TEXAS HIGHER EDUCATION COORDINATING BOARD

LEGISLATIVE RECOMMENDATIONS

85th TEXAS LEGISLATURE

60×30TX

Texas Higher Education Coordinating Board

Texas Higher Education Coordinating Board
Staff Recommendations to the 85th Texas Legislature

Description
CATEGORY 1 -- BOARD/COMMISSIONER LEVEL
Coordination of the expansion of higher education
Oversight of degree granting colleges and universities other than public institutions
Improving access and student outcomes in the TEXAS Grant Program
Improving access and student outcomes in the TEOG program
Implementing outcomes-based funding for universities and supporting funding community college success points
CATEGORY 2 -- COMMISSIONER/ASSISTANT COMMISSIONER LEVEL
Requiring certain information on financial aid award letters to students
Elimination of certain formula funding and dropped course restrictions for returning adult students
Authorizing opportunities for certain community colleges to offer new baccalaureate degrees in nursing and applied science
Prioritizing graduate medical education over the creation of new medical schools (RESOLUTION)
Requiring the Coordinating Board to perform a Study on Shortages in Certain Health Professions
Relating to the Texas college work-study program and to establishing a program for the off-campus employment of certain students at public or private institutions of higher education. (Texas WORKS)
CATEGORY 3 -- PROGRAMMATIC STAFF LEVEL
Updating the statute relating to the Work-Study Mentorship Program
Updating the provisions of the common admission application
Expanding the applicability of the Statewide Preceptorship Program
Updating the student loan program statute
Higher Education Assistance Plans

Coordinating Expansion of Higher Education

LEGISLATIVE RECOMMENDATION

2016

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Texas Higher Education Coordinating Board

BACKGROUND

One of the foremost duties of the Texas Higher Education Coordinating Board is to ensure the efficient and effective use of state resources in higher education and to eliminate unnecessary duplication. As institutions of higher education seek to expand their geographical presence into new areas, it is important for the agency to review and approve these new sites to ensure that they do not duplicate existing higher education offerings. It is also important to have a common understanding of the various types of off-campus settings, such as Multi-Institution Teaching Centers (MITCs) and branch campuses.

RECOMMENDATIONS

- Allow the Coordinating Board, through negotiated rulemaking, to define off-campus academic, technical and research sites such as MITCs, branch campuses, satellite campuses, etc.
- Seek statutory change that would require that institutions obtain Coordinating Board review and approval prior to acquiring property to create a new or expand an existing off-campus academic, technical or research site. Coordinating Board review would specifically assess academic and research needs while preventing unnecessary duplication in program offerings, faculties, and physical plants. The criteria for review would be established through negotiated rulemaking, and information submitted by institutions would be excepted from public disclosure.
- Clarify preliminary planning rules to require institutions notify the Coordinating Board regarding a proposed professional degree program at least one year prior to submitting a proposal to offer the degree.

BASIC PRINCIPLES

Statutory Clarification Is Necessary

Current statute does not specifically define a number of off-campus sites such as MITCs, branch campuses, medical schools, satellite centers and health science centers. Consequently, the institutions, the Legislature and the Coordinating Board often face confusion and potentially unnecessary duplication of academic services.

The Coordinating Board represents the highest authority in the state in matters of public higher education and is charged with the duty to take an active part in promoting quality education throughout the state by...providing a statewide perspective to ensure the efficient and effective use of higher education resources and to eliminate unnecessary duplication.

-Texas Education Code, Section 61.051

Avoiding Unnecessary Duplication

The recommendation proposes that the Coordinating Board be provided specific authority to review and approve new physical locations outside of existing main campuses. This authority would not encompass review and approval of proposed facilities – rather, the review would be specific to evaluating the impact of the proposed new locations on existing educational offerings. At the same time, the agency will work to further refine its rules regarding program approvals to ensure that institutions obtain Coordinating Board approval in a timely manner.

Budgetary Accountability

The 84th Legislature appropriated nearly $59 billion in general revenue and general revenue-dedicated funds to support Texas's institutions of higher education through fiscal year 2017. Legislators also approved funding for $3.1 billion in capital project investments at 64 institutions over the next 20 years. Going forward, decision makers will require better tools to determine whether Texans are best served and taxpayer funds are used efficiently and effectively.

Oversight of Career Colleges

Protecting students

LEGISLATIVE RECOMMENDATION

2016

60x30TX
Texas Higher Education Coordinating Board

BACKGROUND

The Coordinating Board is charged with the oversight of certain career colleges. These institutions will play an important role in meeting the goals of *60x30TX*. While most of these institutions are stable and reputable, students at some of these schools fall victim to sudden closures due to mismanagement, financial weakness or other difficulties.

RECOMMENDATIONS

- Make the agency's authority explicit, requiring compliance with accrediting bodies, federal financial rules, and state statutes and rules.
- Clarify the agency's ability to revoke Certificates of Authorization for cause.
- Establish the agency as the repository for student records of closed career colleges. Provide resources necessary to maintain the repository.

