

TEXAS HIGHER EDUCATION COORDINATING BOARD
MINUTES

Regular Quarterly Meeting
1200 East Anderson Lane, Austin, Texas
July 21, 2016

The Texas Higher Education Coordinating Board convened at 8:30 a.m. on July 21, 2016, with the following members present: Bobby Jenkins, presiding; Fred Farias; Ricky Raven; Janelle Shepard; Stuart Stedman; John Steen; David Teuscher; and Haley Delagarza.

Members not present: Arcilia Acosta and Javid Anwar

| AGENDA ITEM | ACTION |
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| I. Call to order: Opening Remarks, Announcements and Appointments | Mr. Jenkins called the meeting of the Coordinating Board to order. |
| A. Recognition of Katherine Martin, recipient of the Kenneth H. Ashworth Fellowship Award 2016-2017 | No action required. |
| B. Commissioner's Remarks | No action required. |
| C. Strategic Planning Presentation by Chancellor Robert L. Duncan, Texas Tech University System | No action required. |
| II. Approval of Minutes | |
| A. April 28, 2016, Board Meeting | On a motion by Mr. Steen, seconded by Dr. Farias, the Board approved the April 28, 2016, minutes. |
| B. June 29, 2016 Special Called Board Meeting | On a motion by Mr. Steen, seconded by Dr. Farias, the Board approved the June 29, 2016, minutes. |

| AGENDA ITEM | ACTION |
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| <p>III. Approval of the Consent Calendar</p> | <p>On a motion by Dr. Teuscher, seconded by Mr. Raven, the Board approved the Consent Calendar. Items on the Consent Calendar were: VII-I(1); VII-I(3); VII-I(4); VII-I(5); IX-C; IX-F; IX-H; IX-I; IX-J; IX-K; IX-N; IX-O; X-E; X-F.</p> |
| <p>IV. Major Policy Discussion</p> | |
| <p>A. Achieving the Goals of <i>60x30TX</i>: Building the financial literacy of Texans to promote a better understanding of how and why to pay for higher education</p> | <p>Dr. Charles Puls, Deputy Assistant Commissioner for Student Financial Aid Program provided an overview of understanding the how and why to pay for higher education. The following panel members also gave presentations: Rachel Grimes, Assistant Director for Outreach at University of North Texas (UNT) Student Money Management Center; Ms. Alex Hellinger, Associate Director for Communications at Alamo Community College District Student Financial Aid office; Ms. Samantha Jones, a senior Criminal Justice major at UNT; and Brian Ashton, Director of Student and Institutional Success at TG. No action required.</p> |
| <p>V. Recognition of Excellence</p> | |
| <p>A. The University of Texas at Austin – Texas Education Consortium for Male Students of Color</p> | <p>No action required. Victor Saenz, Ph.D., Associate Professor and Executive Director, made a presentation to the Board on the Texas Education Consortium for Male Students of Color.</p> |
| <p>VI. Matters relating to the Full Board</p> | |
| <p>A. Consideration of adopting the Negotiated Rulemaking Committee’s recommendation relating to the allocation methodology for distribution of the one-time appropriation of unexpended balances in the Texas B-On-Time Program (<i>House Bill 1, Article IX, Section 18.38, 84th Texas Legislature, Regular Session</i>)</p> | <p>On a motion by Mr. Steen, seconded by Mr. Raven, the Board approved the recommendation relating to the allocation methodology for distribution of the one-time appropriation of unexpended balances in the Texas B-On-Time Program.</p> |

