPPORT B.1.3	\$3,672,377	\$3,672,377	\$0	0.0%	
COMPLIANCE MONITORING B.1.4	\$671,631	\$685,400	\$13,769	2.1%	

**Higher Education Coordinating Board
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
Total, Goal B, AGENCY OPERATIONS	\$26,780,467	\$26,861,642	\$81,175	0.3%	Recommendations reflect an increase in General Revenue from the agency transfer of administrative funding from Goal A, Coordination/Planning of Higher Education and an increase in Student Loan Funds (Other Funds) used for administrative expenses in 2020-21. These increases were offset by a decrease in Other Funds to maintain current DCS obligations.
TEXAS GRANT PROGRAM C.1.1	\$786,459,744	\$786,459,744	\$0	0.0%	
TEXAS B-ON-TIME PROGRAM - PUBLIC C.1.2	\$18,158,606	\$1,000,000	(\$17,158,606)	(94.5%)	Recommendations cover renewal students in the program.
TEXAS B - ON - TIME PROGRAM-PRIVATE C.1.3	\$7,280,742	\$200,000	(\$7,080,742)	(97.3%)	Recommendations cover renewal students in the program.
TUITION EQUALIZATION GRANTS C.1.4	\$171,810,294	\$178,610,294	\$6,800,000	4.0%	Recommendations reflect an increase of \$6.8 million in General Revenue.
TEOG PUB COMMUNITY COLLEGES C.1.5	\$88,472,917	\$88,472,917	\$0	0.0%	
TEOG PUB STATE/TECHNICAL COLLEGES C.1.6	\$7,519,384	\$7,519,384	\$0	0.0%	
COLLEGE WORK STUDY PROGRAM C.1.7	\$18,809,278	\$18,809,278	\$0	0.0%	
LICENSE PLATE SCHOLARSHIPS C.1.8	\$498,492	\$494,800	(\$3,692)	(0.7%)	
EDUCATIONAL AIDE PROGRAM C.1.9	\$1,000,000	\$1,000,000	\$0	0.0%	
TOP 10 PERCENT SCHOLARSHIPS C.1.10	\$3,223,048	\$0	(\$3,223,048)	(100.0%)	The Top Ten Percent Scholarship Program has been phased out.
TX ARMED SERVICES SCHOLARSHIP PGM C.1.11	\$2,670,000	\$2,670,000	\$0	0.0%	
OPEN EDUCATIONAL RESOURCES C.1.12	\$212,049	\$212,049	\$0	0.0%	
Total, Goal C, AFFORDABILITY AND DEBT	\$1,106,114,554	\$1,085,448,466	(\$20,666,088)	(1.9%)	
ADVISE TX D.1.1	\$4,000,000	\$4,000,000	\$0	0.0%	
DEVELOPMENTAL EDUCATION PROGRAM D.1.2	\$2,650,000	\$2,650,000	\$0	0.0%	
STUDENT COMPLETION MODELS D.1.3	\$320,000	\$320,000	\$0	0.0%	
GENTX AND P-16 PROF DEVELOPMENT D.1.4	\$140,000	\$140,000	\$0	0.0%	
GRADTX D.1.5	\$300,000	\$300,000	\$0	0.0%	
TEXAS REGIONAL ALIGNMENT NETWORKS D.1.6	\$121,000	\$126,000	\$5,000	4.1%	
Total, Goal D, COLLEGE READINESS AND SUCCESS	\$7,531,000	\$7,536,000	\$5,000	0.1%	

**Higher Education Coordinating Board
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
BORDER FACULTY LOAN REPAYMENT PGM E.1.1	\$0	\$0	\$0	0.0%	
CAREER/TECHNICAL EDUCATION PROGRAMS E.1.2	\$54,866,162	\$54,863,810	(\$2,352)	(0.0%)	
ENGINEERING RECRUITMENT PROGRAM E.1.3	\$0	\$0	\$0	0.0%	
TEACH FOR TEXAS LOAN REPAYMENT E.1.4	\$2,675,000	\$2,675,000	\$0	0.0%	
TEACHER EDUCATION E.1.5	\$0	\$0	\$0	0.0%	
TEACHER QUALITY GRANTS PROGRAMS E.1.6	\$4,907,701	\$0	(\$4,907,701)	(100.0%)	Recommendations reflect an anticipated decrease in federal funds. The agency reports that the funding for the Teacher Quality Grant Program has been discontinued and the final award was in fiscal year 2017 with residual expenditures through fiscal year 2018.
T-STEM CHALLENGE PROGRAM E.1.7	\$220,140	\$0	(\$220,140)	(100.0%)	Recommendations reflect an anticipated decrease in donations. The agency reports that the program was discontinued in fiscal year 2017 with residual expenditures through fiscal year 2018.
OTHER FEDERAL GRANTS E.1.8	\$553,652	\$0	(\$553,652)	(100.0%)	Recommendations reflect an anticipated decrease in RAND US Department of Education grants.
MATH AND SCIENCE SCHOLAR'S LRP E.1.9	\$2,575,000	\$2,575,000	\$0	0.0%	
NORTHEAST TEXAS INITIATIVE E.1.10	\$5,000,000	\$2,500,000	(\$2,500,000)	(50.0%)	Recommendations reflect a transfer of funding for the Texas Community College Consortium to Angelina Community College.
BILINGUAL EDUCATION PROGRAM E.1.11	\$1,500,000	\$1,500,000	\$0	0.0%	
Total, Goal E, INDUSTRY WORKFORCE	\$72,297,655	\$64,113,810	(\$8,183,845)	(11.3%)	
FAMILY PRACTICE RESIDENCY PROGRAM F.1.1	\$10,000,000	\$10,000,000	\$0	0.0%	
PRECEPTORSHIP PROGRAM F.1.2	\$3,000,000	\$3,000,000	\$0	0.0%	
GME EXPANSION F.1.3	\$97,050,000	\$157,200,000	\$60,150,000	62.0%	Recommendations reflect an increase of \$60.0 million in General Revenue and \$0.2 million in Other Funds to meet the 1.1 ratio of first year residency positions for each Texas Medical School graduate.

**Higher Education Coordinating Board
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
TRAUMA CARE PROGRAM F.1.4	\$4,122,500	\$4,122,500	\$0	0.0%	
JOINT ADMISSION MEDICAL PROGRAM F.1.5	\$10,206,794	\$10,206,794	\$0	0.0%	
PROF NURSING SHORTAGE REDUCTION PGM F.1.6	\$19,880,048	\$19,880,048	\$0	0.0%	
PHYSICIAN ED. LOAN REPAY. PROGRAM F.1.7	\$25,685,229	\$25,350,000	(\$335,229)	(1.3%)	Recommendations reflect an anticipated decrease in donations.
MENTAL HEALTH LOAN REPAYMENT PGM F.1.8	\$2,125,000	\$2,125,000	\$0	0.0%	
OTHER LOAN REPAYMENT PROGRAMS F.1.9	\$15,219	\$0	(\$15,219)	(100.0%)	
NURSING FACULTY LOAN REPAYMENT PGM F.1.10	\$3,000,000	\$3,000,000	\$0	0.0%	
Total, Goal F, INDUSTRY WORKFORCE - HEALTH RELATED	\$175,084,790	\$234,884,342	\$59,799,552	34.2%	
 BAYLOR COLLEGE OF MEDICINE - UGME G.1.1	 \$76,091,974	 \$72,377,813	 (\$3,714,161)	 (4.9%)	 Recommendations reflect a decrease of \$3.7 million in General Revenue. The recommended funding amount is tied to the Health Related Institutions Formula.
 BAYLOR COLLEGE OF MEDICINE - GME G.1.2	 \$15,420,998	 \$16,772,078	 \$1,351,080	 8.8%	 Recommendations reflect an increase of \$1.4 million in General Revenue. The recommended funding amount is tied to the Health Related Institutions Formula.
BAYLOR COLL MED PERM ENDOWMENT FUND G.1.3	\$2,850,000	\$2,850,000	\$0	0.0%	
BAYLOR COLL MED PERM HEALTH FUND G.1.4	\$3,828,386	\$3,828,386	\$0	0.0%	
Total, Goal G, BAYLOR COLLEGE OF MEDICINE	\$98,191,358	\$95,828,277	(\$2,363,081)	(2.4%)	
 EARNINGS - MINORITY HEALTH H.1.1	 \$10,759,505	 \$2,133,102	 (\$8,626,403)	 (80.2%)	 Recommendations align with historical tobacco settlement receipts received from the Treasury.
EARNINGS - NURSING/ALLIED HEALTH H.1.2	\$13,125,478	\$3,767,620	(\$9,357,858)	(71.3%)	Recommendations align with historical tobacco settlement receipts received from the Treasury.
Total, Goal H, TOBACCO FUNDS	\$23,884,983	\$5,900,722	(\$17,984,261)	(75.3%)	
 TEXAS RESEARCH INCENTIVE PROGRAM I.1.2	 \$35,000,000	 \$35,000,000	 \$0	 0.0%	

**Higher Education Coordinating Board
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
AUTISM PROGRAM I.1.3	\$7,800,000	\$7,800,000	\$0	0.0%	
Total, Goal I, RESEARCH	\$42,800,000	\$42,800,000	\$0	0.0%	
Grand Total, All Strategies	\$1,583,583,607	\$1,594,124,429	\$10,540,822	0.7%	

**Higher Education Coordinating Board
Funding Changes and Recommendations by Strategy - House -- GENERAL REVENUE FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
COLLEGE READINESS AND SUCCESS A.1.1	\$2,503,991	\$2,306,602	(\$197,389)	(7.9%)	Recommendations reflect a \$197,389 transfer to other administrative strategies.
STUDENT LOAN PROGRAMS A.1.2	\$400,000	\$400,000	\$0	0.0%	
FINANCIAL AID SERVICES A.1.3	\$1,435,052	\$1,458,886	\$23,834	1.7%	
ACADEMIC QUALITY AND WORKFORCE A.1.4	\$3,754,164	\$3,747,204	(\$6,960)	(0.2%)	
STRATEGIC PLANNING AND FUNDING A.1.5	\$4,888,242	\$4,953,630	\$65,388	1.3%	
INNOVATION AND POLICY DEVELOPMENT A.1.6	\$560,159	\$565,272	\$5,113	0.9%	
OVERSIGHT FOR-PROFIT INSTITUTIONS A.1.9	\$500,000	\$500,000	\$0	0.0%	
FIELDS OF STUDY A.1.10	\$378,374	\$230,794	(\$147,580)	(39.0%)	
Total, Goal A, COORDINATION/PLANNING FOR HIGHER ED	\$14,419,982	\$14,162,388	(\$257,594)	(1.8%)	Recommendations reflect a decrease in General Revenue due to the agency transfer of administrative funding to Goal B, Agency Operations in 2020-21.
CENTRAL ADMINISTRATION B.1.1	\$6,391,654	\$6,439,789	\$48,135	0.8%	
INFORMATION RESOURCES B.1.2	\$6,057,008	\$6,057,008	\$0	0.0%	
FACILITIES SUPPORT B.1.3	\$966,940	\$966,942	\$2	0.0%	
COMPLIANCE MONITORING B.1.4	\$421,278	\$625,734	\$204,456	48.5%	
Total, Goal B, AGENCY OPERATIONS	\$13,836,880	\$14,089,473	\$252,593	1.8%	Recommendations reflect an increase in General Revenue from the agency transfer of administrative funding from Goal A, Coordination/Planning of Higher Education in 2020-21.
TEXAS GRANT PROGRAM C.1.1	\$786,449,744	\$786,449,744	\$0	0.0%	
TEXAS B-ON-TIME PROGRAM - PUBLIC C.1.2	\$0	\$0	\$0	0.0%	
TEXAS B - ON - TIME PROGRAM-PRIVATE C.1.3	\$7,280,742	\$200,000	(\$7,080,742)	(97.3%)	Recommendations cover renewal students in the program.
TUITION EQUALIZATION GRANTS C.1.4	\$171,810,294	\$178,610,294	\$6,800,000	4.0%	Recommendations reflect an increase of \$6.8 million in General Revenue.

**Higher Education Coordinating Board
Funding Changes and Recommendations by Strategy - House -- GENERAL REVENUE FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
TEOG PUB COMMUNITY COLLEGES C.1.5	\$88,472,917	\$88,472,917	\$0	0.0%	
TEOG PUB STATE/TECHNICAL COLLEGES C.1.6	\$7,519,384	\$7,519,384	\$0	0.0%	
COLLEGE WORK STUDY PROGRAM C.1.7	\$18,809,278	\$18,809,278	\$0	0.0%	
LICENSE PLATE SCHOLARSHIPS C.1.8	\$0	\$0	\$0	0.0%	
EDUCATIONAL AIDE PROGRAM C.1.9	\$1,000,000	\$1,000,000	\$0	0.0%	
TOP 10 PERCENT SCHOLARSHIPS C.1.10	\$3,223,048	\$0	(\$3,223,048)	(100.0%)	The Top Ten Percent Scholarship Program has been phased out.
TX ARMED SERVICES SCHOLARSHIP PGM C.1.11	\$2,670,000	\$2,670,000	\$0	0.0%	
OPEN EDUCATIONAL RESOURCES C.1.12	\$212,049	\$212,049	\$0	0.0%	
Total, Goal C, AFFORDABILITY AND DEBT	\$1,087,447,456	\$1,083,943,666	(\$3,503,790)	(0.3%)	
ADVISE TX D.1.1	\$4,000,000	\$4,000,000	\$0	0.0%	
DEVELOPMENTAL EDUCATION PROGRAM D.1.2	\$2,650,000	\$2,650,000	\$0	0.0%	
STUDENT COMPLETION MODELS D.1.3	\$320,000	\$320,000	\$0	0.0%	
GENTX AND P-16 PROF DEVELOPMENT D.1.4	\$140,000	\$140,000	\$0	0.0%	
GRADTX D.1.5	\$300,000	\$300,000	\$0	0.0%	
TEXAS REGIONAL ALIGNMENT NETWORKS D.1.6	\$121,000	\$126,000	\$5,000	4.1%	
Total, Goal D, COLLEGE READINESS AND SUCCESS	\$7,531,000	\$7,536,000	\$5,000	0.1%	
BORDER FACULTY LOAN REPAYMENT PGM E.1.1	\$0	\$0	\$0	0.0%	
CAREER/TECHNICAL EDUCATION PROGRAMS E.1.2	\$0	\$0	\$0	0.0%	
ENGINEERING RECRUITMENT PROGRAM E.1.3	\$0	\$0	\$0	0.0%	
TEACH FOR TEXAS LOAN REPAYMENT E.1.4	\$2,675,000	\$2,675,000	\$0	0.0%	
TEACHER EDUCATION E.1.5	\$0	\$0	\$0	0.0%	
TEACHER QUALITY GRANTS PROGRAMS E.1.6	\$0	\$0	\$0	0.0%	
T-STEM CHALLENGE PROGRAM E.1.7	\$0	\$0	\$0	0.0%	
OTHER FEDERAL GRANTS E.1.8	\$0	\$0	\$0	0.0%	
MATH AND SCIENCE SCHOLAR'S LRP E.1.9	\$2,575,000	\$2,575,000	\$0	0.0%	

**Higher Education Coordinating Board
Funding Changes and Recommendations by Strategy - House -- GENERAL REVENUE FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
NORTHEAST TEXAS INITIATIVE E.1.10	\$5,000,000	\$2,500,000	(\$2,500,000)	(50.0%)	Recommendations reflect a transfer of funding for the Texas Community College Consortium to Angelina Community College.
BILINGUAL EDUCATION PROGRAM E.1.11	\$1,500,000	\$1,500,000	\$0	0.0%	
Total, Goal E, INDUSTRY WORKFORCE	\$11,750,000	\$9,250,000	(\$2,500,000)	(21.3%)	
FAMILY PRACTICE RESIDENCY PROGRAM F.1.1	\$10,000,000	\$10,000,000	\$0	0.0%	
PRECEPTORSHIP PROGRAM F.1.2	\$3,000,000	\$3,000,000	\$0	0.0%	
GME EXPANSION F.1.3	\$75,250,000	\$135,200,000	\$59,950,000	79.7%	Recommendations reflect an increase of \$60.0 million in General Revenue to meet the 1.1 ratio of first year residency positions for each Texas Medical School graduate.
PRIMARY CARE INNOVATION GRANT PGM F.1.4	\$0	\$0	\$0	0.0%	
TRAUMA CARE PROGRAM F.1.5	\$4,122,500	\$4,122,500	\$0	0.0%	
JOINT ADMISSION MEDICAL PROGRAM F.1.6	\$10,206,794	\$10,206,794	\$0	0.0%	
PROF NURSING SHORTAGE REDUCTION PGM F.1.7	\$19,880,048	\$19,880,048	\$0	0.0%	
PHYSICIAN ED. LOAN REPAY. PROGRAM F.1.8	\$0	\$0	\$0	0.0%	
DENTAL ED. LOAN REPAY. PROGRAM F.1.9	\$0	\$0	\$0	0.0%	
MENTAL HEALTH LOAN REPAYMENT PGM F.1.10	\$2,125,000	\$2,125,000	\$0	0.0%	
OTHER LOAN REPAYMENT PROGRAMS F.1.11	\$0	\$0	\$0	0.0%	
NURSING FACULTY LOAN REPAYMENT PGM F.1.13	\$3,000,000	\$3,000,000	\$0	0.0%	
Total, Goal F, INDUSTRY WORKFORCE - HEALTH RELATED	\$127,584,342	\$187,534,342	\$59,950,000	47.0%	
BAYLOR COLLEGE OF MEDICINE - UGME G.1.1	\$76,091,974	\$72,377,813	(\$3,714,161)	(4.9%)	Recommendations reflect a decrease of \$3.7 million in General Revenue. The recommended funding amount is tied to the Health Related Institutions Formula.