BASIC PRINCIPLES

Between 2008 and 2014, the number of students attending career colleges in Texas increased by 230 percent. Since 2012, 57 career colleges operating in Texas have closed.

Protecting Texas Student

Students at career colleges are vulnerable to sudden closures due to mismanagement, financial weakness or other difficulties. The Coordinating Board seeks to protect students by clarifying statute and increasing support for oversight of career schools. These changes will authorize staff to conduct more site visits, review annual compliance report information, expand follow up on student complaints, verify institutions' financial viability, and monitor potentially fraudulent institutions.

Preserving Student Records

The proposal includes a recommendation by the industry to create a repository for student records at the Coordinating Board in the event that a career college goes out of business or withdraws from the state. Currently, students often face difficulty obtaining their transcripts from a defunct school. Without this legislation, some students at closed schools may need to retake classes they've already paid for.

Toward Oversight Parity

Under current law, the Coordinating Board oversees degree programs at career colleges and the Texas Workforce Commission oversees certification programs. While TWC receives funding through a budget strategy and full time staff for its oversight, the Coordinating Board must use existing resources to oversee schools under its purview. In addition to the authority requested, funding to strengthen the Coordinating Board's oversight will help close regulatory gaps between the agencies and lessen opportunities for abuse by bad actors.

TEXAS Grant Program

Improving access and student outcomes

LEGISLATIVE RECOMMENDATION

60x30TX
Texas Higher Education Coordinating Board

BACKGROUND

The Texas Legislature established the Toward EXcellence and Success (TEXAS) Grant program in 1999 to provide grants to financially needy students who graduate from high school with the college preparatory program. Since its inception, the TEXAS Grant program has played a vital role in helping the state achieve its higher education participation and success goals. Due to the significant investments (roughly $3 billion) in the TEXAS Grant program made by the Texas Legislature, more than 400,000 students have received an award. Today, the state is prioritizing limited funds to financially needy high school graduates who are academically well-prepared to complete their degree. With limited funding, the prioritization awards grants to students who are more likely to graduate and by doing so, improves the state's return on its investment. Texas public school enrollment trends show a ten year increase in the percentage of economically disadvantaged students in the P-12 system and the majority (60 percent) of students in the P-12 pipeline are poor. If Texas is to achieve the goals of *60x30*TX, higher education must continue to improve access and student outcomes. The Coordinating Board recommends modifying TEXAS Grant provisions to encourage timely completion of degrees and allow for more new students to receive an award.

RECOMMENDATIONS

Limit TEXAS Grant eligibility to 135 semester credit hours or 15 hours above degree requirements

As of 2015, students in Texas averaged 139 semester credit hours to complete a four-year degree, while most programs of study require only 120 hours. Excessive semester credit hours for degree completion in Texas contribute to student debt and less than timely completions.

Statute allows students 150 semester credit hours of TEXAS Grant eligibility when the majority of undergraduate degrees require only 120 semester credit hours. Effectively, this provision allows recipients five years for a four-year degree program. This level of eligibility potentially encourages students to delay graduation or enroll in unnecessary coursework, which has an impact on the expenses incurred by the student, the state, and the taxpayer. Additionally, this policy prohibits more new students from receiving a grant given the limited funds available. Implementing this change is estimated to redirect millions annually to serve more new students.

Require the completion of 30 semester credit hours per academic year

Current statutory provisions require TEXAS Grant recipients complete 24 semester credit hours per academic year. Completing 24 hours per academic year for four years does not total enough hours to complete a baccalaureate degree, leaving many students short of attaining a degree in a timely manner. In order to increase the likelihood of a student completing their degree in four years, the Coordinating Board recommends recipients complete 30 semester credit hours per academic year (fall, spring, summer) to receive a renewal award. Institutions of higher education do not grant summer awards which is a roadblock for students. The recommendation therefore includes providing the Coordinating Board with cross-biennium unexpended balance authority in the appropriations formula specifically to allow institutions of higher education to make summer TEXAS Grant awards. Extending eligibility will provide students more flexibility to complete 30 hours per academic year for continued receipt of a TEXAS Grant.

Limit TEXAS Grant awards to tuition, fees and books minus the federal Pell Grant

Per Texas Education Code, 56.307(a) TEXAS Grant awards are based on the average statewide amount of tuition and required fees that a resident student enrolled full-time in a baccalaureate degree program would be charged for a given semester at an eligible institution. This statute allows a TEXAS Grant award to exceed tuition and fees incurred by some students, particularly those attending institutions with lower tuition and fees. In the event the award amount does exceed the student's tuition and fees, the remaining amount may be released to students for other expenses. The Coordinating Board recommends limiting TEXAS Grant awards to tuition, fees and books minus Pell to allow limited funding to be used for a broader number of students and to eliminate the possibility of students using funds inappropriately for non-educational expenses.