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| <p>B. Consideration of adopting the Negotiated Rulemaking Committee’s recommendation relating to an allocation methodology for the one-time distribution of funds associated with the Teacher Education Program in Bilingual Education (<i>House Bill 1, Article III, Special Provisions, Section 45, 84th Texas Legislature</i>)</p> | <p>On a motion by Ms. Shepard, seconded by Mr. Stedman, the Board approved the recommendation relating to an allocation methodology for the one-time distribution of funds associated with the Teacher Education Program in Bilingual Education.</p> |
| <p>C. Consideration of adopting the staff recommendations relating to a report on Veterinary Medical Education in Texas</p> | <p>On a motion by Dr. Teuscher, seconded by Mr. Raven, the Board approved recommendations 1 and 3 of this study and requested that further study be done on recommendation 2. Dr. Rex Peebles, Assistant Commissioner, Academic Quality and Workforce and Dr. James Goeman, Assistant Director, Academic Quality presented the findings from this study.</p> |
| VII. Matters Relating to the Committee on Affordability, Accountability and Planning | |
| <p>A. Committee Chair’s Overview</p> | <p>No action required. An overview of the Committee’s activities was presented to the Board by Dr. Teuscher, Chair of the Committee on Affordability, Accountability and Planning.</p> |
| <p>B. Public Testimony on Items Relating to the Committee on Affordability, Accountability and Planning</p> | <p>No action required.</p> |
| <p>C. Consideration of adopting the Committee’s recommendation to the Board relating to approval of the <i>Closing the Gaps by 2015</i> Final Progress Report</p> | <p>On a motion by Mr. Steen, seconded by Ms. Shepard, the Board approved the <i>Closing the Gaps by 2015</i> Final Progress Report.</p> |
| <p>D. Consideration of adopting the Committee’s recommendation to the Board relating to approval of the Space Model Study (<i>House Bill 1, Article III, Rider 55, 84th Texas Legislature</i>)</p> | <p>On a motion by Mr. Steen, seconded by Dr. Farias, the Board gave authority to the Board Chair, Vice-Chair, and CAAP Committee Chair to approve the study after revisions were made to reflect institutional and third party reviewers.</p> |

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| <p>E. Consideration of adopting the Committee’s recommendation to the Board relating to a report on the TEXAS Grant Program (<i>Senate Bill 28, 82nd Texas Legislature, Regular Session</i>)</p> | <p>On a motion by Ms. Shepard, seconded by Mr. Raven, the Board approved the report on the TEXAS Grant Program.</p> |
| <p>F. Consideration of adopting the Committee’s recommendation to the Board relating to a report on the Physician Loan Repayment Program Retention Rates (<i>House Bill 1, Article III, Rider 31, 84th Texas Legislature</i>)</p> | <p>On a motion by Mr. Steen, seconded by Dr. Farias, the Board approved the report on the Physician Loan Repayment Program Retention Rates.</p> |
| <p>G. Consideration of adopting the Committee’s recommendation to the Board for approval of the nominated members of the Financial Literacy Advisory Committee</p> | <p>On a motion by Ms. Shepard, seconded by Mr. Stedman, the Board approved the nominated members of the Financial Literacy Advisory Committee.</p> |
| <p>H. Report on facilities projects that were submitted to the Coordinating Board</p> | <p>No action required.</p> |
| <p>I. Proposed Rules</p> <p>(1) Consideration of adopting the Committee’s recommendation to the Board relating to proposed amendments to Chapter 1, Subchapter J, Sections 1.149 – 1.151, and 1.154 of Board rules, concerning the Financial Aid Advisory Committee</p> <p>(2) Consideration of adopting the Committee’s recommendation to the Board relating to the proposed new section to Chapter 4, Subchapter A, General Provisions, Section 4.12 concerning tracking the participation of students with Intellectual and Developmental Disabilities (IDD) in public institutions of higher education in Texas (<i>Senate Bill 37, 84th Texas Legislature, Regular Session</i>)</p> <p>(3) Consideration of adopting the Committee’s recommendation to the Board relating to amendments to Chapter 21, Subchapter C, Section 21.53 – 21.55 of Board rules, concerning the Hinson-Hazlewood College Student Loan Program</p> | <p>This item was approved on the Consent Calendar. A copy of the Board rules as adopted may be found in the agenda materials.</p> <p>On a motion by Ms. Shepard, seconded by Dr. Farias, the Board adopted the proposed new section of the rules. A copy of the Board rules as adopted may be found in the agenda materials.</p> <p>This item was approved on the Consent Calendar. A copy of the Board rules as adopted may be found in the agenda materials.</p> |