**Higher Education Coordinating Board
Funding Changes and Recommendations by Strategy - House -- GENERAL REVENUE FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
BAYLOR COLLEGE OF MEDICINE - GME G.1.2	\$15,420,998	\$16,772,078	\$1,351,080	8.8%	Recommendations reflect an increase of \$1.4 million in General Revenue. The recommended funding amount is tied to the Health Related Institutions Formula.
BAYLOR COLL MED PERM ENDOWMENT FUND G.1.3	\$0	\$0	\$0	0.0%	
BAYLOR COLL MED PERM HEALTH FUND G.1.4	\$0	\$0	\$0	0.0%	
Total, Goal G, BAYLOR COLLEGE OF MEDICINE	\$91,512,972	\$89,149,891	(\$2,363,081)	(2.6%)	
EARNINGS - MINORITY HEALTH H.1.1	\$0	\$0	\$0	0.0%	
EARNINGS - NURSING/ALLIED HEALTH H.1.2	\$0	\$0	\$0	0.0%	
Total, Goal H, TOBACCO FUNDS	\$0	\$0	\$0	0.0%	
TEXAS RESEARCH INCENTIVE PROGRAM I.1.2	\$35,000,000	\$35,000,000	\$0	0.0%	
AUTISM PROGRAM I.1.3	\$7,800,000	\$7,800,000	\$0	0.0%	
Total, Goal I, RESEARCH	\$42,800,000	\$42,800,000	\$0	0.0%	
Grand Total, All Strategies	\$1,396,882,632	\$1,448,465,760	\$51,583,128	3.7%	

**Higher Education Coordinating Board
Funding Changes and Recommendations by Strategy - House -- GR DEDICATED**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
COLLEGE READINESS AND SUCCESS A.1.1	\$0	\$0	\$0	0.0%	
STUDENT LOAN PROGRAMS A.1.2	\$1,800,000	\$1,800,000	\$0	0.0%	
FINANCIAL AID SERVICES A.1.3	\$0	\$0	\$0	0.0%	
ACADEMIC QUALITY AND WORKFORCE A.1.4	\$0	\$0	\$0	0.0%	
STRATEGIC PLANNING AND FUNDING A.1.5	\$0	\$0	\$0	0.0%	
INNOVATION AND POLICY DEVELOPMENT A.1.6	\$0	\$0	\$0	0.0%	
OVERSIGHT FOR-PROFIT INSTITUTIONS A.1.9	\$0	\$0	\$0	0.0%	
FIELDS OF STUDY A.1.10	\$0	\$0	\$0	0.0%	
Total, Goal A, COORDINATION/PLANNING FOR HIGHER ED	\$1,800,000	\$1,800,000	\$0	0.0%	
CENTRAL ADMINISTRATION B.1.1	\$0	\$0	\$0	0.0%	
INFORMATION RESOURCES B.1.2	\$0	\$0	\$0	0.0%	
FACILITIES SUPPORT B.1.3	\$0	\$0	\$0	0.0%	
COMPLIANCE MONITORING B.1.4	\$0	\$0	\$0	0.0%	
Total, Goal B, AGENCY OPERATIONS	\$0	\$0	\$0	0.0%	
TEXAS GRANT PROGRAM C.1.1	\$0	\$0	\$0	0.0%	
TEXAS B-ON-TIME PROGRAM - PUBLIC C.1.2	\$18,158,606	\$1,000,000	(\$17,158,606)	(94.5%)	Recommendations cover renewal students in the program.
TEXAS B - ON - TIME PROGRAM-PRIVATE C.1.3	\$0	\$0	\$0	0.0%	
TUITION EQUALIZATION GRANTS C.1.4	\$0	\$0	\$0	0.0%	
TEOG PUB COMMUNITY COLLEGES C.1.5	\$0	\$0	\$0	0.0%	
TEOG PUB STATE/TECHNICAL COLLEGES C.1.6	\$0	\$0	\$0	0.0%	
COLLEGE WORK STUDY PROGRAM C.1.7	\$0	\$0	\$0	0.0%	
LICENSE PLATE SCHOLARSHIPS C.1.8	\$0	\$0	\$0	0.0%	
EDUCATIONAL AIDE PROGRAM C.1.9	\$0	\$0	\$0	0.0%	
TOP 10 PERCENT SCHOLARSHIPS C.1.10	\$0	\$0	\$0	0.0%	
TX ARMED SERVICES SCHOLARSHIP PGM C.1.11	\$0	\$0	\$0	0.0%	

**Higher Education Coordinating Board
Funding Changes and Recommendations by Strategy - House -- GR DEDICATED**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
OPEN EDUCATIONAL RESOURCES C.1.12	\$0	\$0	\$0	0.0%	
Total, Goal C, AFFORDABILITY AND DEBT	\$18,158,606	\$1,000,000	(\$17,158,606)	(94.5%)	
ADVISE TX D.1.1	\$0	\$0	\$0	0.0%	
DEVELOPMENTAL EDUCATION PROGRAM D.1.2	\$0	\$0	\$0	0.0%	
STUDENT COMPLETION MODELS D.1.3	\$0	\$0	\$0	0.0%	
GENTX AND P-16 PROF DEVELOPMENT D.1.4	\$0	\$0	\$0	0.0%	
GRADTX D.1.5	\$0	\$0	\$0	0.0%	
TEXAS REGIONAL ALIGNMENT NETWORKS D.1.6	\$0	\$0	\$0	0.0%	
Total, Goal D, COLLEGE READINESS AND SUCCESS	\$0	\$0	\$0	0.0%	
BORDER FACULTY LOAN REPAYMENT PGM E.1.1	\$0	\$0	\$0	0.0%	
CAREER/TECHNICAL EDUCATION PROGRAMS E.1.2	\$0	\$0	\$0	0.0%	
ENGINEERING RECRUITMENT PROGRAM E.1.3	\$0	\$0	\$0	0.0%	
TEACH FOR TEXAS LOAN REPAYMENT E.1.4	\$0	\$0	\$0	0.0%	
TEACHER EDUCATION E.1.5	\$0	\$0	\$0	0.0%	
TEACHER QUALITY GRANTS PROGRAMS E.1.6	\$0	\$0	\$0	0.0%	
T-STEM CHALLENGE PROGRAM E.1.7	\$0	\$0	\$0	0.0%	
OTHER FEDERAL GRANTS E.1.8	\$0	\$0	\$0	0.0%	
MATH AND SCIENCE SCHOLAR'S LRP E.1.9	\$0	\$0	\$0	0.0%	
NORTHEAST TEXAS INITIATIVE E.1.10	\$0	\$0	\$0	0.0%	
BILINGUAL EDUCATION PROGRAM E.1.11	\$0	\$0	\$0	0.0%	
Total, Goal E, INDUSTRY WORKFORCE	\$0	\$0	\$0	0.0%	
FAMILY PRACTICE RESIDENCY PROGRAM F.1.1	\$0	\$0	\$0	0.0%	
PRECEPTORSHIP PROGRAM F.1.2	\$0	\$0	\$0	0.0%	
GME EXPANSION F.1.3	\$0	\$0	\$0	0.0%	
TRAUMA CARE PROGRAM F.1.4	\$0	\$0	\$0	0.0%	

**Higher Education Coordinating Board
Funding Changes and Recommendations by Strategy - House -- GR DEDICATED**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
JOINT ADMISSION MEDICAL PROGRAM F.1.5	\$0	\$0	\$0	0.0%	
PROF NURSING SHORTAGE REDUCTION PGM F.1.6	\$0	\$0	\$0	0.0%	
PHYSICIAN ED. LOAN REPAY. PROGRAM F.1.7	\$25,350,000	\$25,350,000	\$0	0.0%	
MENTAL HEALTH LOAN REPAYMENT PGM F.1.8	\$0	\$0	\$0	0.0%	
OTHER LOAN REPAYMENT PROGRAMS F.1.9	\$0	\$0	\$0	0.0%	
NURSING FACULTY LOAN REPAYMENT PGM F.1.10	\$0	\$0	\$0	0.0%	
Total, Goal F, INDUSTRY WORKFORCE - HEALTH RELATED	\$25,350,000	\$25,350,000	\$0	0.0%	
BAYLOR COLLEGE OF MEDICINE - UGME G.1.1	\$0	\$0	\$0	0.0%	
BAYLOR COLLEGE OF MEDICINE - GME G.1.2	\$0	\$0	\$0	0.0%	
BAYLOR COLL MED PERM ENDOWMENT FUND G.1.3	\$0	\$0	\$0	0.0%	
BAYLOR COLL MED PERM HEALTH FUND G.1.4	\$0	\$0	\$0	0.0%	
Total, Goal G, BAYLOR COLLEGE OF MEDICINE	\$0	\$0	\$0	0.0%	
EARNINGS - MINORITY HEALTH H.1.1	\$0	\$0	\$0	0.0%	
EARNINGS - NURSING/ALLIED HEALTH H.1.2	\$0	\$0	\$0	0.0%	
Total, Goal H, TOBACCO FUNDS	\$0	\$0	\$0	0.0%	
TEXAS RESEARCH INCENTIVE PROGRAM I.1.2	\$0	\$0	\$0	0.0%	
AUTISM PROGRAM I.1.3	\$0	\$0	\$0	0.0%	
Total, Goal I, RESEARCH	\$0	\$0	\$0	0.0%	
Grand Total, All Strategies	\$45,308,606	\$28,150,000	(\$17,158,606)	(37.9%)	

**Higher Education Coordinating Board
Funding Changes and Recommendations by Strategy - House-- FEDERAL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
COLLEGE READINESS AND SUCCESS A.1.1	\$0	\$0	\$0	0.0%	
STUDENT LOAN PROGRAMS A.1.2	\$0	\$0	\$0	0.0%	
FINANCIAL AID SERVICES A.1.3	\$0	\$0	\$0	0.0%	
ACADEMIC QUALITY AND WORKFORCE A.1.4	\$0	\$0	\$0	0.0%	
STRATEGIC PLANNING AND FUNDING A.1.5	\$0	\$0	\$0	0.0%	
INNOVATION AND POLICY DEVELOPMENT A.1.6	\$0	\$0	\$0	0.0%	
OVERSIGHT FOR-PROFIT INSTITUTIONS A.1.9	\$0	\$0	\$0	0.0%	
FIELDS OF STUDY A.1.10	\$0	\$0	\$0	0.0%	
Total, Goal A, COORDINATION/PLANNING FOR HIGHER ED	\$0	\$0	\$0	0.0%	
CENTRAL ADMINISTRATION B.1.1	\$0	\$0	\$0	0.0%	
INFORMATION RESOURCES B.1.2	\$0	\$0	\$0	0.0%	
FACILITIES SUPPORT B.1.3	\$0	\$0	\$0	0.0%	
COMPLIANCE MONITORING B.1.4	\$0	\$0	\$0	0.0%	
Total, Goal B, AGENCY OPERATIONS	\$0	\$0	\$0	0.0%	
TEXAS GRANT PROGRAM C.1.1	\$0	\$0	\$0	0.0%	
TEXAS B-ON-TIME PROGRAM - PUBLIC C.1.2	\$0	\$0	\$0	0.0%	
TEXAS B - ON - TIME PROGRAM-PRIVATE C.1.3	\$0	\$0	\$0	0.0%	
TUITION EQUALIZATION GRANTS C.1.4	\$0	\$0	\$0	0.0%	
TEOG PUB COMMUNITY COLLEGES C.1.5	\$0	\$0	\$0	0.0%	
TEOG PUB STATE/TECHNICAL COLLEGES C.1.6	\$0	\$0	\$0	0.0%	
COLLEGE WORK STUDY PROGRAM C.1.7	\$0	\$0	\$0	0.0%	
LICENSE PLATE SCHOLARSHIPS C.1.8	\$0	\$0	\$0	0.0%	
EDUCATIONAL AIDE PROGRAM C.1.9	\$0	\$0	\$0	0.0%	
TOP 10 PERCENT SCHOLARSHIPS C.1.10	\$0	\$0	\$0	0.0%	
TX ARMED SERVICES SCHOLARSHIP PGM C.1.11	\$0	\$0	\$0	0.0%	

**Higher Education Coordinating Board
Funding Changes and Recommendations by Strategy - House-- FEDERAL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
OPEN EDUCATIONAL RESOURCES C.1.12	\$0	\$0	\$0	0.0%	
Total, Goal C, AFFORDABILITY AND DEBT	\$0	\$0	\$0	0.0%	
ADVISE TX D.1.1	\$0	\$0	\$0	0.0%	
DEVELOPMENTAL EDUCATION PROGRAM D.1.2	\$0	\$0	\$0	0.0%	
STUDENT COMPLETION MODELS D.1.3	\$0	\$0	\$0	0.0%	
GENTX AND P-16 PROF DEVELOPMENT D.1.4	\$0	\$0	\$0	0.0%	
GRADTX D.1.5	\$0	\$0	\$0	0.0%	
TEXAS REGIONAL ALIGNMENT NETWORKS D.1.6	\$0	\$0	\$0	0.0%	
Total, Goal D, COLLEGE READINESS AND SUCCESS	\$0	\$0	\$0	0.0%	
BORDER FACULTY LOAN REPAYMENT PGM E.1.1	\$0	\$0	\$0	0.0%	
CAREER/TECHNICAL EDUCATION PROGRAMS E.1.2	\$54,866,162	\$54,863,810	(\$2,352)	(0.0%)	
ENGINEERING RECRUITMENT PROGRAM E.1.3	\$0	\$0	\$0	0.0%	
TEACH FOR TEXAS LOAN REPAYMENT E.1.4	\$0	\$0	\$0	0.0%	
TEACHER EDUCATION E.1.5	\$0	\$0	\$0	0.0%	
TEACHER QUALITY GRANTS PROGRAMS E.1.6	\$4,907,701	\$0	(\$4,907,701)	(100.0%)	Recommendations reflect an anticipated decrease in federal funds. The agency reports that the funding for the Teacher Quality Grant Program has been discontinued and the final award was in fiscal year 2017 with residual expenditures through fiscal year 2018.
T-STEM CHALLENGE PROGRAM E.1.7	\$0	\$0	\$0	0.0%	
OTHER FEDERAL GRANTS E.1.8	\$553,652	\$0	(\$553,652)	(100.0%)	Recommendations reflect an anticipated decrease in RAND US Department of Education grants.
MATH AND SCIENCE SCHOLAR'S LRP E.1.9	\$0	\$0	\$0	0.0%	
NORTHEAST TEXAS INITIATIVE E.1.10	\$0	\$0	\$0	0.0%	
BILINGUAL EDUCATION PROGRAM E.1.11	\$0	\$0	\$0	0.0%	

**Higher Education Coordinating Board
Funding Changes and Recommendations by Strategy - House-- FEDERAL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
Total, Goal E, INDUSTRY WORKFORCE	\$60,327,515	\$54,863,810	(\$5,463,705)	(9.1%)	
FAMILY PRACTICE RESIDENCY PROGRAM F.1.1	\$0	\$0	\$0	0.0%	
PRECEPTORSHIP PROGRAM F.1.2	\$0	\$0	\$0	0.0%	
GME EXPANSION F.1.3	\$0	\$0	\$0	0.0%	
TRAUMA CARE PROGRAM F.1.4	\$0	\$0	\$0	0.0%	
JOINT ADMISSION MEDICAL PROGRAM F.1.5	\$0	\$0	\$0	0.0%	
PROF NURSING SHORTAGE REDUCTION PGM F.1.6	\$0	\$0	\$0	0.0%	
PHYSICIAN ED. LOAN REPAY. PROGRAM F.1.7	\$0	\$0	\$0	0.0%	
MENTAL HEALTH LOAN REPAYMENT PGM F.1.8	\$0	\$0	\$0	0.0%	
OTHER LOAN REPAYMENT PROGRAMS F.1.9	\$0	\$0	\$0	0.0%	
NURSING FACULTY LOAN REPAYMENT PGM F.1.10	\$0	\$0	\$0	0.0%	
Total, Goal F, INDUSTRY WORKFORCE - HEALTH RELATED	\$0	\$0	\$0	0.0%	
BAYLOR COLLEGE OF MEDICINE - UGME G.1.1	\$0	\$0	\$0	0.0%	
BAYLOR COLLEGE OF MEDICINE - GME G.1.2	\$0	\$0	\$0	0.0%	
BAYLOR COLL MED PERM ENDOWMENT FUND G.1.3	\$0	\$0	\$0	0.0%	
BAYLOR COLL MED PERM HEALTH FUND G.1.4	\$0	\$0	\$0	0.0%	
Total, Goal G, BAYLOR COLLEGE OF MEDICINE	\$0	\$0	\$0	0.0%	
EARNINGS - MINORITY HEALTH H.1.1	\$0	\$0	\$0	0.0%	
EARNINGS - NURSING/ALLIED HEALTH H.1.2	\$0	\$0	\$0	0.0%	
Total, Goal H, TOBACCO FUNDS	\$0	\$0	\$0	0.0%	
TEXAS RESEARCH INCENTIVE PROGRAM I.1.2	\$0	\$0	\$0	0.0%	
AUTISM PROGRAM I.1.3	\$0	\$0	\$0	0.0%	
Total, Goal I, RESEARCH	\$0	\$0	\$0	0.0%	

**Higher Education Coordinating Board
Funding Changes and Recommendations by Strategy - House-- FEDERAL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
Grand Total, All Strategies	\$60,327,515	\$54,863,810	(\$5,463,705)	(9.1%)	

**Higher Education Coordinating Board
Funding Changes and Recommendations by Strategy - House -- OTHER FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
COLLEGE READINESS AND SUCCESS A.1.1	\$1,622,736	\$1,521,750	(\$100,986)	(6.2%)	
STUDENT LOAN PROGRAMS A.1.2	\$12,240,523	\$12,807,036	\$566,513	4.6%	
FINANCIAL AID SERVICES A.1.3	\$0	\$0	\$0	0.0%	
ACADEMIC QUALITY AND WORKFORCE A.1.4	\$98,874	\$191,748	\$92,874	93.9%	
STRATEGIC PLANNING AND FUNDING A.1.5	\$716,685	\$268,248	(\$448,437)	(62.6%)	
INNOVATION AND POLICY DEVELOPMENT A.1.6	\$0	\$0	\$0	0.0%	
OVERSIGHT FOR-PROFIT INSTITUTIONS A.1.9	\$0	\$0	\$0	0.0%	
FIELDS OF STUDY A.1.10	\$0	\$0	\$0	0.0%	
Total, Goal A, COORDINATION/PLANNING FOR HIGHER ED	\$14,678,818	\$14,788,782	\$109,964	0.7%	Recommendations reflect an anticipated decrease in donations (Other Funds) in 2020-21 which were were offset by an anticipated increase in Student Loan Funds (Other Funds).
CENTRAL ADMINISTRATION B.1.1	\$3,770,578	\$4,145,590	\$375,012	9.9%	
INFORMATION RESOURCES B.1.2	\$6,217,219	\$5,861,478	(\$355,741)	(5.7%)	
FACILITIES SUPPORT B.1.3	\$2,705,437	\$2,705,435	(\$2)	(0.0%)	
COMPLIANCE MONITORING B.1.4	\$250,353	\$59,666	(\$190,687)	(76.2%)	
Total, Goal B, AGENCY OPERATIONS	\$12,943,587	\$12,772,169	(\$171,418)	(1.3%)	Recommendations reflect a decrease in Other Funds needed to maintain current DCS obligations offset by an increase in Student Loan Funds (Other Funds) used for administrative expenses.
TEXAS GRANT PROGRAM C.1.1	\$10,000	\$10,000	\$0	0.0%	
TEXAS B-ON-TIME PROGRAM - PUBLIC C.1.2	\$0	\$0	\$0	0.0%	
TEXAS B - ON - TIME PROGRAM-PRIVATE C.1.3	\$0	\$0	\$0	0.0%	
TUITION EQUALIZATION GRANTS C.1.4	\$0	\$0	\$0	0.0%	
TEOG PUB COMMUNITY COLLEGES C.1.5	\$0	\$0	\$0	0.0%	
TEOG PUB STATE/TECHNICAL COLLEGES C.1.6	\$0	\$0	\$0	0.0%	

**Higher Education Coordinating Board
Funding Changes and Recommendations by Strategy - House -- OTHER FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
COLLEGE WORK STUDY PROGRAM C.1.7	\$0	\$0	\$0	0.0%	
LICENSE PLATE SCHOLARSHIPS C.1.8	\$498,492	\$494,800	(\$3,692)	(0.7%)	
EDUCATIONAL AIDE PROGRAM C.1.9	\$0	\$0	\$0	0.0%	
TOP 10 PERCENT SCHOLARSHIPS C.1.10	\$0	\$0	\$0	0.0%	
TX ARMED SERVICES SCHOLARSHIP PGM C.1.11	\$0	\$0	\$0	0.0%	
OPEN EDUCATIONAL RESOURCES C.1.12	\$0	\$0	\$0	0.0%	
Total, Goal C, AFFORDABILITY AND DEBT	\$508,492	\$504,800	(\$3,692)	(0.7%)	
ADVISE TX D.1.1	\$0	\$0	\$0	0.0%	
DEVELOPMENTAL EDUCATION PROGRAM D.1.2	\$0	\$0	\$0	0.0%	
STUDENT COMPLETION MODELS D.1.3	\$0	\$0	\$0	0.0%	
GENTX AND P-16 PROF DEVELOPMENT D.1.4	\$0	\$0	\$0	0.0%	
GRADTX D.1.5	\$0	\$0	\$0	0.0%	
TEXAS REGIONAL ALIGNMENT NETWORKS D.1.6	\$0	\$0	\$0	0.0%	
Total, Goal D, COLLEGE READINESS AND SUCCESS	\$0	\$0	\$0	0.0%	
BORDER FACULTY LOAN REPAYMENT PGM E.1.1	\$0	\$0	\$0	0.0%	
CAREER/TECHNICAL EDUCATION PROGRAMS E.1.2	\$0	\$0	\$0	0.0%	
ENGINEERING RECRUITMENT PROGRAM E.1.3	\$0	\$0	\$0	0.0%	
TEACH FOR TEXAS LOAN REPAYMENT E.1.4	\$0	\$0	\$0	0.0%	
TEACHER EDUCATION E.1.5	\$0	\$0	\$0	0.0%	
TEACHER QUALITY GRANTS PROGRAMS E.1.6	\$0	\$0	\$0	0.0%	
T-STEM CHALLENGE PROGRAM E.1.7	\$220,140	\$0	(\$220,140)	(100.0%)	Recommendations reflect an anticipated decrease in donations. The agency reports that the program was discontinued in fiscal year 2017 with residual expenditures through fiscal year 2018.
OTHER FEDERAL GRANTS E.1.8	\$0	\$0	\$0	0.0%	
MATH AND SCIENCE SCHOLAR'S LRP E.1.9	\$0	\$0	\$0	0.0%	

**Higher Education Coordinating Board
Funding Changes and Recommendations by Strategy - House -- OTHER FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
NORTHEAST TEXAS INITIATIVE E.1.10	\$0	\$0	\$0	0.0%	
BILINGUAL EDUCATION PROGRAM E.1.11	\$0	\$0	\$0	0.0%	
Total, Goal E, INDUSTRY WORKFORCE	\$220,140	\$0	(\$220,140)	(100.0%)	
FAMILY PRACTICE RESIDENCY PROGRAM F.1.1	\$0	\$0	\$0	0.0%	
PRECEPTORSHIP PROGRAM F.1.2	\$0	\$0	\$0	0.0%	
GME EXPANSION F.1.3	\$21,800,000	\$22,000,000	\$200,000	0.9%	
TRAUMA CARE PROGRAM F.1.4	\$0	\$0	\$0	0.0%	
JOINT ADMISSION MEDICAL PROGRAM F.1.5	\$0	\$0	\$0	0.0%	
PROF NURSING SHORTAGE REDUCTION PGM F.1.6	\$0	\$0	\$0	0.0%	
PHYSICIAN ED. LOAN REPAY. PROGRAM F.1.7	\$335,229	\$0	(\$335,229)	(100.0%)	Recommendations reflect an anticipated decrease in donations.
MENTAL HEALTH LOAN REPAYMENT PGM F.1.8	\$0	\$0	\$0	0.0%	
OTHER LOAN REPAYMENT PROGRAMS F.1.9	\$15,219	\$0	(\$15,219)	(100.0%)	
NURSING FACULTY LOAN REPAYMENT PGM F.1.10	\$0	\$0	\$0	0.0%	
Total, Goal F, INDUSTRY WORKFORCE - HEALTH RELATED	\$22,150,448	\$22,000,000	(\$150,448)	(0.7%)	
BAYLOR COLLEGE OF MEDICINE - UGME G.1.1	\$0	\$0	\$0	0.0%	
BAYLOR COLLEGE OF MEDICINE - GME G.1.2	\$0	\$0	\$0	0.0%	
BAYLOR COLL MED PERM ENDOWMENT FUND G.1.3	\$2,850,000	\$2,850,000	\$0	0.0%	
BAYLOR COLL MED PERM HEALTH FUND G.1.4	\$3,828,386	\$3,828,386	\$0	0.0%	
Total, Goal G, BAYLOR COLLEGE OF MEDICINE	\$6,678,386	\$6,678,386	\$0	0.0%	
EARNINGS - MINORITY HEALTH H.1.1	\$10,759,505	\$2,133,102	(\$8,626,403)	(80.2%)	Recommendations align with historical tobacco settlement receipts received from the Treasury.

**Higher Education Coordinating Board
Funding Changes and Recommendations by Strategy - House -- OTHER FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
EARNINGS - NURSING/ALLIED HEALTH H.1.2	\$13,125,478	\$3,767,620	(\$9,357,858)	(71.3%)	Recommendations align with historical tobacco settlement receipts received from the Treasury.
Total, Goal H, TOBACCO FUNDS	\$23,884,983	\$5,900,722	(\$17,984,261)	(75.3%)	
TEXAS RESEARCH INCENTIVE PROGRAM I.1.2	\$0	\$0	\$0	0.0%	
AUTISM PROGRAM I.1.3	\$0	\$0	\$0	0.0%	
Total, Goal I, RESEARCH	\$0	\$0	\$0	0.0%	
Grand Total, All Strategies	\$81,064,854	\$62,644,859	(\$18,419,995)	(22.7%)	

**Higher Education Coordinating Board
Summary of Federal Funds - House
(Dollar amounts in Millions)**

Program	Est 2018	Bud 2019	Rec 2020	Rec 2021	2018-19 Base	2020-21 Rec	2020-21 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Career and Technical Education	\$27.4	\$27.4	\$27.4	\$27.4	\$54.9	\$54.9	100.0%	(\$0.0)	(0.0%)
Education Research, Development, and Dissemination ¹	\$0.2	\$0.2	\$0.0	\$0.0	\$0.4	\$0.0	0.0%	(\$0.4)	(100.0%)
Supporting Effective Instruction ¹	\$4.9	\$0.0	\$0.0	\$0.0	\$4.9	\$0.0	0.0%	(\$4.9)	(100.0%)
Workforce Innovation and Opportunity Act - Adult ¹	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1	\$0.0	0.0%	(\$0.1)	(100.0%)
TOTAL:	\$32.6	\$27.7	\$27.4	\$27.4	\$60.2	\$54.9	100.0%	(\$5.3)	(8.9%)

1. Decreases to program funding is attributable to the elimination or reduction of funds available to state agencies of higher education as a result of changes made by the Every Student Succeeds Act of 2015.

**Higher Education Coordinating Board
FTE Highlights - House**

Full-Time-Equivalent Positions	Expended 2017	Estimated 2018	Budgeted 2019	Recommended 2020	Recommended 2021
Cap	265.4	263.9	263.9	263.9	263.9
Actual/Budgeted	230.0	266.0	260.1	NA	NA

Schedule of Exempt Positions (Cap)					
Commissioner of Higher Education	\$210,289	\$212,135	\$212,135	\$212,135	\$212,135

Notes:

- a) The agency typically experiences attrition throughout the year. The variance in fiscal year 2017 was directly related to attrition. The hiring freeze in fiscal year 2017 made the shortfall between budgeted and actual level of staffing greater.
- b) In fiscal year 2018, the agency planned and budgeted for full staffing. The agency also received donated funding from the Gates Foundation for a 60x30TX grant and Student Emergency Aid grant that was used to hire two additional FTEs.
- c) In fiscal year 2019, the agency had a slight decrease in FTEs due to previous operating budget cuts but anticipate hiring additional FTEs with Student Loan Funds (Other Funds) in the future.
- d) The State Auditor's Office Report, Executive Compensation at State Agencies (Report 18-705, August 2018), indicates a market average salary of \$242,119 for the Commissioner of Higher Education at the Texas Higher Education Coordinating Board and does not recommend changing the Group classification for the position. The agency is not requesting any changes to its Exempt Positions. The Commissioner of Higher Education receives a stipend from the College for All Texans Foundation. The Foundation is a support organization for the Texas Higher Education Coordinating Board. The stipend is \$70,000 per year, in addition to the salary cap in the agency's bill pattern, on the condition the Commissioner meets fundraising benchmarks.

**Higher Education Coordinating Board
Performance Measure Highlights - House**

	Expended 2017	Estimated 2018	Budgeted 2019	Recommended 2020	Recommended 2021
<ul style="list-style-type: none"> Number of Students Receiving TEXAS Grants <p><i>Recommendations total \$786.5 million which maintains 2018-19 funding levels. In the 85th Session, the agency provided estimates that 92 percent of eligible students would be supported. These estimates only included students in the High School Pathway. The agency has incorporated transfer pathways, students that have received their Associate's Degree or received a Texas Educational Opportunity Grant, into their 2020-21 projections. Based on these projections, 58 percent of eligible students would be supported.</i></p>	72,497	77,752	81,903	78,650	78,650
<ul style="list-style-type: none"> Number of Students Receiving TEG Awards <p><i>Recommendations total \$178.6 million, an increase of \$6.8 million over 2018-19 funding levels.</i></p>	27,390	26,417	26,300	26,200	26,200

**Higher Education Coordinating Board
Summary of Ten Percent Biennial Base Reduction Options - House
Revised to Reflect Phase Out of Programs**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill
			GR & GR-D	All Funds	FTEs				
1)	1st 2.5% Proposed Reduction – Texas B-On-Time Program - Public	The agency reports that the reduction scenario incorporates the cash available for the program, while ensuring that all eligible renewal students in the B-On-Time Program-Public would receive funding in the 2020-21 biennium. The agency has provided updated estimates that the strategy can be reduced \$17,158,606 and all students currently in the program would be supported.	\$12,929,984	\$12,929,984	0.0	\$0	95%	\$1,000,000	Yes
2)	1st 2.5% Proposed Reduction – Tuition Equalization Grants	The agency transferred \$5.8 million in excess funds from the B-On-Time Program-Private program to the Tuition Equalization Grant Program in their baseline request for the 2020-21 biennium. Recommendations include this transfer. The agency recommends that if the Legislature must apply a budget reduction that these funds be highly prioritized to go toward the budget reductions since no current students would be impacted.	\$5,780,743	\$5,780,743	0.0	\$0	3%	\$178,610,294	No
3)	1st 2.5% Proposed Reduction – Top 10% Scholarships	The Top 10% Scholarship Program has been phased out. The agency requested funds in the 2020-21 biennium for the sole purpose of having these funds available for the 10 percent reduction schedule.	\$3,223,048	\$3,223,048	0.0	\$0	100%	\$0	Yes
4)	1st 2.5% Proposed Reduction – Northeast Texas Initiative	The proposed reduction would reduce funding to the Northeast Texas Initiative by 50 percent. The program supports broadband network facilities for 13 member institutions, videoconferencing capabilities for education, training, and provision of healthcare services, and information access and resource sharing. The agency's 10 percent reduction proposal has been updated to reflect the transfer of funding to the Texas Community College Consortium to Angelina Community College.	\$1,250,000	\$1,250,000	0.0	\$0	50%	\$2,500,000	No
5)	1st 2.5% Proposed Reduction – Open Educational Resources	The proposed reduction would eliminate administrative funding to establish a repository for holding open education resources.	\$100,000	\$100,000	0.0	\$0	47%	\$212,049	No
6)	1st 2.5% Proposed Reduction – Educational Aide Program	The agency reports that based on recent activity, the reduction would result in approximately 100 students a year no longer being funded.	\$500,000	\$500,000	0.0	\$0	50%	\$500,000	No

**Higher Education Coordinating Board
Summary of Ten Percent Biennial Base Reduction Options - House
Revised to Reflect Phase Out of Programs**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill
			GR & GR-D	All Funds	FTEs				
7)	1st 2.5% Proposed Reduction – Preceptorship Program	The agency reports that the proposed reduction of funding for the Preceptorship Program would reduce efforts at exposing medical students to primary care fields early in medical school with the goal that early exposure will influence the decision of which field to practice in reducing the shortage of primary care physicians.	\$750,000	\$750,000	0.0	\$0	25%	\$3,000,000	No
8)	1st 2.5% Proposed Reduction – Texas Armed Services Scholarship Program	The agency reports that this reduction would reduce the award amount per student.	\$485,000	\$485,000	0.0	\$0	18%	\$2,670,000	No
9)	1st 2.5% Proposed Reduction – Physician Education Loan Repayment Program	The agency has provided an updated proposal that would reduce the funding for the program by 41 percent.	\$10,295,149	\$10,295,149	0.0	\$0	41%	\$25,350,000	No
10)	1st 2.5% Proposed Reduction – Math and Science Scholarships Loan Repayment Program	The agency has provided an updated proposal that would reduce funding by 62 percent. This reduction would allow the program to support renewal awards and some initial awards for the current program.	\$1,587,500	\$1,587,500	0.0	\$0	62%	\$2,575,000	No
11)	1st 2.5% Proposed Reduction – Nursing Faculty Loan Repaymnt Program	The agency has provided an updated proposal that would reduce funding by 78 percent.	\$2,347,000	\$2,347,000	0.0	\$0	78%	\$3,000,000	No
12)	1st 2.5% Proposed Reduction – Bilingual Education Program	Based on recent activity, the reduction of funding for the program would result in approximately 150 students at seven institutions no longer being funded.	\$750,000	\$750,000	0.0	\$0	50%	\$1,500,000	No
13)	1st 2.5% Proposed Reduction – Autism Program	The agency reports the proposed reduction would impact the training of K-12 teachers to learn how to better serve students with Autism Spectrum Disorder (ASD), resulting in fewer teachers trained, fewer parents trained, and reduction of the innovative research at Texas higher education institutions that conduct research on ASD.	\$3,900,000	\$3,900,000	0.0	\$0	50%	\$7,800,000	No
14)	1st 2.5% Proposed Reduction – Joint Admission Medical Program	The agency reports the proposed reductions would reduce the level of undergraduate and medical school scholarships and educational support for participating students.	\$1,000,000	\$1,000,000	0.0	\$0	10%	\$10,206,794	No
15)	1st 2.5% Proposed Reduction – Texas Research Incentive Program	The funds in this strategy are used to match private donations received by the Emerging Research Institutions. The agency reports the reduction may slow the progress made by these institutions in increasing funds available for enhancing research activities.	\$962,500	\$962,500	0.0	\$0	3%	\$35,000,000	No

**Higher Education Coordinating Board
Summary of Ten Percent Biennial Base Reduction Options - House
Revised to Reflect Phase Out of Programs**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill
			GR & GR-D	All Funds	FTEs				
16)	1st 2.5% Proposed Reduction – Professional Nursing Shortage Reduction Program	The funds in this strategy are used to hire additional nursing faculty and other costs of the training for future nurses. The agency reports the impact may slow the progress that has been made since this program was created to increase nursing candidates.	\$550,000	\$550,000	0.0	\$0	3%	\$19,880,048	No
17)	1st 2.5% Proposed Reduction – Trauma Care Program	The agency reports the proposed reduction would reduce the amount of the grants available to support emergency and trauma care education partnerships, which support partnerships between hospitals and graduate medical education programs that increase the number of emergency medicine and trauma care physician residents and fellows.	\$1,062,500	\$1,062,500	0.0	\$0	26%	\$4,122,500	No
18)	1st 2.5% Proposed Reduction – Developmental Education Program	The reduction represents the portion of Developmental Education funding that was transferred to The University of Texas at Austin for the Mathways Project in fiscal year 2018. The agency reports that, as a result, there would not be an impact on grants they award through the program.	\$200,000	\$200,000	0.0	\$0	8%	\$2,650,000	No
19)	1st 2.5% Proposed Reduction – Tuition Equalization Grants	The agency reports the reduction would result in approximately 230 students not being funded through the program over the course of the biennium.	\$1,500,000	\$1,500,000	0.0	\$0	1%	\$171,810,294	No
20)	1st 2.5% Proposed Reduction – TEOG - Public Community Colleges	The agency reports the reduction would result in approximately 220 students not being funded through the program over the course of the biennium.	\$750,000	\$750,000	0.0	\$0	1%	\$88,472,917	No
21)	1st 2.5% Proposed Reduction – TEOG - Public State/Technical Colleges	The first reduction would result in approximately 10 students not being funded.	\$75,000	\$75,000	0.0	\$0	1%	\$7,519,384	No
22)	1st 2.5% Proposed Reduction – TEXAS Grant Program	This reduction would result in approximately 200 students not being funded through the program over the course of the biennium.	\$2,086,606	\$2,086,606	0.0	\$0	0%	\$786,449,744	No

**Higher Education Coordinating Board
Summary of Ten Percent Biennial Base Reduction Options - House
Revised to Reflect Phase Out of Programs**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill
			GR & GR-D	All Funds	FTEs				
23)	2nd 2.5% Proposed Reduction – Northeast Texas Initiative	The second 2.5% reduction would result in elimination of funding for the Northeast Texas Initiative would discontinue the support for the provision of broadband network facilities for 13 member institutions, eliminating videoconferencing capabilities for education, training, and provision of healthcare services, and reducing information access and resource sharing. The agency's 10 percent reduction proposal has been updated to reflect the transfer of funding to the Texas Community College Consortium to Angelina Community College.	\$1,250,000	\$1,250,000	0.0	\$0	50%	\$2,500,000	No
24)	2nd 2.5% Proposed Reduction – Educational Aide Program	The proposed reduction would completely eliminate funding for this program.	\$500,000	\$500,000	0.0	\$0	50%	\$1,000,000	No
25)	2nd 2.5% Proposed Reduction – Preceptorship Program	The agency reports that the proposed reduction of funding for the Preceptorship Program would reduce efforts at exposing medical students to primary care fields early in medical school.	\$750,000	\$750,000	0.0	\$0	25%	\$3,000,000	No
26)	2nd 2.5% Proposed Reduction – TX Armed Services Scholarship Program	The agency reports the second reduction would require the program to move to "renewal only," in order to continue the current loan level of \$4,000.	\$485,000	\$485,000	0.0	\$0	18%	\$2,670,000	No
27)	2nd 2.5% Proposed Reduction – Physician Education Loan Repayment Pgm	The agency has provided an updated proposal that would would eliminate funding for the program.	\$15,054,851	\$15,054,851	0.0	\$0	59%	\$25,350,000	No
28)	2nd 2.5% Proposed Reduction – Math and Science Scholarships Loan Repayment Program	This agency reports the reduction would allow the program to support renewal awards for the current program participants.	\$987,500	\$987,500	0.0	\$0	38%	\$2,575,000	No
29)	2nd 2.5% Proposed Reduction – Nursing Faculty Loan Repaymnt Program	This reduction would allow the program to support renewal awards for the current program participants.	\$653,000	\$653,000	0.0	\$0	22%	\$3,000,000	No
30)	2nd 2.5% Proposed Reduction – Bilingual Education Program	The agency reports that based on recent activity, the elimination of funding for the program would result in approximately 300 students at seven institutions no longer being funded.	\$750,000	\$750,000	0.0	\$0	50%	\$1,500,000	No