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| <p>(4) Consideration of adopting the Committee’s recommendation to the Board relating to amendments to Chapter 21, Subchapter II, Sections 21.1080; 21.1081; 21.1083 – 21.1085; 21.1087 and 21.1088, concerning the Educational Aide Exemption Program</p> <p>(5) Consideration of adopting the Committee’s recommendation to the Board relating to Chapter 21, new Subchapter KK, concerning the Math and Science Scholars Loan Repayment Program (Senate Bill 686, 84th Texas Legislature)</p> | <p>This item was approved on the Consent Calendar. A copy of the Board rules as adopted may be found in the agenda materials.</p> <p>This item was approved on the Consent Calendar. A copy of the Board rules as adopted may be found in the agenda materials.</p> |
| VIII. Lunch | |
| IX. Matters relating to the Committee on Academic and Workforce Success | |
| A. Committee Chair’s Overview | No action required. An overview of the Committee’s activities was presented to the Board by Ms. Shepard, Chair of the Committee on Academic and Workforce Success. |
| B. Public Testimony on Items Relating to the Committee on Academic and Workforce Success | No action required. |
| C. Consideration of adopting the Committee’s recommendation to the Board relating to the distribution of funds trusted to the Coordinating Board to support family practice residency programs for Fiscal Year 2017 and the report on trusted funds distributed in Fiscal Year 2016 | This item was approved on the Consent Calendar. |
| <p>D. Consideration of adopting the Committee’s recommendation to the Board relating to requests for a new degree program:</p> <p>TEXAS A&M UNIVERSITY (1) Bachelor of Science (BS) degree with a major in Interdisciplinary Engineering</p> <p>UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON (2) Doctor of Clinical Laboratory Sciences (DCLS) degree with a major in Clinical Laboratory Sciences</p> | <p>On a motion by Dr. Teuscher, seconded by Mr. Raven, the Board approved the new degree program.</p> <p>On a motion by Dr. Teuscher, seconded by Mr. Stedman, the Board approved the new degree program.</p> |

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| <p>(3) Doctor in Occupational Therapy (OTD) degree with a major in Occupational Therapy</p> <p>UNIVERSITY OF TEXAS AT ARLINGTON</p> <p>(4) Doctor of Philosophy (PhD) degree with a major in Kinesiology</p> <p>UNIVERSITY OF TEXAS AT SAN ANTONIO</p> <p>(5) Bachelor of Science (BS) degree with a major in Chemical Engineering</p> | <p>On a motion by Dr. Teuscher, seconded by Mr. Raven, the Board approved the new degree program.</p> <p>On a motion by Mr. Raven, seconded by Dr. Farias, the Board approved the new degree program.</p> <p>On a motion by Mr. Steen, seconded by Dr. Teuscher, the Board approved the new degree program.</p> |
| <p>E. Report on the FY 2016 Annual Report of Low-Producing Programs</p> | <p>No action required.</p> |
| <p>F. Consideration of adopting the Committee's recommendation to the Board relating to Frank Phillips College's request for a Branch Campus Maintenance Tax Election</p> | <p>This item was approved on the Consent Calendar.</p> |
| <p>G. Consideration of adopting the staff recommendation to the Board relating to courses required for the Board approved Mexican American Field of Study, as required by Texas Education Code, Section 61.823</p> | <p>On a motion by Dr. Teuscher, seconded by Mr. Raven the Board approved courses required for the Board approved Mexican American Field of Study.</p> |
| <p>H. Consideration of adopting the Committee's recommendation to the Board relating to the appointment of members to Advisory Committees:</p> <p>(1) Apply Texas Advisory Committee</p> <p>(2) Certification Advisory Council (CAC)</p> <p>(3) Engineering Field of Study</p> <p>(4) Graduate Education Advisory Committee (GEAC)</p> <p>(5) Learning Technology Advisory Committee (LTAC)</p> <p>(6) Lower-Division Academic Course Guide Manual (ACGM)</p> <p>(7) Nursing Field of Study Advisory Committee</p> <p>(8) Undergraduate Education Advisory Committee (UEAC)</p> | <p>This item was approved on the Consent Calendar.</p> |

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| I. Consideration of adopting the Committee's recommendation to the Board relating to a request to amend the contract with The University of Texas at Austin for the maintenance of the Apply Texas System | This item was approved on the Consent Calendar. |
| J. Consideration of adopting the Committee's recommendation to the Board relating to the reallocation of Work-Study Mentorship Program funding | This item was approved on the Consent Calendar. |
| K. Consideration of adopting the Committee's recommendation to the Board relating to the Aerospace and Aviation Report (<i>S.B. 458, 84th Texas Legislature, Regular Session</i>) | This item was approved on the Consent Calendar. |
| L. Consideration of adopting the Committee's recommendation to the Board relating to the January 2016 Annual Compliance Reports for institutions under a Certificate of Authorization (Names beginning with "A" through "O") | On a motion by Dr. Teuscher, seconded by Mr. Raven, the Board approved the January 2016 Annual Compliance Reports for institutions under a Certificate of Authorization (names beginning with "A" through "O"). |
| M. Report to the Board on school closures and/or teach-outs pursuant to Chapter 7, Subchapter A, Section 7.7(5) | No action required. |
| <p>N. Proposed Rules:</p> <p>(1) Consideration of adopting the Committee's recommendation to the Board relating to amendments to Chapter 4, Subchapter C, Section 4.54 of Board rules concerning Exemptions, Exceptions, and Waivers, as related to Texas education Code, Section 51.3062 Success Initiative</p> <p>(2) Consideration of adopting the Committee's recommendation to the Board relating to the proposed amendments to Chapter 5, Subchapter A, Section 5.5 of Board rules concerning the Uniform Admission Policy</p> <p>(3) Consideration of adopting the Committee's recommendation to the Board relating to the new Chapter 13, Subchapter M, Sections 13.300 – 13.304 of Board rules concerning standards and accounting methods for determining total research expenditures</p> | <p>This item was approved on the Consent Calendar. A copy of the Board rules as adopted may be found in the agenda materials.</p> <p>This item was approved on the Consent Calendar. A copy of the Board rules as adopted may be found in the agenda materials.</p> <p>On a motion by Dr. Teuscher, seconded by Dr. Farias, the Board approved the new Chapter 13, Subchapter M, Sections 13.300 – 13.304. A copy of the Board rules as adopted may be found in the agenda materials.</p> |

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| O. Consideration of adopting the Committee's recommendation to the Board relating to moving Chapter 1, Subchapters T – Z and Subchapter BB of Board rules relating to Fields of Study Advisory Committees to new Chapter 27, Fields of Study, Subchapters A – H | This item was approved on the Consent Calendar. |
| P. Report on institutional requests acted on by the Commissioner or Assistant Commissioner since the previous Board meeting | No action required. |
| X. Matters relating to the Agency Operation's Committee | |
| A. Committee Chair's Overview | No action required. An overview of the Committee's activities was presented to the Board by Mr. Steen, Chair of the Committee on Agency Operations. |
| B. Public Testimony on Items Relating to the Agency Operation's Committee | No action required. |
| C. Consideration of adopting the Committee's recommendation to the Board relating to the agency's Legislative Appropriation Request for Fiscal Years 2018 and 2019 | Ray Martinez, President, Independent Colleges and Universities of Texas testified against this item relating to the agency's LAR for FY2018-2019 and the Tuition Equalization Grant Program. On a motion by Dr. Teuscher, seconded by Ms. Shepard the Board approved authorizing the Board Chair, Vice Chair, and AOC Committee Chair to approve the LAR for submission on August 5, if the LBB base reconciliation was substantially lower than what was being considered. |
| D. Consideration of adopting the Committee's recommendation to the Board relating to amendments to Chapter 25, Subchapter A, Sections 25.3 – 25.6 of Board rules concerning Optional Retirement Program | On a motion by Dr. Teuscher, seconded by Ms. Shepard, the Board approved the amendments to the rules concerning the Optional Retirement Program. A copy of the Board rules as adopted may be found in the agenda materials. |

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| E. Consideration of adopting the Committee’s recommendation to the Board relating to the Annual Internal Audit Plan for FY 2017 | This item was approved on the Consent Calendar. |
| F. Consideration of adopting the Committee’s recommendation to the Board relating to the Annual Compliance Monitoring Plan for FY 2017 | This item was approved on the Consent Calendar. |
| G. Consideration of adopting the Committee’s recommendation to the Board relating to the Final Report – An Audit of Formula Funding at South Texas College | On a motion by Dr. Teuscher, seconded by Ms. Shepard, the Board approved the Final Report and that all future funding of this program to South Texas College be immediately ceased and recruitment of all funds previously rendered in error be obtained. |
| XI. Adjournment | |

With no further business, on a motion by Dr. Teuscher, seconded by Mr. Raven, the meeting adjourned at approximately 2:05 p.m.

Respectfully Submitted,

David D. Teuscher, M.D.
Secretary of the Board