**Higher Education Coordinating Board
Summary of Ten Percent Biennial Base Reduction Options - House
Revised to Reflect Phase Out of Programs**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill
			GR & GR-D	All Funds	FTEs				
31)	2nd 2.5% Proposed Reduction – Autism Program	The agency reports the proposed elimination would halt education and training of K-12 teachers to learn how to better serve students with Autism Spectrum Disorder (ASD), resulting in fewer teachers trained, fewer parents trained, and eliminate the innovative research at Texas higher education institutions that conduct research on ASD.	\$3,900,000	\$3,900,000	0.0	\$0	50%	\$7,800,000	No
32)	2nd 2.5% Proposed Reduction – Joint Admission Medical Program	The agency reports the proposed reductions would reduce the level of undergraduate and medical school scholarships and educational support for participating students.	\$1,000,000	\$1,000,000	0.0	\$0	10%	\$10,206,794	No
33)	2nd 2.5% Proposed Reduction – Texas Research Incentive Program	The funds in this strategy are used to match private donations received by the Emerging Research Institutions. The agency reports the reduction may slow the progress made by these institutions in increasing funds available for enhancing research activities.	\$962,500	\$962,500	0.0	\$0	3%	\$35,000,000	No
34)	2nd 2.5% Proposed Reduction – Professional Nursing Shortage Reduction Program	The funds in this strategy are used to hire additional nursing faculty and other costs of the training for future nurses. The agency reports the impact may slow the progress that has been made since this program was created to increase nursing candidates.	\$550,000	\$550,000	0.0	\$0	3%	\$19,880,048	No
35)	2nd 2.5% Proposed Reduction – Trauma Care Program	The proposed reduction would eliminate the amount of the grants available to support emergency and trauma care education partnerships, which support partnerships between hospitals and graduate medical education programs that increase the number of emergency medicine and trauma care physician residents and fellows.	\$1,062,500	\$1,062,500	0.0	\$0	26%	\$4,122,500	No
36)	2nd 2.5% Proposed Reduction – Developmental Education Program	The reduction represents the portion of Developmental Education funding that was transferred to The University of Texas at Austin for the Mathways Project in fiscal year 2019. The agency reports that, as a result, there would not be an impact on grants awarded through the program.	\$200,000	\$200,000	0.0	\$0	8%	\$2,650,000	No
37)	3rd 2.5% Proposed Reduction – Tuition Equalization Grants	The agency reports the reduction would result in approximately 465 students not being funded through the program over the course of the biennium.	\$1,500,000	\$1,500,000	0.0	\$0	1%	\$171,810,294	No

**Higher Education Coordinating Board
Summary of Ten Percent Biennial Base Reduction Options - House
Revised to Reflect Phase Out of Programs**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill
			GR & GR-D	All Funds	FTEs				
38)	2nd 2.5% Proposed Reduction – TEOG - Public Community Colleges	The agency reports the reduction would result in approximately 220 students not being funded through the program over the course of the biennium.	\$750,000	\$750,000	0.0	\$0	1%	\$88,472,917	No
39)	2nd 2.5% Proposed Reduction – TEOG - Public State/Technical Colleges	The agency reports the reduction would result in approximately 10 students not being funded.	\$75,000	\$75,000	0.0	\$0	1%	\$7,519,384	No
40)	2nd 2.5% Proposed Reduction – TEXAS Grant Program	The agency reports the reduction would result in approximately 200 students not being funded through the program over the course of the biennium.	\$2,086,606	\$2,086,606	0.0	\$0	0%	\$786,449,744	No
41)	3rd 2.5% Proposed Reduction – Preceptorship Program	The agency reports the proposed reduction of funding for the Preceptorship Program would reduce efforts at exposing medical students to primary care fields early in medical school.	\$750,000	\$750,000	0.0	\$0	25%	\$3,000,000	No
42)	3rd 2.5% Proposed Reduction – Texas Armed Services Scholarship Program	The agency reports the third reduction would fund renewal only students at \$2,000 award amount.	\$850,000	\$850,000	0.0	\$0	32%	\$2,670,000	No
43)	3rd 2.5% Proposed Reduction – Joint Admission Medical Program	The agency reports the proposed reductions would reduce the level of undergraduate and medical school scholarships and educational support for participating students.	\$1,000,000	\$1,000,000	0.0	\$0	10%	\$10,206,794	No
44)	3rd 2.5% Proposed Reduction – Texas Research Incentive Program	The funds in this strategy are used to match private donations received by the Emerging Research Institutions. The agency reports the reduction may slow the progress made by these institutions in increasing funds available for enhancing research activities.	\$962,500	\$962,500	0.0	\$0	3%	\$35,000,000	No
45)	3rd 2.5% Proposed Reduction – Professional Nursing Shortage Reduction Program	The funds in this strategy are used to hire additional nursing faculty and other costs of the training for future nurses. The agency reports the reduction may slow the progress that has been made since this program was created to increase nursing candidates.	\$502,500	\$502,500	0.0	\$0	3%	\$19,880,048	No
46)	3rd 2.5% Proposed Reduction – Trauma Care Program	The agency reports the proposed reduction would reduce and then eliminate the amount of the grants available to support emergency and trauma care education partnerships, which support partnerships between hospitals and graduate medical education programs that increase the number of emergency medicine and trauma care physician residents and fellows.	\$1,062,500	\$1,062,500	0.0	\$0	26%	\$4,122,500	No

**Higher Education Coordinating Board
Summary of Ten Percent Biennial Base Reduction Options - House
Revised to Reflect Phase Out of Programs**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill
			GR & GR-D	All Funds	FTEs				
47)	3rd 2.5% Proposed Reduction – Developmental Education Program	The agency reports the proposed reduction would not have a significant impact on grants awarded through the program.	\$25,500	\$25,500	0.0	\$0	1%	\$2,650,000	No
48)	3rd 2.5% Proposed Reduction – Family Practice Residency Program	The agency reports the proposed reduction would reduce the funding to the Family Practice Residency Program and its support programs, the Rural and Public Health Rotations, and the Faculty Development Center. The proposed reduction would decrease the per resident funding and may result in the closure of smaller more remote residency training sites.	\$500,000	\$500,000	0.0	\$0	5%	\$10,000,000	No
49)	4th 2.5% Proposed Reduction – Tuition Equalization Grants	The agency reports that in combination with the first two reductions, this reduction would result in approximately 1,020 students not being funded over the course of the biennium.	\$4,578,744	\$4,578,744	0.0	\$0	3%	\$171,810,294	No
50)	3rd 2.5% Proposed Reduction – TEOG - Public Community Colleges	The agency reports the reduction would result in approximately 690 students not being funded through the program over the course of the biennium.	\$2,357,804	\$2,357,804	0.0	\$0	3%	\$88,472,917	No
51)	3rd 2.5% Proposed Reduction – TEOG - Public State/Technical Colleges	The agency reports the reduction would result in approximately 27 students not being funded.	\$200,392	\$200,392	0.0	\$0	3%	\$7,519,384	No
52)	3rd 2.5% Proposed Reduction – TEXAS Grant Program	The agency reports the reduction would result in approximately 2,000 students not being funded through the program over the course of the biennium.	\$20,977,018	\$20,977,018	0.0	\$0	3%	\$786,449,744	No
53)	4th 2.5% Proposed Reduction – Preceptorship Program	The fourth reduction would eliminate funding for the program. The agency reports the proposed elimination of funding for the preceptorship program would end efforts at exposing medical students to primary care fields early in medical school.	\$750,000	\$750,000	0.0	\$0	25%	\$3,000,000	No
54)	4th 2.5% Proposed Reduction – TX Armed Services Scholarship Program	The agency reports the fourth reduction would eliminate funding for the program, leaving approximately 260 current recipients without funding.	\$850,000	\$850,000	0.0	\$0	32%	\$2,670,000	No
55)	4th 2.5% Proposed Reduction – Joint Admission Medical Program	The agency reports the proposed reductions would reduce the level of undergraduate and medical school scholarships and educational support for participating students.	\$1,000,000	\$1,000,000	0.0	\$0	10%	\$10,206,794	No

**Higher Education Coordinating Board
Summary of Ten Percent Biennial Base Reduction Options - House
Revised to Reflect Phase Out of Programs**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill
			GR & GR-D	All Funds	FTEs				
56)	4th 2.5% Proposed Reduction – Texas Research Incentive Program	The funds in this strategy are used to match private donations received by the Emerging Research Institutions. The agency reports the reduction may slow the progress made by these institutions in increasing funds available for enhancing research activities.	\$962,500	\$962,500	0.0	\$0	3%	\$35,000,000	No
57)	4th 2.5% Proposed Reduction – Professional Nursing Shortage Redction Program	The funds in this strategy are used to hire additional nursing faculty and other costs of the training for future nurses. The agency reports the impact may slow the progress that has been made since this program was created to increase nursing candidates.	\$502,500	\$502,500	0.0	\$0	3%	\$19,880,048	No
58)	4th 2.5% Proposed Reduction – Trauma Care Program	The proposed reduction would reduce and then eliminate the amount of the grants available to support emergency and trauma care education partnerships, which support partnerships between hospitals and graduate medical education programs that increase the number of emergency medicine and trauma care physician residents and fellows.	\$935,000	\$935,000	0.0	\$0	23%	\$4,122,500	No
59)	4th 2.5% Proposed Reduction – Developmental Education Program	The agency reports the proposed reduction would not have a significant impact on grants awarded through the program.	\$25,500	\$25,500	0.0	\$0	1%	\$2,650,000	No
60)	4th 2.5% Proposed Reduction – Family Practice Residency Program	The agency reports the proposed reduction would reduce the funding to the Family Practice Residency Program and its support programs, the Rural and Public Health Rotations, and the Faculty Development Center and decrease the per resident funding and may result in the closure of smaller more remote residency training sites.	\$500,000	\$500,000	0.0	\$0	5%	\$10,000,000	No
61)	5th 2.5% Proposed Reduction – Tuition Equalization Grants	The agency reports that in combination with the other proposed reductions to the program, this reduction would result in approximately 1,575 students not being funded over the course of the biennium.	\$4,578,744	\$4,578,744	0.0	\$0	3%	\$171,810,294	No
62)	4th 2.5% Proposed Reduction – TEOG - Public Community Colleges	The agency reports the reduction would result in approximately 690 students not being funded through the program over the course of the biennium.	\$2,357,804	\$2,357,804	0.0	\$0	3%	\$88,472,917	No
63)	4th 2.5% Proposed Reduction – TEOG - Public State/Technical Colleges	The agency reports the reduction would result in approximately 27 students not being funded.	\$200,392	\$200,392	0.0	\$0	3%	\$7,519,384	No
64)	4th 2.5% Proposed Reduction – TEXAS Grant Program	The agency reports the reduction would result in approximately 2,000 students not being funded through the program over the course of the biennium.	\$21,104,514	\$21,104,514	0.0	\$0	3%	\$786,449,744	No

**Higher Education Coordinating Board
 Summary of Ten Percent Biennial Base Reduction Options - House
 Revised to Reflect Phase Out of Programs**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill
			GR & GR-D	All Funds	FTEs				
TOTAL, 10% Reduction Options			\$152,135,899	\$152,135,899	0.0	\$0			

Testimony on HB 1 (Introduced)



Raymund Paredes, Ph.D.
Commissioner of Higher Education

February 14, 2019

60x30TX Is the Driver for ALL Coordinating Board Funding Recommendations



THE OVERARCHING GOAL: 60x30 EDUCATED POPULATION

At least 60 percent of Texans ages 25-34 will have a certificate or degree.

- *Supports the economic future of the state*



THE SECOND GOAL: COMPLETION

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

- *Requires large increases among targeted groups*



THE THIRD GOAL: MARKETABLE SKILLS

All graduates from Texas public institutions of higher education will have completed programs with identified marketable skills.

- *Emphasizes the value of higher education in the workforce*



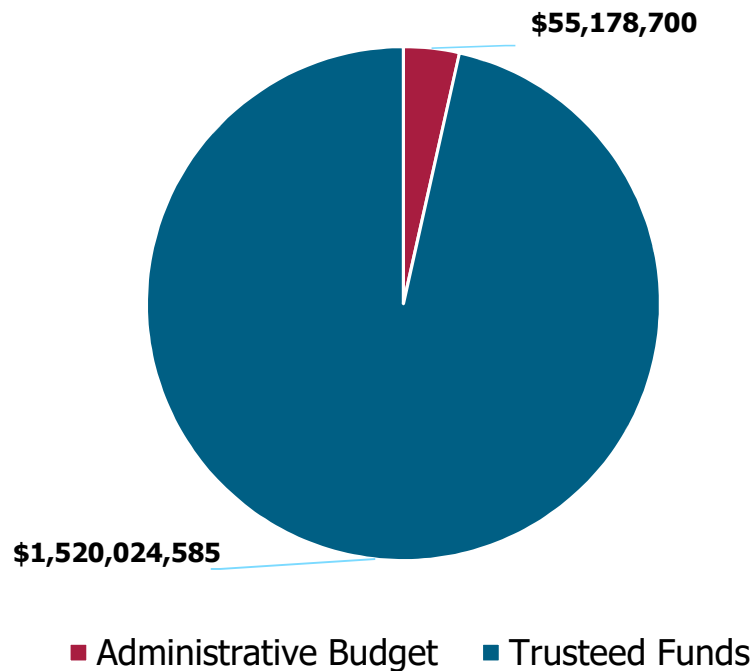
THE FOURTH GOAL: STUDENT DEBT

Undergraduate student loan debt will not exceed 60 percent of first-year wages for graduates of Texas public institutions.

- *Helps students graduate with manageable debt*

Administrative Costs Represent less than 4% of THECB Budget but are Critical to *60x30TX* Success

FY18-19 Appropriated Budget



Sample Duties Funded through Administrative Budget

- Review of all Degree Programs for Quality Assurance
- Oversight of Career Colleges
- Supporting Returning Adult Students
- Collection and Analysis of Higher Education Data
- Administration of State Financial Aid Programs
- Compliance Monitoring
- Facilitating Efficient Student Transfer

Request: Increase Funding to Agency Operations Budget to Support Key *60x30TX* Responsibilities

In FY18-19, the Coordinating Board administrative budget was reduced by \$1.25 million despite growth in statutory responsibilities and workload.

For FY20-21, the agency is requesting **an additional \$2.25 million** for critical agency operations in support of 60x30TX. The functions supported through this request include:

- Review of undergraduate and graduate degree programs
- Support of the marketable skill goal of *60x030TX*
- Enhancing agency data analysis capacity and improving the higher education Accountability System
- Providing increased IT security, improving web programming, and supporting critical technology
- Providing budget information and analysis and other support to the Legislature
- Supporting the Board-directed annual external audit of agency financial statements

Request: Increase Funding to TEXAS Grants to maintain Current Service Levels

TEXAS Grant is the state's premiere financial aid program for needy students at Texas public universities. For FY18-19, the program served all renewal students and **about 70% of newly eligible students.**

However, because 60% of the students coming through the K-12 pipeline are poor, demand for the program continues to grow each biennium. At flat funding levels, TEXAS Grant will serve all renewal students and about 58% of newly eligible students.

The Coordinating Board is requesting an additional \$112.6M in FY20-21 to continue to serve 70% of newly eligible students during the biennium, and to increase the target award amount by 2.5% each year of the biennium.

The Coordinating Board also recommends that lifetime eligibility for TEXAS Grant be reduced from 150 hours to 135 hours, or 15 hours beyond degree requirements.

Request: Increase Funding to Help Adults with Significant College Credit Return and Complete Their Degree

Working adults who accumulated significant college credit (at least 90 hours toward a Baccalaureate or 45 hours toward an Associate Degree) but did not complete a degree represent a significant opportunity for Texas to meet our *60x30TX* attainment and completion goals as well as to help these individuals increase their job opportunities.

The Coordinating Board is requesting an additional \$500,000 for a Grad TX Consortium to work with 3-5 institutions of higher education around the state to support returning adult students. Funding would cover the cost of a transcribing tool, outreach to potential returners, and associated technology. The Consortium will focus on providing flexible pathways and options to help working adults complete a degree quickly and efficiently.

Request: Increase Funding to Encourage the Adoption of Open Educational Resources

The price of books and supplemental materials represents a significant cost to students in higher education – the average estimated cost of books and supplies at Texas public universities for the 2018-19 school year is \$1,237.

Open Educational Resources (OER) allow faculty to utilize free or nearly-free educational materials for students.

The Coordinating Board is requesting an additional \$200,000 for grants to faculty for the development of OER course materials, and an additional \$250,000 to support an OER repository that would leverage the existing OER Commons and create a resource for faculty at all Texas institutions of higher education to deposit or obtain OER materials.

Texas must ensure that Formula Funding is both Sufficient and Properly Structured to Achieve *60x30TX* goals

Each interim, the Coordinating Board is statutorily charged to work with institutions to develop formula funding recommendations for the coming biennium.

Ultimately, the Board recommended a **6.6% increase in overall formula funding** for FY20-21, based on three principles:

- Increase funding to account for **inflation**
- Increase funding to account for **growth in enrollments**,
- Increase funding for **performance-based funding formulas**, including the community college Student Success Formula and the Texas State Technical College (TSTC) Value-Added Formula, and create a public university Graduation Supplement.

While HB 1 (Introduced) increased funding for growth, adjustments for inflation and performance-funding were not included.

Recommendation: Increase and Restructure Funding Formulas to Align with Coordinating Board Recommendations

The Coordinating Board recommends that formula funding for all sectors be increased to reflect the rate of inflation, as measured by the CPI. This recognizes the increasing costs over which the institutions have little if any control.

The Legislature should invest in performance-based funding models for three sectors:

- The community college Student Success Points should be funded at \$215 per point, up from \$172 currently.
- The Texas State Technical College Returned Value Model should be funded at 35%.
- The Legislature should fund \$165 million in the biennium for a Graduation Supplement at public universities. Under the Coordinating Board proposal, the supplement would award institutions \$500 for each undergraduate degree awarded, except that degrees earned by academically or financially “at-risk” students would earn \$1,000.

EXCEPTIONAL ITEM REQUESTS FOR THE 2020-21 BIENNIUM



The Texas Higher Education Coordinating Board has requested 14 Exceptional Items totaling \$122,451,641 for the 2020-2021 biennium. A total of \$4,414,850 (or 3.6 percent) would support critical agency operations and the remaining \$118,036,791 (or 96.4 percent) would support statewide programs.

Exceptional Items to Support Agency Operations

1. **\$2,247,400 for Critical Agency Operations:** This funding would support the agency perform its core functions and deliver high-quality services to students, institutions, policymakers and other stakeholders. Specifically, the funding would:
 - a. support a total of 10.5 new FTE to perform the following functions: review undergraduate and graduate degree programs for quality assurance (1 FTE); assist with work related to the marketable skills goal of 60x30TX (.5 FTE); perform data analysis (1 FTE); support the Grad TX Consortium (1 FTE; contingent on approval of Grad TX funding); provide IT security (1 FTE); provide web programming (1 FTE); support technology operations (1 FTE); provide contract and grant management (1 FTE); support a chief privacy officer (1 FTE); perform budget analysis (1 FTE); and provide HR administrative support (1 FTE)
 - b. recruit and retain excellent employees
 - c. enhance the Higher Education Accountability System for external users
 - d. support the Board-directed annual external audit of the agency's financial statements
2. **\$1,040,000 for IT Application Portfolio Modernization:** This would provide funding for one-time costs to introduce a modern architecture design for developing and supporting applications and to consolidate approximately 150 existing applications into an agile, lean, and productive portfolio. It would fund senior level contract developers to complete the work. The major benefits include the alignment of IT investments with agency strategic direction, improved efficiency, reduced support costs, and greater data security.
3. **\$270,000 for Access to Out-of-State Student Data:** The total biennial fee to the National Student Clearinghouse (NCS) is \$430,000. This request would cover \$230,000 for the THECB's portion (TEA has committed to covering \$200,000). NCS is the nationwide repository for student-level higher education data which enables the THECB and TEA to track the outcomes of students who graduate from a Texas high school and transfer out-of-state. Approximately \$40,000 of this request would allow the THECB to obtain additional data analysis services.
4. **\$707,450 for Compliance Monitoring:** This would fund 4 additional FTE to support the agency's compliance monitoring function and allow the team to audit institutions of higher education approximately every 6 years instead of the current 10-year rotation cycle. Since FY14, the Compliance Monitoring team has completed 112 engagements and identified approximately \$4.2M in non-compliant or misreported funds, as well as 16 institutions with significant information security weaknesses.
5. **\$150,000 for Facility Lease Extension:** The Texas Facilities Commission has indicated that the agency will move to the Capitol Complex as early as 2022. The agency's current building lease expires June 2020. A short-term lease extension will be necessary until the new building is available. This funding would cover the estimated additional cost of the lease extension for FY21.

Exceptional Items to Support Statewide Programs

EXCEPTIONAL ITEMS IN PRIORITY ORDER

- \$112,636,791 for TEXAS Grants:** This would fund 100 percent of renewal students, as well as maintain the current percentage of eligible new students receiving a grant (70 percent) and increase the current target award amount of \$5,000 by approximately 2.5 percent each year of the biennium.
 - \$500,000 for Grad TX Consortium:** This would fund the development of a consortium of institutions of higher education to support Grad TX, a THECB sponsored program designed to help adults with some college credit return to higher education and finish a certificate or degree. Funds would support professional development, staffing (advising/admissions), transcript review/tool, targeted financial incentives, and outreach and communication tools.
 - \$50,000 for Transfer Initiatives:** This would support faculty from small institutions of higher education with tight budgets to pay for their travel costs to develop Fields of Study and Programs of Study. These efforts are intended to improve the transferability of courses from one institution to another and the applicability of those courses to a student's major, thereby decreasing time-to-degree and saving money for both students and the state.
 - \$1,300,000 for 60x30TX Regional Strategies:** The 10 higher education regions have identified strategies for reaching 60x30TX goals and targets. This would provide funding via a competitive process to 4 -5 higher education regions to launch the strategies they developed during a FY18 stakeholder engagement and planning process.
 - \$1,000,000 for Texas Success Initiative Assessment (TSIA) Modernization:** The TSIA is used to measure college readiness. It was originally developed through a no-cost contract with The College Board and implemented in the fall 2013. An upgrade to the TSIA is greatly needed to address ongoing concerns by students, school districts, and institutions of higher education relating to alignment, transportability, integrated reading and writing, and standard setting.
 - \$100,000 for Financial Literacy Initiatives:** This would support the identification, administration, and scaling of effective institutional financial literacy initiatives focused on promoting a better understanding of reducing student debt and how to pay for training and education after high school.
 - \$250,000 for Open Educational Resource (OER) Repository (and one FTE):** This would fund the development of an OER repository using OER Commons, an existing resource. First year funds would set up the repository (\$90,000) and cover fees by OER Commons (annual fee is \$20,000 beginning in the second year). Second year funds (\$70,000 annually) would support an FTE for maintenance of the repository and ongoing maintenance fees to OER Commons. Up to 100,000 users are covered under this plan.
 - \$200,000 for OER Grant Program:** This would fund additional grants to faculty for the development of OER course materials.
 - \$2,000,000 for Family Practice Residency Program:** This program improves the distribution of family physicians across the state and provides medical care in underserved areas. These funds would allow the resident funding to increase from \$6,236 to \$7,600 per resident for approximately 773 family medicine residents.
- TEXAS Grants
 - Critical Agency Operations
 - IT Application Portfolio
 - GradTX Consortium
 - Transfer Initiatives
 - 60x30TX Regional Strategies
 - TSIA Enhancements
 - Out-of-State Student Data
 - Compliance Monitoring
 - Financial Literacy Initiatives
 - Open Educational Resource Repository
 - Open Educational Resource Grants
 - Family Practice Residency Program
 - Facility Lease Extension

Higher Education Funds Summary of Recommendations - House

The higher education funds listed below are constitutionally and statutorily authorized funds supporting institutions of higher education in the state of Texas. These funds consist of General Revenue and Other Funds and have their own respective bill patterns in the General Appropriations Act.

- Available University Fund (AUF)
 - AUF provides funding for The University of Texas (UT) System, UT Austin, the Texas A&M University (TAMU) System, TAMU College Station, TAMU at Galveston, TAMU Health Science Center, and Prairie View A&M University. AUF appropriations are used for acquiring land, constructing and equipping buildings, major repair of buildings, acquisition of capital equipment, refunding bonds or issued notes, and other permanent improvements.
- Higher Education Fund (HEF)
 - HEF provides funding for institutions of higher education that are ineligible for AUF support. HEF appropriations are generally used for the same purposes as the AUF.
- Available National Research University Fund (ANRUF)
 - ANRUF provides funding to eligible emerging research universities for the support and maintenance of educational and general activities that promote increased research capacity.
- Support for Military and Veterans Exemptions
 - This appropriation, which includes the Permanent Fund Supporting Military and Veterans Exemptions (MVE), provides assistance to public institutions of higher education to partially offset the waived tuition and fee revenue from the Hazlewood Legacy Program.

Total Summary of Recommendations

	2018-19 Base	2020-21 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue	\$817,500,000	\$817,500,000	\$0	0.0%
GR Dedicated	\$0	\$0	\$0	0.0%
Federal Funds	\$0	\$0	\$0	0.0%
Other Funds	\$2,088,509,805	\$2,392,042,608	\$303,532,803	14.5%
All Funds	\$2,906,009,805	\$3,209,542,608	\$303,532,803	10.4%

Recommendations for the AUF include estimated appropriation increases based on anticipated growth of the Permanent University Fund projected by The University of Texas Investment Management Company. Recommended rider changes include:

- The addition of “endowments” to the list of AUF uses expressly authorized in Rider 3 to provide clarification consistent with allowed practice.
- The addition of “gifts, donations, and other funds outside the treasury” to the subsection of Rider 7 detailing the reporting requirement for a listing of funds outside the AUF used for system office operations and system initiatives. Deleted subsection related to quarterly reporting requirements.

Recommendations for the ANRUF and MVE include estimated appropriation increases based on anticipated growth in these funds projected by the Texas Treasury Safekeeping and Trust Company.

- UT Dallas qualified as an eligible emerging research university consistent with the Texas Higher Education Coordinating Board (THECB) eligibility requirements and received their first distribution from the ANRUF in fiscal year 2018.

Recommendations for the HEF maintain current \$393.8 million in General Revenue per fiscal year.

- A preliminary report from the THECB required by Texas Education Code Sec. 62.022 has been completed and recommends that total HEF appropriation be maintained, however allocations to each eligible institution be adjusted for fiscal years 2021-2025 to account for Fall 2017 data.

**Higher Education Fund
Summary of Recommendations - House**

Page III-65
Colin Brock, LBB Analyst

Method of Financing	2018-19 Base	2020-21 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$787,500,000	\$787,500,000	\$0	0.0%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$787,500,000</i>	<i>\$787,500,000</i>	<i>\$0</i>	<i>0.0%</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$0	\$0	\$0	0.0%
All Funds	\$787,500,000	\$787,500,000	\$0	0.0%

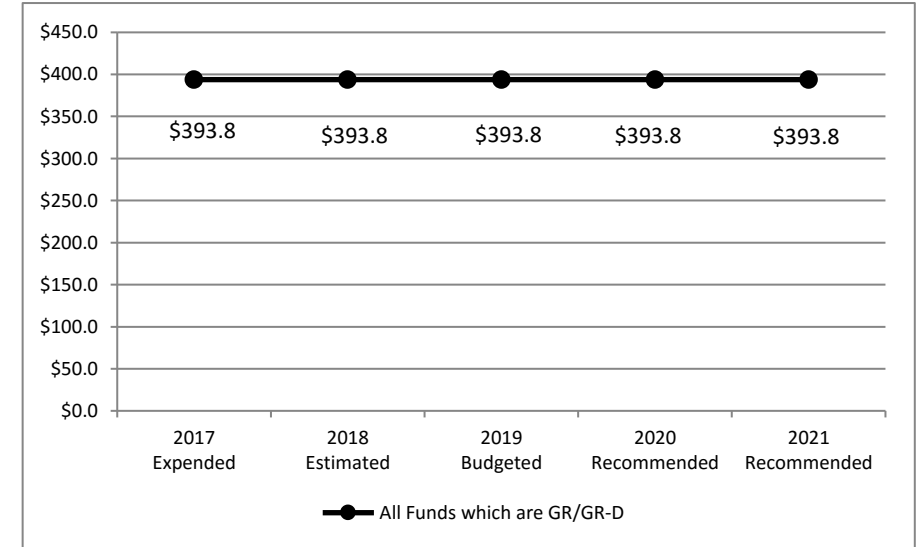
	FY 2019 Budgeted	FY 2021 Recommended	Biennial Change	Percent Change
FTEs	N/A	N/A	0.0	0.0%

Agency Budget and Policy Issues and/or Highlights

The Higher Education Fund (HEF) is authorized in the Texas Constitution, Article VII, Section 17. The HEF provides funding for institutions of higher education that are ineligible for Available University Fund Support. HEF appropriations are used for acquiring land, constructing and equipping buildings, major repair of buildings, acquisition of capital equipment, refunding bonds or issued notes, and other permanent improvements for eligible institutions. The Texas Constitution requires that the Texas Legislature determine the HEF appropriation allocation every 10 years and to review the allocation at the end of the fifth year of each 10-year allocation period. The 84th Legislature enacted Senate Bill 1191, which allocated HEF funds for the 10-year period beginning in fiscal year 2016.

The bill pattern for this agency (2020-21 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2020-21 biennium.

Historical Funding Levels (Millions)



**Higher Education Fund
Selected Fiscal and Policy Issues - House**

1. **Adjust allocation amounts for fiscal years 2021-2025.** Recommendations maintain \$393.8 million in General Revenue per fiscal year. The Texas Constitution, Article VII, Section 17, requires the Texas Legislature to determine the HEF appropriation allocation every 10 years and to review the allocation at the end of the fifth year of the ten-year allocation. The 84th Legislature enacted Senate Bill 1191, which increased the annual HEF appropriation from \$262.5 million to \$393.8 million starting in fiscal year (FY) 2017, and reallocated the available funding among the eligible institutions. The fifth year is fiscal year 2021 and the Texas Higher Education Coordinating Board (THECB) conducted a study on the HEF allocation formula during 2018, which recommends adjusting the current allocations to account for fall 2017 data for the remaining five years of the 10-year period. See item 2 below.
2. **THECB HEF Reallocation Study.** THECB has completed a five-year study required by Texas Education Code Sec. 62.022. Current allocation methodology uses a three-factor approach combined with a 2.2 percent set-aside for Texas State Technical Colleges (TSTCs). The 97.8 percent remaining after the set-aside for the TSTCs is currently allocated as follows:
 - Institutional Complexity: 50 percent is allocated based on the institutions' FY 2016-17 all-funds, formula-funding appropriations, as introduced in HB 1, 84th Texas Legislature, Regular Session.
 - Space Deficit: 25 percent is allocated based on unadjusted Space Deficit using institutions' Fall 2014 space need, as determined by the Space Projection Model.
 - Facilities Condition: 25 percent is allocated using institutions' campus condition index values for their Fall 2014 reported building inventories.

The new allocation after the 2.2 percent set-aside for TSTCs would be calculated as follows:

- Institutional Complexity: Continue to allocate 50 percent of available funds but use the FY 2018-19 Formula Appropriations.
- Space Deficit: Continue to allocate 25 percent of available funds based on the unadjusted Space Deficit, updated using the Fall 2017 Space Projection Model.
- Facilities Condition: Continue to allocate 25 percent of available funds using the same methodology, but update using the Fall 2017 Educational and General Campus Condition Index Values.

If adopted, the current allocations remain the same for FY 2020 and enactment of new legislation would be required to amend Texas Education Code Sec. 62.021 for the FY 2021-2025 allocations. Page 3 displays a table containing the current allocations found in Texas Education Code Sec. 62.021(a-1) and the proposed reallocation for FY 2021.

Higher Education Fund

(in millions)

Institution	Current Annual Allocation	Proposed Allocation Beginning FY 2021	Change from Prior Allocation	Percent Change	Institution	Current Annual Allocation	Proposed Allocation Beginning FY 2021	Change from Prior Allocation	Percent Change
University of Houston	\$52.8	\$54.5	\$1.7	3.3%	Stephen F. Austin State University	\$11.6	\$11.3	(\$0.4)	-3.1%
University of Houston – Clear Lake	\$8.0	\$7.7	(\$0.3)	-3.5%	Midwestern State University	\$5.1	\$4.9	(\$0.1)	-2.5%
University of Houston – Downtown	\$11.8	\$10.8	(\$0.9)	-7.9%	Texas Southern University	\$11.7	\$11.7	\$0.1	0.5%
University of Houston – Victoria	\$4.3	\$3.5	(\$0.7)	-17.1%	Texas Woman’s University	\$14.8	\$14.6	(\$0.3)	-2.0%
Total, University of Houston System	\$76.8	\$76.6	(\$0.2)	-0.3%	Total, Independent Universities	\$43.2	\$42.5	(\$0.7)	-1.7%
Lamar University	\$14.1	\$13.1	(\$1.0)	-6.8%	Texas A&M University – Corpus Christi	\$11.1	\$11.5	\$0.3	3.1%
Lamar Institute of Technology	\$2.6	\$2.6	(\$0.0)	-1.1%	Texas A&M International University	\$6.7	\$7.5	\$0.8	11.2%
Lamar State College – Orange	\$1.7	\$1.5	(\$0.2)	-12.2%	Texas A&M University – Kingsville	\$9.0	\$8.9	(\$0.1)	-1.2%
Lamar State College – Port Arthur	\$2.2	\$2.2	\$0.1	2.7%	Texas A&M University – Commerce	\$10.8	\$11.1	\$0.3	3.1%
Sul Ross State University	\$2.1	\$2.2	\$0.0	0.8%	Texas A&M University – Texarkana	\$1.8	\$2.1	\$0.2	12.4%
Sul Ross State University Rio Grande College	\$0.4	\$0.5	\$0.1	15.1%	West Texas A&M University	\$7.2	\$7.4	\$0.3	3.9%
Sam Houston State University	\$17.3	\$18.2	\$0.9	5.2%	Total, Texas A&M University System	\$39.4	\$41.0	\$1.6	3.9%
Texas State University	\$37.2	\$37.6	\$0.4	1.2%	Texas Tech University	\$49.2	\$49.9	\$0.6	1.3%
Total, Texas State University System	\$77.6	\$77.9	\$0.3	0.4%	Texas Tech University Health Sciences Center	\$23.4	\$21.7	(\$1.7)	-7.4%
University of North Texas	\$37.6	\$37.3	(\$0.2)	-0.6%	Texas Tech University Health Sciences Center – El Paso	\$6.2	\$5.6	(\$0.7)	-10.9%
University of North Texas Health Sciences Center	\$17.1	\$15.1	(\$2.0)	-11.5%	Angelo State University	\$5.3	\$6.8	\$1.5	27.7%
University of North Texas at Dallas	\$2.1	\$3.4	\$1.2	58.8%	Total, Texas Tech University System	\$84.2	\$83.9	(\$0.3)	-0.3%
Total, University of North Texas System	\$56.8	\$55.8	(\$0.9)	-1.7%	Total, Texas State Technical College System	\$8.7	\$8.7	\$0.0	0.0%

**Higher Education Fund
Appendices - House**

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	5
B	Summary of Federal Funds	*
C	FTE Highlights	*
D	Performance Measure Highlights	*
E	Summary of Ten Percent Biennial Base Reduction Options	*

* Appendix is not included - no significant information to report

**Higher Education Fund
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
HIGHER EDUCATION FUND A.1.1	\$787,500,000	\$787,500,000	\$0	0.0%	Recommendations maintain General Revenue appropriations for fiscal years 2020-21 due to enactment of Senate Bill 1191, 84th Legislature, which set the annual HEF appropriation at \$393.8 million from fiscal year 2017 through 2020. The Texas Constitution, Article VII, Section 17, requires the Texas Legislature determine the HEF appropriation allocation every 10 years and to review the allocation at the end of the fifth year of the ten-year allocation.
Total, Goal A, HIGHER EDUCATION FUND	\$787,500,000	\$787,500,000	\$0	0.0%	
Grand Total, All Strategies	\$787,500,000	\$787,500,000	\$0	0.0%	

**Available University Fund
Summary of Recommendations - House**

Page III-67
Colin Brock, LBB Analyst

Method of Financing	2018-19 Base	2020-21 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$0	\$0	\$0	0.0%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	\$0	\$0	\$0	0.0%
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$2,024,853,000	\$2,323,980,000	\$299,127,000	14.8%
All Funds	\$2,024,853,000	\$2,323,980,000	\$299,127,000	14.8%

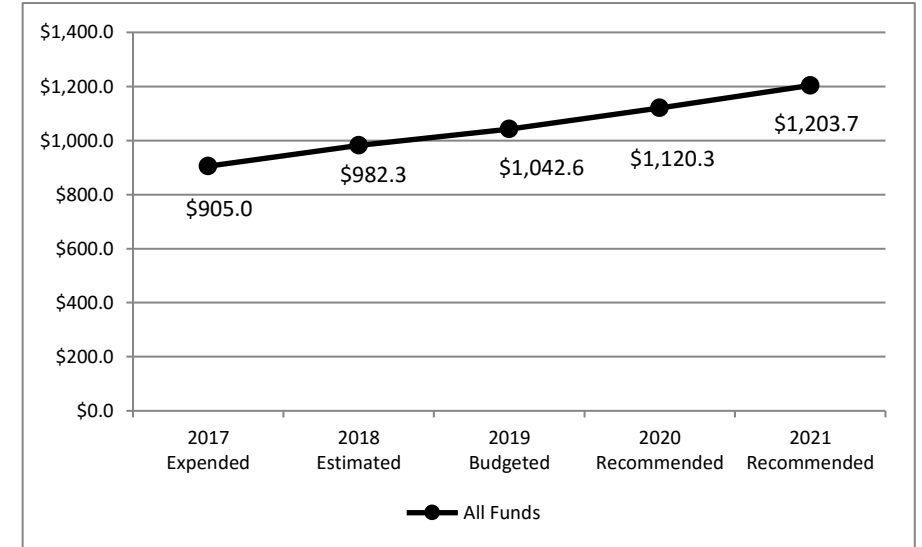
	FY 2019 Budgeted	FY 2021 Recommended	Biennial Change	Percent Change
FTEs	N/A	N/A	0.0	0.0%

Agency Budget and Policy Issues and/or Highlights

The Available University Fund (AUF) is authorized in the Texas Constitution, Article VII, Section 18. The AUF provides funding for most institutions and agencies in The University of Texas (UT) System and the Texas A&M University (TAMU) System. AUF appropriations are used for acquiring land, constructing and equipping buildings, major repair of buildings, acquisition of capital equipment, refunding bonds or issued notes, and other permanent improvements for eligible institutions. Also, AUF funding provides for the support and maintenance of certain institutions and the administration of the UT and TAMU systems.

The bill pattern for this agency (2020-21 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2020-21 biennium.

Historical Funding Levels (Millions)



**Available University Fund
Summary of Funding Changes and Recommendations - House**

Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>							
A)	Increase in estimated appropriations based on anticipated growth in the Permanent University Fund.	\$0.0	\$0.0	\$0.0	\$299.1	\$299.1	A.1.1, A.1.2.
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$0.0	\$0.0	\$0.0	\$299.1	\$299.1	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$0.0	\$0.0	\$0.0	\$299.1	\$299.1	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	As Listed

NOTE: Totals may not sum due to rounding.

**Available University Fund
Selected Fiscal and Policy Issues - House**

1. **Estimated Appropriations from the Available University Fund (AUF) for the 2020-21 biennium.** Recommendations include a \$299.1 million increase in estimated appropriations from the AUF for the 2020-21 biennium. The estimated AUF appropriations for the 2020-21 biennium total \$2.3 billion (Other Funds) and would be allocated, pursuant to Texas Constitution requirements, as follows:
 - \$1.6 billion to The University of Texas (UT) System; and
 - \$763.3 million to the Texas A&M University (TAMU) System.

2. **Basis for the Estimated AUF Appropriations.** The Permanent University Fund (PUF) is a state endowment fund that contributes to the support of 20 institutions and 6 agencies of the UT and TAMU systems. The PUF includes 2.1 million acres of land grants. Annual distributions are made from the PUF to the AUF as approved by the UT System's Board of Regents in accordance with Texas Constitution requirements and Board of Regents' policy. The AUF also consists of surface income from PUF lands and interest income on AUF balances held in the state treasury.

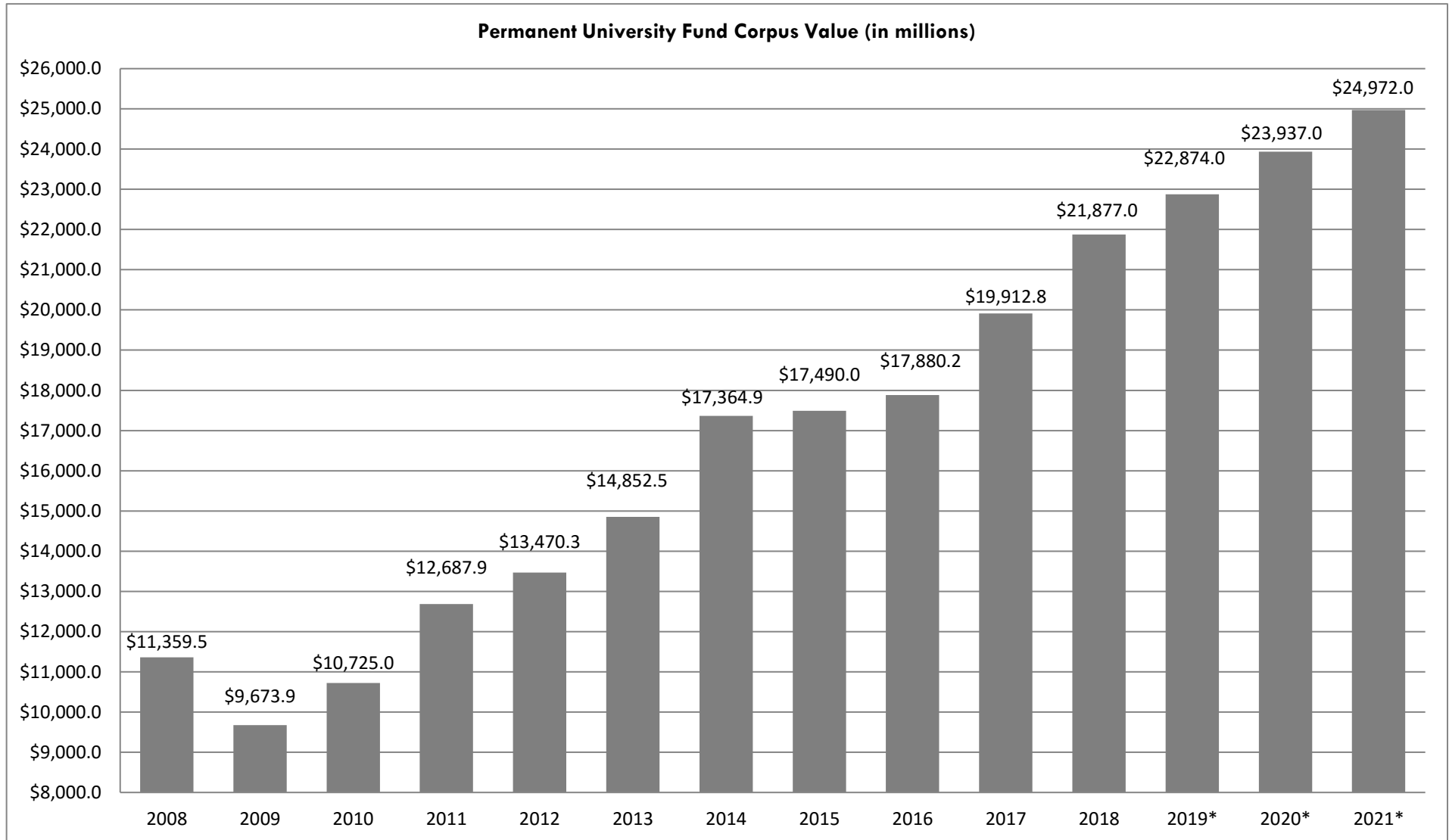
The increase in AUF appropriations for the 2020-21 biennium is primarily due to anticipated growth in the value of the PUF (the trailing 12-quarter average of net assets) against which the Board of Regents' approved annual distribution percentage is applied. The distribution rates approved by the Board of Regents were 5.00 percent for fiscal years 2018 and 2019, and are assumed to be at a rate of 5.0 percent for fiscal years 2020-21. The total net assets value of the PUF on August 31, 2018 was \$21.9 billion (see page 4 for historical values).

3. **Bonds Backed by the PUF.** The Texas Constitution authorizes the governing boards of the UT and TAMU systems to issue PUF-backed bonds and notes (PUF bonds) to finance capital expenditures. Debt service payments on PUF bonds are paid from each respective system's AUF appropriations. On August 31, 2018, the UT System had outstanding PUF bonds of \$2.9 billion and the TAMU System's outstanding PUF bonds totaled \$1.2 billion. This outstanding debt is approximately 22.8 percent of the PUF's book value which is below the constitutional limit of 30 percent.

**Available University Fund
Performance of the Permanent University Fund (FY2008-21)**

Fiscal Year	Corpus Value (in millions)	% Change Corpus Value
2008	\$ 11,359.5	0.0%
2009	\$ 9,673.9	(14.8%)
2010	\$ 10,725.0	10.9%
2011	\$ 12,687.9	18.3%
2012	\$ 13,470.3	6.2%
2013	\$ 14,852.5	10.3%
2014	\$ 17,364.9	16.9%
2015	\$ 17,490.0	0.7%
2016	\$ 17,880.2	2.2%
2017	\$ 19,912.8	11.4%
2018	\$ 21,877.0	9.9%
2019*	\$ 22,874.0	4.6%
2020*	\$ 23,937.0	4.6%
2021*	\$ 24,972.0	4.3%

Note: *FY2019-21 data is estimated.
Sources: University of Texas Investment Management Company and UT System Office of Finance



**Available University Fund
Rider Highlights - House**

Modification of Existing Riders

1. Added “endowments” to the list of uses expressly authorized in Rider 3 to provide clarification consistent with allowed practice.
2. Added “gifts, donations, and other funds outside the treasury” to the subsection of Rider 7 detailing the reporting requirement for a listing of funds outside the Available University Fund used for system office operations and system initiatives.
3. Deleted Rider 7 quarterly reporting requirement.

**Available University Fund
Appendices - House**

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	7
B	Summary of Federal Funds	*
C	FTE Highlights	*
D	Performance Measure Highlights	*
E	Summary of Ten Percent Biennial Base Reduction Options	*

* Appendix is not included - no significant information to report

**Available University Fund
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
TEXAS A&M UNIV SYSTEM ALLOCATION A.1.2	\$665,284,333	\$763,302,667	\$98,018,334	14.7%	The slight difference between the percentage increase for the Texas A&M University (TAMU) System and the University of Texas (UT) System strategies is attributable to the inclusion of the Available University Fund (AUF) interest income values in the UT System strategy. The TAMU System strategy does not include any interest income.
THE UNIV OF TEXAS SYSTEM ALLOCATION A.1.3	\$1,359,568,667	\$1,560,677,333	\$201,108,666	14.8%	
Total, Goal A, MANAGE/ADMINISTER ENDOWMENT FUNDS	\$2,024,853,000	\$2,323,980,000	\$299,127,000	14.8%	<p>Basis for the Estimated AUF Appropriations:</p> <p>The Permanent University Fund (PUF) is a state endowment fund that contributes to the support of 20 institutions and 6 agencies of the UT and TAMU systems. The PUF includes 2.1 million acres of land grants. Annual distributions are made from the PUF to the AUF as approved by the UT System's Board of Regents in accordance with Texas Constitution requirements and Board of Regent's policy. The AUF also consists of surface income from PUF lands and interest income on AUF balances held in the state treasury.</p> <p>The estimated \$299.1 million increase in AUF appropriations for the 2020-21 biennium is primarily due to anticipated growth in the value of the PUF (the trailing 12-quarter average of net assets) against which the Board of Regents' approved annual distribution percentage is applied. The distribution rates approved by the Board of Regents were 5.00 percent for fiscal years 2018 and 2019, and are assumed to be at a policy rate of 5.00 percent for fiscal years 2020-21. The total net assets value of the PUF on August 31, 2018 was \$21.9 billion (see page 4 for historical values).</p>
Grand Total, All Strategies	\$2,024,853,000	\$2,323,980,000	\$299,127,000	14.8%	

**Available National Research University Fund
Summary of Recommendations - House**

Page III-71
Colin Brock, LBB Analyst

Method of Financing	2018-19 Base	2020-21 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$0	\$0	\$0	0.0%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	\$0	\$0	\$0	0.0%
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$46,273,143	\$50,225,534	\$3,952,391	8.5%
All Funds	\$46,273,143	\$50,225,534	\$3,952,391	8.5%

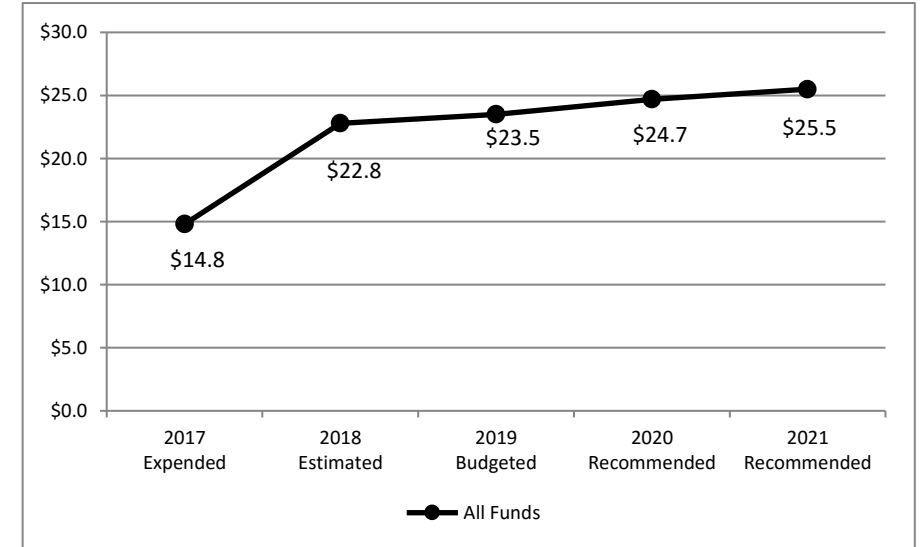
	FY 2019 Budgeted	FY 2021 Recommended	Biennial Change	Percent Change
FTEs	N/A	N/A	0.0	0.0%

Agency Budget and Policy Issues and/or Highlights

The National Research University Fund (NRUF) is authorized in the Texas Constitution, Article VII, Section 20. The NRUF provides funding for General Academic Institutions (GAIs) that are eligible emerging research universities as determined by the Texas Higher Education Coordinating Board. NRUF appropriations may only be used by eligible GAIs for the support and maintenance of educational and general activities that promote increased research capacity.

The bill pattern for this agency (2020-21 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2020-21 biennium.

Historical Funding Levels (Millions)



**Available National Research University Fund
Summary of Funding Changes and Recommendations - House**

Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>						
A) Increase in estimated available appropriations because of changes in Texas Treasury Safekeeping Trust Company assumptions and policies regarding projected market returns and distribution rate.	\$0.0	\$0.0	\$0.0	\$4.0	\$4.0	A.1.1.
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)	\$0.0	\$0.0	\$0.0	\$4.0	\$4.0	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>	\$0.0	\$0.0	\$0.0	\$4.0	\$4.0	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	As Listed

NOTE: Totals may not sum due to rounding.

**Available National Research University Fund
Selected Fiscal and Policy Issues - House**

1. **Basis for the Estimated Available Appropriations from NRUF.** The Texas Comptroller, through the Texas Treasury Safekeeping Trust Company (TTSTC), determines the amount of available NRUF appropriations for each fiscal year pursuant to Texas Education Code, Section 62.148 requirements. The total amount appropriated from NRUF for any state fiscal year may not exceed an amount equal to 4.5 percent of the average value of the NRUF corpus for the previous three fiscal years. For fiscal year 2018, TTSTC determined the available NRUF appropriation amount based on a 3.5 percent rate. The total value of NRUF on August 31, 2018 was \$737.8 million (see page 5 for historical values).
2. **Distribution of Available NRUF Appropriations.** The distribution of available NRUF appropriations and the university eligibility requirements are set forth in the Texas Constitution, Article VII, Section 20 and Texas Education Code, Subchapter G. Of the total available NRUF appropriations, each eligible institution receives a fiscal year distribution amount equal to the sum of:
 - one-seventh of the total available; and
 - an equal share of any amount remaining after distributions are calculated, not to exceed one-fourth of the remaining amount.

However, if more than four institutions are eligible to receive NRUF appropriations, then each eligible institution is entitled to receive an equal share of the total available.

Currently, the University of Houston, Texas Tech University, and the University of Texas at Dallas (UT Dallas) are eligible to receive NRUF appropriations for the 2018-19 and 2020-21 biennia. Of the remaining emerging research universities, The University of Texas at Arlington (UT Arlington) and The University of Texas at El Paso (UT El Paso) may also become eligible to receive NRUF appropriations in the 2020-21 biennium according to the Texas Higher Education Coordinating Board (THECB). THECB reports that eligibility approval for UT Arlington and UT El Paso is dependent on three conditions:

- UT Arlington reaches the mandatory requirement of \$45.0 million in restricted research expenditures in fiscal year 2019-2020 (UT El Paso met the mandatory requirement in fiscal years 2016-17);
- either of the institutions then also meet four of the six optional criteria listed in statute (UT Arlington has met three of six as of February 2018 and UT El Paso has met one of six); and
- the State Auditor completes an audit of the information used for eligibility.

Texas Education Code Sec. 62.146(b) requires THECB to annually verify and certify information about the criteria used for determining the eligibility of higher education institutions to receive distributions from the NRUF. THECB anticipates completion of the NRUF report by February 2019 and does not expect any new schools to be eligible for a fiscal year 2019 appropriation.

Detailed on the next page is the distribution of available NRUF appropriations for the 2018-19 biennium; and alternative scenarios for the 2020-21 biennium.

**Available National Research University Fund
Selected Fiscal and Policy Issues - House**

Distribution of Available NRUF Appropriations for the 2018-19 and 2020-21 Biennia

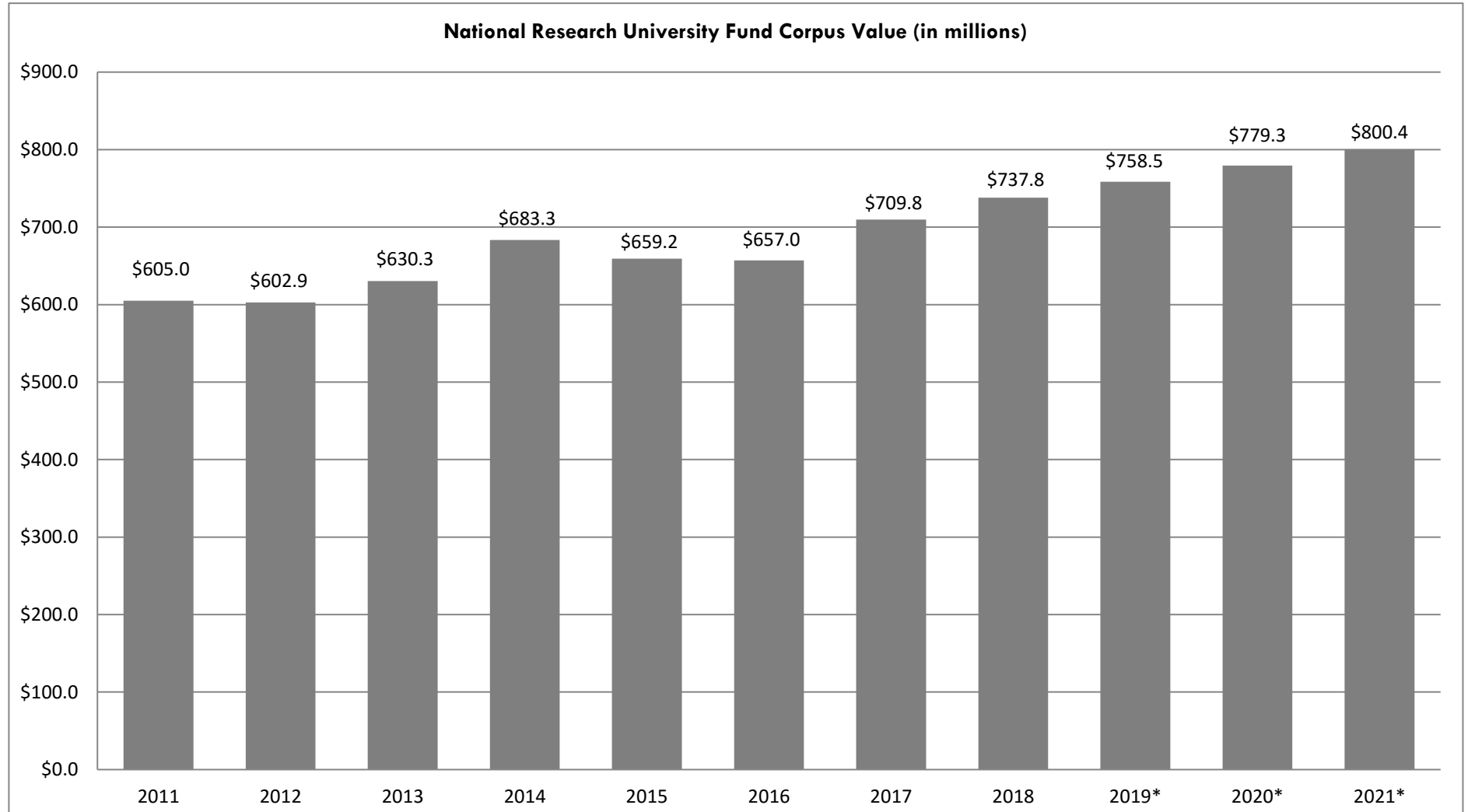
Eligible Institutions	Maximum Available NRUF Appropriations for 2018-19 ^{1, 2}	Available NRUF Appropriations distributed in 2018-19 ⁴	2018-19 NRUF Appropriations per Institution	Maximum Available NRUF Appropriations for 2020-21 ^{1, 2, 3}	Available NRUF Appropriations distributed in 2020-21 ⁴	2020-21 NRUF Appropriations per Institution
(Assume 3 Institutions) Houston, Texas Tech, and UT Dallas	\$ 60,733,500	\$ 46,273,143	\$ 15,424,381	\$ 65,921,013	\$ 50,225,534	\$ 16,741,845
(Assume 4 Institutions) Houston, Texas Tech, UT Dallas and UT Arlington or UT El Paso				\$ 65,913,125	\$ 51,265,764	\$ 12,816,441
(Assume 5 Institutions) Houston, Texas Tech, and UT Dallas and UT Arlington and UT El Paso				\$ 65,915,097	\$ 51,005,730	\$ 10,201,146

Notes: 1) Maximum Available appropriations for FY 2018-2021 calculated at 4.5% rate in accordance with Education Code Sec. 62.148(b).
 2) Fiscal years 2019-21 data is estimated.
 3) Amounts vary for "Available NRUF Appropriations for 2020-21 due to differences in fiscal year 2020 distributions and the associated impact on the value of the NRUF corpus.
 4) Available Appropriations distributed in FY 2018-21 calculated at 3.5% rate.
 Sources: Texas Treasury Safekeeping Trust Company, Texas Higher Education Coordinating Board

**Available National Research University Fund
Performance of the National Research University Fund (FY2011-21)**

Fiscal Year	Corpus Value (in millions)	% Change Corpus Value
2011	\$ 605.0	0.0%
2012	\$ 602.9	(0.3%)
2013	\$ 630.3	4.5%
2014	\$ 683.3	8.4%
2015	\$ 659.2	(3.5%)
2016	\$ 657.0	(0.3%)
2017	\$ 709.8	8.0%
2018	\$ 737.8	3.9%
2019*	\$ 758.5	2.8%
2020*	\$ 779.3	2.7%
2021*	\$ 800.4	2.7%

Note: *FY2019-21 data is estimated based on three eligible institutions.
Source: Texas Treasury Safekeeping Trust Company



**Available National Research University Fund
Appendices - House**

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	7
B	Summary of Federal Funds	*
C	FTE Highlights	*
D	Performance Measure Highlights	*
E	Summary of Ten Percent Biennial Base Reduction Options	*

* Appendix is not included - no significant information to report

**Available National Research University Fund
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
DISTRIBUTE TO ELIGIBLE INSTITUTIONS A.1.1	\$46,273,143	\$50,225,534	\$3,952,391	8.5%	Recommendations include a \$4.0 million increase in estimated available appropriations from the National Research University Fund (NRUF) for the 2020-21 biennium. The Texas Comptroller, through the Texas Treasury Safekeeping and Trust Company (TTSTC), determines the amount of available NRUF appropriations for each fiscal year pursuant to Texas Education Code, Section 62.148 requirements. The total amount appropriated from NRUF for any state fiscal year may not exceed an amount equal to 4.5 percent of the average value of the NRUF corpus for the previous three fiscal years. For fiscal year 2018, TTSTC determined the available NRUF appropriation amount based on a 3.5 percent rate. See Sections 3 and 3a (pages 3-5) for additional details.
Total, Goal A, MANAGE/ADMINISTER ENDOWMENT FUNDS	\$46,273,143	\$50,225,534	\$3,952,391	8.5%	
Grand Total, All Strategies	\$46,273,143	\$50,225,534	\$3,952,391	8.5%	

**Support for Military and Veterans Exemptions
Summary of Recommendations - House**

Page III-71
Colin Brock, LBB Analyst

Method of Financing	2018-19 Base	2020-21 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$30,000,000	\$30,000,000	\$0	0.0%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$30,000,000</i>	<i>\$30,000,000</i>	<i>\$0</i>	<i>0.0%</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$17,383,662	\$17,837,074	\$453,412	2.6%
All Funds	\$47,383,662	\$47,837,074	\$453,412	1.0%

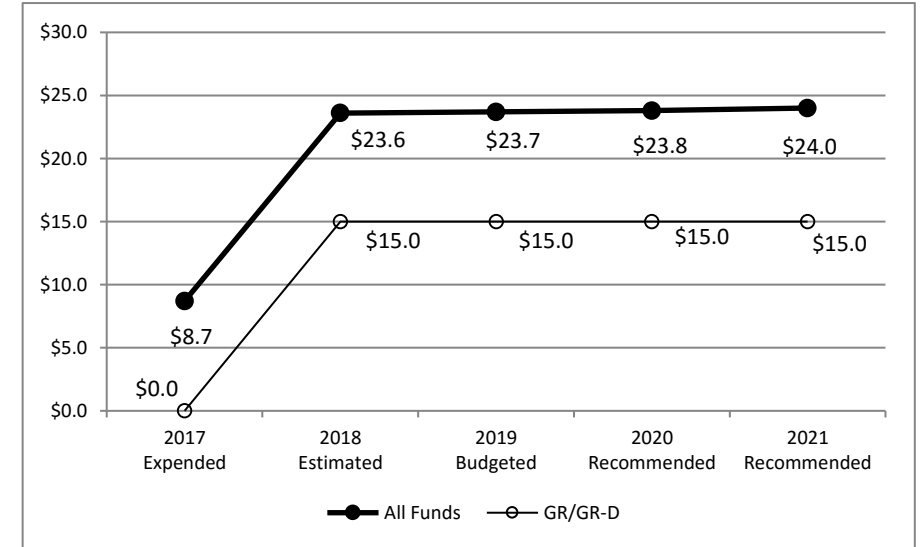
	FY 2019 Budgeted	FY 2021 Recommended	Biennial Change	Percent Change
FTEs	N/A	N/A	0.0	0.0%

Agency Budget and Policy Issues and/or Highlights

The Permanent Fund for Military Veterans Exemptions (MVE) is authorized in the Texas Education Code, Section 54.341 1. The MVE was established to assist public institutions of higher education to offset the waived tuition and fee revenue from the Hazlewood Legacy Program (HLP). In accordance with HLP, qualifying veterans may assign unused hours of their state tuition exemption to a dependent that meets eligibility requirements.

The bill pattern for this agency (2020-21 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2020-21 biennium.

Historical Funding Levels (Millions)



**Support for Military and Veterans Exemptions
Summary of Funding Changes and Recommendations - House**

Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>							
A)	Increase in estimated appropriations based on anticipated growth of the Permanent Fund Supporting Military and Veterans Exemptions for the 2020-21 biennium	\$0.0	\$0.0	\$0.0	\$0.5	\$0.5	A.1.1.
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$0.0	\$0.0	\$0.0	\$0.5	\$0.5	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$0.0	\$0.0	\$0.0	\$0.5	\$0.5	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	As Listed

NOTE: Totals may not sum due to rounding.

**Permanent Fund Supporting Military and Veterans Exemptions
Selected Fiscal and Policy Issues – House**

1. **Basis for the Estimated Appropriations from MVE.** Pursuant to Texas Education Code, Section 54.3411 requirements, the Texas Treasury Safekeeping Trust Company (TTSTC) administers the MVE and determines the amount available for distribution and appropriation from the fund. TTSTC determines the MVE appropriation amount in accordance with policy that is adopted by the Texas Comptroller of Public Accounts. For fiscal year 2018, TTSTC determined the MVE appropriation amount based on 3.5 percent of the 20-quarter moving average value of the MVE. The total value of the MVE on August 31, 2018 was \$266.7 million (see page 5 for historical values).
2. **Distribution of MVE Appropriations.** The distribution requirements for MVE appropriations are set forth in the Texas Education Code, Section 54.3411(e), which indicates MVE funds may be appropriated only to offset the cost to institutions for the Hazlewood Legacy Program (HLP) exemptions. The amount appropriated to eligible institutions must be in proportion to each institution’s respective share of the aggregate cost to all institutions for the HLP exemptions, as determined by the Legislative Budget Board using HLP data provided by the Texas Veterans Commission.
3. **Total Appropriations for the Hazlewood Legacy Program (HLP)** For the 2018-19 biennium, \$15.0 million in General Revenue Funds per fiscal year previously appropriated to the Texas Veterans Commission was appropriated for the HLP, and must be distributed in the same fashion as the MVE. Total appropriations, MVE and GR combined, to eligible institutions for HLP for fiscal years 2017-2021 are as follows:

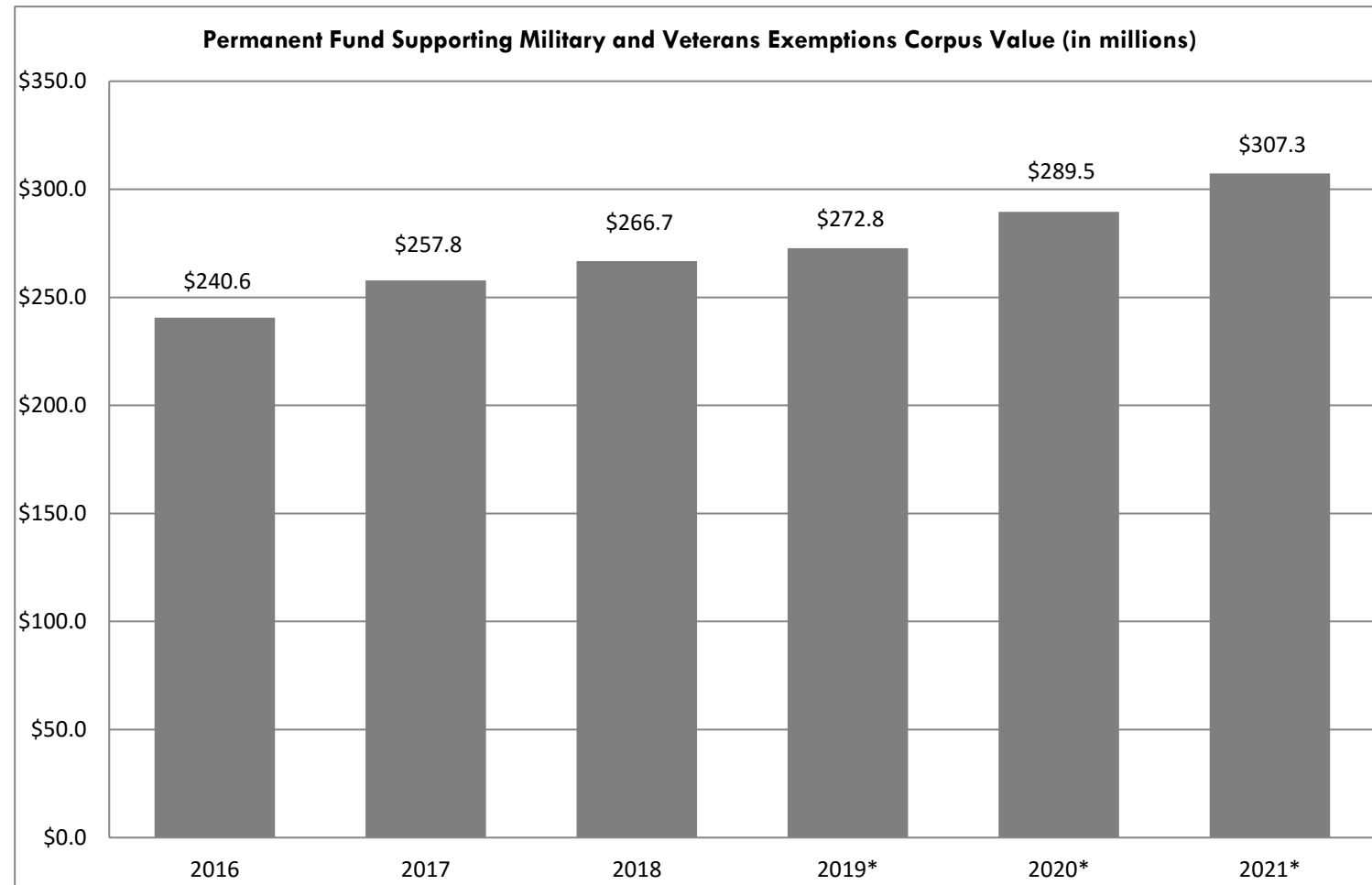
Fiscal Year	HLP Appropriations from MVE	HLP Appropriations from GR	Total HLP Appropriations (MVE + GR)	Total HLP Credit Hours Exempted	Total HLP Dollars Waived
2017	\$ 8,660,437	\$ 15,000,000	\$ 23,660,437	505,179	\$ 142,781,907
2018	\$ 8,645,813	\$ 15,000,000	\$ 23,645,813	549,419	\$ 159,104,376
2019	\$ 8,737,849	\$ 15,000,000	\$ 23,737,849	567,553	\$170,245,011
2020	\$ 8,832,436	\$ 15,000,000	\$ 23,832,436	**	**
2021	\$ 9,004,638	\$ 15,000,000	\$ 24,004,638	**	**

Notes: FY2017 funding distribution based on FY2016 data; FY2018 funding distribution based on FY2017 data; FY2019 funding distribution based on FY2018 data; FY2019-20 data is not yet available for FY2020-21 distributions.

Permanent Fund Supporting Military and Veterans Exemptions
Performance of the Permanent Fund Supporting Military and Veterans Exemptions Fund (FY2016-21)

Fiscal Year	Corpus Value (in millions)	% Change Corpus Value
2016	\$ 240.6	0.0%
2017	\$ 257.8	7.1%
2018	\$ 266.7	3.5%
2019*	\$ 272.8	2.3%
2020*	\$ 289.5	6.1%
2021*	\$ 307.3	6.1%

Note: *FY2019-21 data is estimated.
 Source: Texas Treasury Safekeeping Trust Company



**Permanent Fund Supporting Military and Veterans Exemptions
Appendices - House**

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	6
B	Summary of Federal Funds	*
C	FTE Highlights	*
D	Performance Measure Highlights	*
E	Summary of Ten Percent Biennial Base Reduction Options	*

* Appendix is not included - no significant information to report

**Support for Military and Veterans Exemptions
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
DISTRIBUTE TO ELIGIBLE INSTITUTIONS A.1.1	\$17,383,662	\$17,837,074	\$453,412	2.6%	Recommendations include a \$0.5 million increase in estimated appropriations (Other Funds) from the Permanent Fund Supporting Military and Veterans Exemptions (MVE) for the 2020-21 biennium. Pursuant to the Texas Education Code, Section 54.3411 requirements, the Texas Treasury Safekeeping Trust Company (TTSTC) administers the MVE and determines the amount available for distribution and appropriation from the fund. TTSTC determines the MVE appropriation amount in accordance with policy that is adopted by the Texas Comptroller of Public Accounts. For Fiscal Year 2018, TTSTC determined the MVE appropriation amount based on 3.5 percent of the 20-quarter moving average value of the MVE.
Total, Goal A, FUND FOR MILITARY & VET EXEMPTIONS	\$17,383,662	\$17,837,074	\$453,412	2.6%	
REIMBURSEMENT FOR HAZLEWOOD EXEMPTS B.1.1	\$30,000,000	\$30,000,000	\$0	0.0%	Recommendations include \$15.0 million in General Revenue Funds per fiscal year previously appropriated to the Texas Veterans Commission for the Hazlewood Legacy Program. During the 85th Legislature, these funds were moved to the MVE bill pattern and must be distributed in the same fashion as the MVE funds.
Total, Goal B, REIMBURSEMENT FOR HAZLEWOOD EXEMPTS	\$30,000,000	\$30,000,000	\$0	0.0%	
Grand Total, All Strategies	\$47,383,662	\$47,837,074	\$453,412	1.0%	

**Higher Education Employees Group Insurance Contributions
Summary of Recommendations - House**

Andrew Overmyer, LBB Analyst

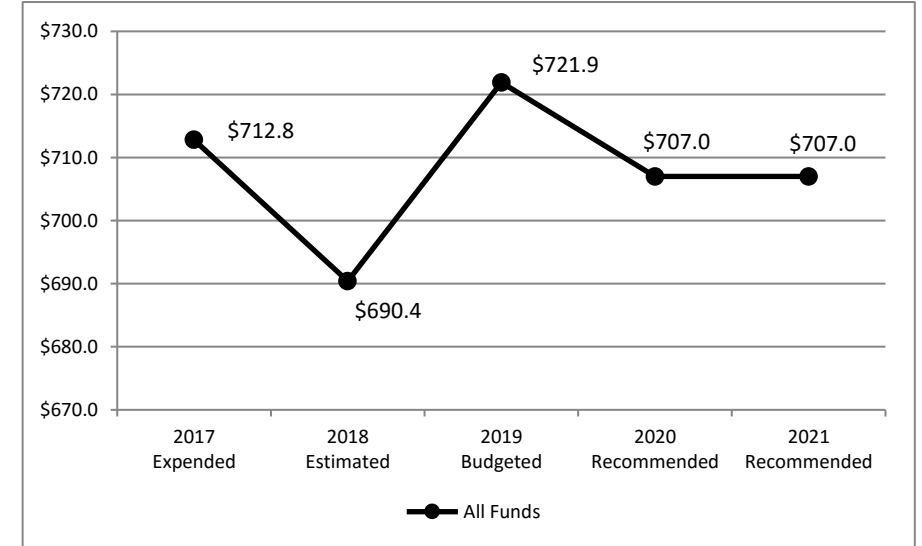
Method of Financing	2018-19 Base	2020-21 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$1,412,228,171	\$1,413,952,442	\$1,724,271	0.1%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$1,412,228,171</i>	<i>\$1,413,952,442</i>	<i>\$1,724,271</i>	<i>0.1%</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$0	\$0	\$0	0.0%
All Funds	\$1,412,228,171	\$1,413,952,442	\$1,724,271	0.1%

Agency Budget and Policy Issues and/or Highlights

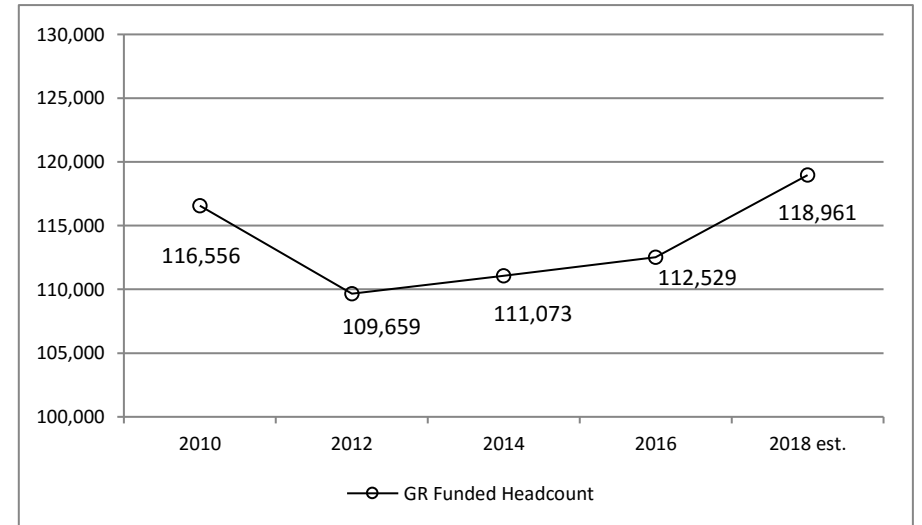
The General Revenue amounts recommended here represent the direct state contributions appropriated to institutions of higher education for the purposes of paying group health insurance premiums. Institutions pay health care premiums proportionally from other fund sources to the degree they receive fund sources other than General Revenue. Any difference between actual premium cost and appropriated state contributions is paid by the institution.

The bill pattern for this agency (2020-21 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2020-21 biennium.

Historical Funding Levels (Millions)



Historical General Revenue Funded Employee Headcount



**Higher Education Employees Group Insurance Contributions
Summary of Funding Changes and Recommendations - House**

Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>							
A)	State Contribution, UT System	(\$3.9)	\$0.0	\$0.0	\$0.0	(\$3.9)	All Strategies in Goal A
B)	State Contribution, A&M System	\$4.9	\$0.0	\$0.0	\$0.0	\$4.9	All Strategies in Goal B
C)	State Contribution, ERS	(\$1.0)	\$0.0	\$0.0	\$0.0	(\$1.0)	Strategies C.1.1 - C.1.35
D)	State Contribution, Community Colleges	\$1.7	\$0.0	\$0.0	\$0.0	\$1.7	C.1.36
TOTAL SIGNIFICANT Funding Changes and Recommendations (in millions)		\$1.7	\$0.0	\$0.0	\$0.0	\$1.7	As Listed
<i>SIGNIFICANT Funding Increases</i>		\$6.6	\$0.0	\$0.0	\$0.0	\$6.6	As Listed
<i>SIGNIFICANT Funding Decreases</i>		(\$4.9)	\$0.0	\$0.0	\$0.0	(\$4.9)	As Listed

NOTE: Totals may not sum due to rounding.

**Higher Education Employees Group Insurance Contributions
Selected Fiscal and Policy Issues - House**

1. **HEGI Data Assumptions.** Recommendations are based on each institution’s best estimate of actual enrollment as of December 1, 2018, and the institution’s estimate of the General Revenue and General Revenue-Dedicated proportionality likely to be reported in the institution’s fiscal year 2018 Accounting Policy Statement 011 (APS 011) report, as reported in each institution’s Legislative Appropriations Request. Community colleges are not subject to proportionality requirements and therefore do not submit an APS 011 Report. Institutions will submit actual enrollment and proportionality submitted in the APS 011 report to the LBB by mid-January for the December 1, 2018 census date. Should the Legislature opt to use the updated census data and maintain the recommended rates, there will be a reallocation in funding among institutions and possibly in overall appropriations.
2. **Contribution Funding.** While premium contributions for general state employees are funded at 100 percent of Employee Retirement System (ERS) premium rates, since fiscal year 2004 the Legislature has provided a lower level of premium contributions for higher education employees. Recommended 2020-21 amounts maintain the 2018-19 General Revenue funding levels of \$1.05 billion for institutions of higher education other than the public community and junior colleges. LBB recommendations are consistent with the recommendations for ERS’ general state employees by maintaining Fiscal Year 2019 rates for the 2020-21 biennium.

Senate Bill (SB) 1812, 83rd Legislature, set the state contribution rate for community colleges at 50 percent of the full contribution rate in statute, therefore this rate can only change by legislation. Recommendations for the community colleges represent a 0.47 percent increase over 2018-19 General Revenue funding levels. Please see Section 3a for a comparison of different proration rates and the resulting funding compared to the recommended 2020-21 funding level.

3. **Employee Headcount Trends.** For institutions of higher education (excluding community colleges), the total number of employees increased by 1.0 percent from the previous biennium and the number of General Revenue funded employees decreased by 5.4 percent from the previous biennium. For community colleges, the total number of employees increased by 1.8 percent and the number of Instructional and Administrative (I&A) employees increased by 3.0 percent.
4. **Community College Petition Process.** SB 1812 also stipulates that the number of community college employees eligible to receive HEGI contributions may not be adjusted in a proportion greater than the change in student enrollment at each institution. Institutions that experience a decline in enrollment may petition the LBB to maintain eligible employees up to 98 percent of the employee level of the previous biennium.

Recommendations are based on enrollment and headcount growth limitations provided in statute, and includes maintaining hold harmless employee levels consistent with funding decisions in the 84th and 85th Legislatures. The following table provides a summary of the number of community college districts that fall within four ranges of enrollment decline and the recommended employee level hold harmless percentage applied to those districts.

Percent Decline in Enrollment	Number of Districts	Employee Level Hold Harmless
More than 2, up to 5 percent	9	98 percent (2 percent reduction)
More than 5, up to 10 percent	7	95 percent (5 percent reduction)
More than 10, up to 15 percent	3	90 percent (10 percent reduction)
More than 15 percent	0	85 percent (15 percent reduction)

Total eligible employee headcount for the 2020-21 biennium is 42,951, a 3.0 percent increase from the previous biennium. Student enrollment, which is measured in contact hours, increased by 1.1 percent from the previous biennium. Because the eligible employee headcount changed at a rate greater than the change in student enrollment, the number of eligible employees lowers to 41,369, a decrease of 3.7 percent.

5. **Kilgore College HEGI Appropriation Shortfall.** Following the 85th Legislature, Kilgore College notified the LBB that its HEGI appropriation was based on inaccurate data, which resulted in the institution being under-appropriated HEGI funding for the 2018-19 biennium. Based on analysis of corrected data, Kilgore College received approximately \$1.2 million less General Revenue due to the incorrect data.

The institution has requested a supplemental appropriation of this amount for 2020-21. The following table provides a summary of the appropriation shortfall.

HEGI Appropriations for Kilgore College

	FY 2018	FY 2019	Total
General Appropriations Act, 85th Legislature	\$1,744,916	\$1,824,430	\$3,569,346
Recalculated Appropriation Using Correct Data	\$2,530,260	\$2,457,324	\$4,807,584
Difference:	\$605,344	\$632,894	\$1,238,238

Summary of Recommendations and Potential Funding Options for HEGI Contributions to Institutions of Higher Education (IHE) - House

2020-21 Recommendations

	2018	2019	Biennium	2020	2021	Biennium	Biennial Percent Change
UT	\$ 221,768,401	\$ 231,886,369	\$ 453,654,770	\$ 224,873,244	\$ 224,873,246	\$ 449,746,490	(0.9%)
TAMU	\$ 116,108,763	\$ 121,406,109	\$ 237,514,872	\$ 121,194,488	\$ 121,194,488	\$ 242,388,976	2.1%
ERS – IHE	\$ 174,091,294	\$ 182,028,160	\$ 356,119,454	\$ 177,576,817	\$ 177,576,817	\$ 355,153,634	(0.3%)
Community Colleges	\$ 178,406,837	\$ 186,532,234	\$ 364,939,071	\$ 183,331,671	\$ 183,331,671	\$ 366,663,342	0.5%
Total	\$690,375,295	\$721,852,872	\$1,412,228,167	\$706,976,220	\$706,976,222	\$1,413,952,442	0.1%

Proration Rate Comparison*

	2006-07	2008-09	2010-11	2012-13	2014-15	2016-17	2018-19	2020-21
UT	87.5%	97.5%	97.5%	85.8%	89.4%	89.2%	74.27%	81.3%
TAMU	87.5%	95.0%	95.0%	83.4%	87.0%	86.8%	74.27%	81.3%
ERS – IHE	87.5%	95.0%	95.0%	83.4%	87.0%	86.8%	74.72%	81.7%
Community Colleges	87.5%	90.0%	83.0%	42.1%	50.0%	50.0%	50.0%	50.0%

Estimated Savings by Funding All Institutions at 2018-19 Premium Rates

	2020	2021	Biennium	Increase/(Decrease) from Recommendations
UT (74.267%)	\$ 205,507,015	\$ 205,507,015	\$ 411,014,030	\$ (38,732,460)
TAMU (74.267%)	\$ 110,757,138	\$ 110,757,138	\$ 221,514,276	\$ (20,874,700)
ERS – IHE (74.717%)	\$ 162,376,159	\$ 162,376,159	\$ 324,752,318	\$ (30,401,316)
Total	\$ 478,640,312	\$ 478,640,312	\$ 957,280,624	\$ (90,008,476)

Estimated Cost to Fund All Institutions at “Full” ERS Premium Rate

	2020	2021	Biennium	Increase/(Decrease) from Recommendations
UT (100%)	\$ 276,713,647	\$ 276,713,644	\$ 553,427,291	\$ 103,680,801
TAMU (100%)	\$ 149,133,647	\$ 149,133,647	\$ 298,267,294	\$ 55,878,318
ERS – IHE (100%)	\$ 217,289,263	\$ 217,289,263	\$ 434,578,526	\$ 79,424,892
Total	\$ 643,136,557	\$ 643,136,554	\$ 1,286,273,111	\$ 238,984,011

Recommended Plan Year 2019 Premium Contribution Base Rates: 86th Legislature* - House

		Employee Only	Employee & Child	Employee & Spouse	Employee & Family
ERS - "FULL" RATES (100%)					
Full-time		\$ 624.82	\$ 864.52	\$ 982.82	\$ 1,222.52
Part-time		\$ 312.41	\$ 432.26	\$ 491.41	\$ 611.26
ERS HEGI - HIGHER EDUCATION INSTITUTIONS					
Full-time	81.72% of ERS Rates	\$ 510.58	\$ 706.45	\$ 803.12	\$ 998.99
Part-time		\$ 255.29	\$ 353.22	\$ 401.56	\$ 499.50
UT SYSTEM					
Full-time	81.27% of ERS Rates	\$ 507.76	\$ 702.56	\$ 798.70	\$ 993.49
Part-time		\$ 253.88	\$ 351.28	\$ 399.35	\$ 496.74
A&M SYSTEM					
Full-time	81.27% of ERS Rates	\$ 507.76	\$ 702.56	\$ 798.70	\$ 993.49
Part-time		\$ 253.88	\$ 351.28	\$ 399.35	\$ 496.74
ERS HEGI - COMMUNITY COLLEGES					
Full-time	50.0% of ERS Rates	\$ 312.41	\$ 432.26	\$ 491.41	\$ 611.26
Part-time		\$ 156.21	\$ 216.13	\$ 245.71	\$ 305.63

*2019 rates will not increase in fiscal years 2020 or 2021.

**Higher Education Employees Group Insurance Contributions
Items Not Included in Recommendations - House**

	2020-21 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2022-23
	GR & GR-D	All Funds	FTEs			

Agency Rider Requests Not Included

1)	The University of Texas System Administration requests that requirements to conduct and report internal audits of benefits proportionality be made optional.	N/A	N/A	0.0	No	No	N/A
2)	The Texas Tech University System Administration requests that requirements to conduct and report internal audits of benefits proportionality be made optional.	N/A	N/A	0.0	No	No	N/A
3)	The Texas State University System Administration requests that requirements to conduct and report internal audits of benefits proportionality be made optional.	N/A	N/A	0.0	No	No	N/A

**Higher Education Employees Group Insurance Contributions
Appendices - House**

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	10
B	Summary of Federal Funds	*
C	FTE Highlights	*
D	Performance Measure Highlights	*
E	Summary of Ten Percent Biennial Base Reduction Options	*

* Appendix is not included - no significant information to report

**Higher Education Employees Group Insurance Contributions
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
UT - ARLINGTON A.1.1	\$24,459,804	\$24,702,060	\$242,256	1.0%	
UT - AUSTIN A.1.2	\$58,969,475	\$57,303,197	(\$1,666,278)	(2.8%)	
UT - DALLAS A.1.3	\$18,644,838	\$17,201,884	(\$1,442,954)	(7.7%)	
UT - EL PASO A.1.4	\$26,297,744	\$28,780,826	\$2,483,082	9.4%	
UT - RIO GRANDE VALLEY A.1.5	\$32,537,510	\$28,113,531	(\$4,423,979)	(13.6%)	
UT - PERMIAN BASIN A.1.6	\$4,983,458	\$4,800,984	(\$182,474)	(3.7%)	
UT - SAN ANTONIO A.1.7	\$27,967,817	\$26,467,866	(\$1,499,951)	(5.4%)	
UT - TYLER A.1.8	\$9,632,347	\$7,421,718	(\$2,210,629)	(23.0%)	
UT SW MEDICAL A.1.9	\$33,481,766	\$31,274,466	(\$2,207,300)	(6.6%)	
UTMB - GALVESTON A.1.10	\$111,293,340	\$114,844,211	\$3,550,871	3.2%	
UTHSC - HOUSTON A.1.11	\$42,213,967	\$46,521,188	\$4,307,221	10.2%	
UTHSC - SAN ANTONIO A.1.12	\$38,654,277	\$37,889,050	(\$765,227)	(2.0%)	
UT MD ANDERSON A.1.13	\$15,579,893	\$13,947,273	(\$1,632,620)	(10.5%)	
UT HEALTH SCIENCE CENTER - TYLER A.1.14	\$8,938,538	\$10,478,236	\$1,539,698	17.2%	
UT SYSTEM ADMINISTRATION A.1.16	\$0	\$0	\$0	0.0%	
Total, Goal A, STATE CONTRIBUTION, UT SYSTEM	\$453,654,774	\$449,746,490	(\$3,908,284)	(0.9%)	Although the number of employees of UT System institutions increased by 3.5 percent from the previous biennium, the number of GR eligible employees decreased by 6.0 percent.
TEXAS A&M UNIVERSITY B.1.1	\$71,530,727	\$78,413,750	\$6,883,023	9.6%	
A&M SYSTEM HEALTH SCIENCE CENTER B.1.2	\$15,904,304	\$16,447,394	\$543,090	3.4%	
A&M - GALVESTON B.1.3	\$3,849,294	\$3,896,356	\$47,062	1.2%	
PRAIRIE VIEW A&M B.1.4	\$10,930,081	\$11,107,878	\$177,797	1.6%	
TARLETON STATE UNIVERSITY B.1.5	\$10,344,709	\$10,269,458	(\$75,251)	(0.7%)	
A&M - CORPUS CHRISTI B.1.6	\$10,231,967	\$9,845,832	(\$386,135)	(3.8%)	
TEXAS A&M UNIVERSITY- CENTRAL TEXAS B.1.7	\$2,019,205	\$1,848,004	(\$171,201)	(8.5%)	
TEXAS A&M UNIVERSITY - SAN ANTONIO B.1.8	\$3,573,942	\$3,621,752	\$47,810	1.3%	

**Higher Education Employees Group Insurance Contributions
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
A&M - KINGSVILLE B.1.9	\$9,279,507	\$9,761,214	\$481,707	5.2%	
A&M - INTERNATIONAL B.1.10	\$5,714,575	\$5,791,498	\$76,923	1.3%	
WEST TEXAS A&M B.1.11	\$9,637,727	\$10,021,364	\$383,637	4.0%	
TEXAS A&M UNIVERSITY - COMMERCE B.1.12	\$12,309,422	\$12,339,780	\$30,358	0.2%	
TEXAS A&M UNIVERSITY - TEXARKANA B.1.13	\$3,394,969	\$3,487,008	\$92,039	2.7%	
A&M - AGRILIFE RESEARCH B.1.14	\$18,113,020	\$19,162,378	\$1,049,358	5.8%	
A&M - AGRILIFE EXTENSION B.1.15	\$27,074,416	\$28,174,446	\$1,100,030	4.1%	
A&M - ENG EXPERIMENT STATION B.1.16	\$4,603,143	\$4,787,428	\$184,285	4.0%	
A&M - TRANSPORTATION INSTITUTE B.1.17	\$2,316,192	\$2,473,222	\$157,030	6.8%	
A&M - ENG EXTENSION SERVICE B.1.18	\$7,765,685	\$1,372,340	(\$6,393,345)	(82.3%)	
TEXAS A&M FOREST SERVICE B.1.19	\$7,947,937	\$8,561,554	\$613,617	7.7%	
A&M - VET MEDICAL DIAGNOSTIC LAB B.1.20	\$974,050	\$1,006,320	\$32,270	3.3%	
A&M SYSTEM ADMINISTRATION B.1.21	\$0	\$0	\$0	0.0%	
Total, Goal B, STATE CONTRIBUTION, A&M SYSTEM	\$237,514,872	\$242,388,976	\$4,874,104	2.1%	All Higher Education Employees Group Insurance (HEGI) contributions are General Revenue Fund 001, except for the Texas A&M Forest Service, which in addition to Fund 001 appropriations receives HEGI contributions paid out of the Insurance Company Maintenance Tax Fees and Insurance Department Fund 8042 (\$2.9 million in fiscal year 2020 and \$2.9 million in fiscal year 2021).
UNIVERSITY OF HOUSTON C.1.1	\$32,443,265	\$34,001,472	\$1,558,207	4.8%	
UH - CLEAR LAKE C.1.2	\$7,496,040	\$7,585,698	\$89,658	1.2%	
UH - DOWNTOWN C.1.3	\$6,254,307	\$5,307,158	(\$947,149)	(15.1%)	
UH - VICTORIA C.1.4	\$4,083,799	\$3,483,898	(\$599,901)	(14.7%)	
UH SYSTEM ADMINISTRATION C.1.5	\$987,863	\$532,122	(\$455,741)	(46.1%)	
LAMAR UNIVERSITY C.1.6	\$17,436,622	\$16,498,318	(\$938,304)	(5.4%)	
LAMAR INSTITUTE OF TECHNOLOGY C.1.7	\$2,753,852	\$2,489,286	(\$264,566)	(9.6%)	
LAMAR STATE COLLEGE - ORANGE C.1.8	\$2,085,968	\$2,214,112	\$128,144	6.1%	

**Higher Education Employees Group Insurance Contributions
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
LAMAR STATE COLLEGE - PORT ARTHUR C.1.9	\$2,784,818	\$2,702,852	(\$81,966)	(2.9%)	
ANGELO STATE UNIVERSITY C.1.10	\$10,012,663	\$10,423,822	\$411,159	4.1%	
SAM HOUSTON STATE UNIV C.1.11	\$15,448,230	\$19,180,970	\$3,732,740	24.2%	
TEXAS STATE UNIVERSITY C.1.12	\$26,773,851	\$29,313,976	\$2,540,125	9.5%	
SUL ROSS STATE UNIVERSITY C.1.13	\$5,149,401	\$4,748,328	(\$401,073)	(7.8%)	
SUL ROSS STATE-RIO GRANDE COLLEGE C.1.14	\$717,743	\$592,992	(\$124,751)	(17.4%)	
TEXAS STATE SYSTEM ADMIN C.1.15	\$231,973	\$311,832	\$79,859	34.4%	
MIDWESTERN STATE UNIV C.1.16	\$6,824,242	\$7,279,126	\$454,884	6.7%	
UNIVERSITY OF NORTH TEXAS C.1.17	\$30,202,362	\$30,005,352	(\$197,010)	(0.7%)	
UNIVERSITY OF NORTH TEXAS AT DALLAS C.1.18	\$2,901,128	\$2,339,512	(\$561,616)	(19.4%)	
UNT HEALTH SCIENCE CENTER C.1.19	\$13,414,068	\$13,493,526	\$79,458	0.6%	
STEPHEN F. AUSTIN C.1.20	\$13,752,870	\$12,587,144	(\$1,165,726)	(8.5%)	
TEXAS SOUTHERN UNIVERSITY C.1.21	\$10,810,907	\$10,272,470	(\$538,437)	(5.0%)	
TEXAS TECH UNIVERSITY C.1.22	\$40,705,988	\$43,579,188	\$2,873,200	7.1%	
TEXAS TECH HEALTH SCI CTR C.1.23	\$37,688,235	\$39,485,258	\$1,797,023	4.8%	
TEXAS TECH HSC EL PASO C.1.24	\$9,816,901	\$10,423,856	\$606,955	6.2%	
TEXAS WOMAN'S UNIVERSITY C.1.25	\$14,545,164	\$13,775,118	(\$770,046)	(5.3%)	
TSTC - HARLINGEN C.1.26	\$5,002,385	\$5,925,974	\$923,589	18.5%	
TSTC - WEST TEXAS C.1.27	\$2,259,540	\$2,497,104	\$237,564	10.5%	
TSTC - WACO C.1.28	\$6,223,228	\$7,302,744	\$1,079,516	17.3%	
TSTC - MARSHALL C.1.29	\$989,746	\$1,339,656	\$349,910	35.4%	
TSTC - FT. BEND C.1.30	\$447,566	\$789,396	\$341,830	76.4%	
TSTC - NORTH TEXAS C.1.31	\$362,029	\$515,460	\$153,431	42.4%	
TSTC - SYSTEM ADMIN C.1.32	\$16,483,363	\$10,482,556	(\$6,000,807)	(36.4%)	
UNIV OF NORTH TEXAS SYSTEM ADMIN C.1.33	\$7,590,166	\$2,149,900	(\$5,440,266)	(71.7%)	
TEXAS SOUTHMOST COLLEGE C.1.34	\$0	\$0	\$0	0.0%	
TEXAS TECH UNIVERSITY SYSTEM ADMIN C.1.35	\$1,439,171	\$1,523,458	\$84,287	5.9%	
PUB COMMUNITY / JR COLLEGES C.1.36	\$364,939,071	\$366,663,342	\$1,724,271	0.5%	

**Higher Education Employees Group Insurance Contributions
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
Total, Goal C, STATE CONTRIBUTION, ERS	\$721,058,525	\$721,816,976	\$758,451	0.1%	
Grand Total, All Strategies	\$1,412,228,171	\$1,413,952,442	\$1,724,271	0.1%	