Remove Work-Study as a potential matching fund to cover any difference in the amount of a TEXAS Grant and the actual amount of tuition and required fees

Current statutory provisions require institutions of higher education to use non-loan funds or work-study to cover a student's tuition and required fees if the TEXAS Grant does not cover these costs. The Coordinating Board recommends that institutions be required to use grant and scholarship funding to cover tuition and fees if the TEXAS Grant and Pell Grant do not cover a student's financial need. Further, the Board recommends removing work-study as a potential matching fund because the student earns these funds throughout the year and receipt is not directly aligned with the timing of the student's tuition bill. In addition, the Board recommends exempting institutions from the matching requirement for TEXAS Grant recipients who exceed the priority Expected Family Calculation (EFC).

Align the due date of the legislatively mandated report on TEXAS Grant with the annual financial aid report required in rider

The Coordinating Board proposes aligning the date in which the TEXAS Grant report is due for submission to the Legislature with the comprehensive financial aid report required annually. This change will reduce staff workload, eliminate the redundancy of internal procedures, and provide the Legislature a more concise report on state financial aid programs.

Re-write existing eligibility requirements and clean up statutory language to provide greater clarity

The Coordinating Board recommends re-writing the provisions relating to eligibility requirements and eliminating expired language.

Texas Educational Opportunity Grant

Improving access and student outcomes

LEGISLATIVE RECOMMENDATION

April 2016

60x30TX
Texas Higher Education Coordinating Board

BACKGROUND

The Texas Legislature created the Texas Educational Opportunity Grant (TEOG) in 2001 to provide grant aid for students with financial need who are enrolled in Texas public two-year colleges (public community colleges, technical colleges and state colleges). Today, public two-year colleges represent 53 percent of the state's public higher education enrollment. The growing demand for TEOG funds requires the implementation of policies that ensure the most critical academic expenses are met, and to limit state aid used for non-educational expenses. Further, the elimination of TEXAS Grant eligibility at community colleges has left a small sector of community college students without access to state aid. Coordinating Board staff recommend improving the effectiveness of TEOG and broadening access by implementing the following recommendations.

RECOMMENDATIONS

Limit TEOG awards to tuition, fees and a book stipend minus the federal Pell Grant

TEOG awards are currently awarded up to a student's cost of attendance which includes the cost of books, supplies, room and board, transportation and personal expenses. Coordinating Board staff recommend limiting awards to tuition, fees and a book stipend minus the Pell Grant while maintaining the expectation that tuition and fees be covered by a combination of federal, state, institutional, and private grant funding for any recipient. The implementation of this policy will allow a broader number of students access to the program and ensure state funds are used to cover academic charges for financially needy students.

Remove Work-Study as a potential matching fund to cover any difference in the amount of a TEOG and the actual amount of tuition and required fees

Current statutory provisions require institutions of higher education to use non-loan funds or work-study to cover a student's tuition and required fees if the TEOG does not meet a student's need. Coordinating Board staff recommend removing work-study as a potential matching fund because it is not a direct payment to the student until after the tuition bill is due. In addition, staff recommend allowing the Pell Grant as an available source of financial aid to meet a student's tuition and required fees.

As of 2015, students in Texas averaged 90 semester credit hours to complete a two-year degree, while most programs of study require only 60 hours. Excessive semester credit hours for degree completion in Texas contribute to student debt and less than timely completions.

Add hardship provisions relating to the number of hours and time frame for which a TEOG recipient is eligible

Coordinating Board staff recommend clarity in statute to allow institutions the discretion to continue a student's TEOG despite exceeding the number of allowable semester credit hours or years due to a hardship.

Expand TEOG eligibility for students enrolled in community college baccalaureate degree programs

The 83rd Texas Legislature approved the phasing out of TEXAS Grant awards at two-year institutions which created a financial aid gap for students enrolled in community college baccalaureate degree programs. Although the TEXAS Grant program allowed for 150 semester credit hours of eligibility, TEOG eligibility ends at 75 semester credit hours, 45 hours short of a typical baccalaureate degree. Coordinating Board staff recommend expanding TEOG eligibility to 135 hours or 15 credits above a degree's credit requirements, whichever is less. Further, staff recommend capping eligibility to five years for a program of more than two years.

Percent of Community College Baccalaureate Degree Program Enrollment, 2006 vs. 2015

	2006		2015	
	% of Enrollment	# of Students	% of Enrollment	# of Students
Brazosport College	1.2%	47	3.8%	162
Midland College	0.7%	38	0.8%	41
South Texas College	0.7%	123	1.8%	602
Statewide Totals	0.0%	208	0.1%	805

Note: The 84th Legislature approved one additional community college to offer a baccalaureate degree. The program has not yet started.

Graduation Bonus and Student Success Points

LEGISLATIVE RECOMMENDATION

2016

60x30TX
Texas Higher Education Coordinating Board

BACKGROUND

Currently, formula funding for public institutions of higher education is determined largely based on student enrollments on the 12th class day. If Texas is to achieve its *60x30TX* goals to increase degree attainment among our youngest generation of workers and to greatly increase the number of students earning a degree or certificate, the state must adopt funding policies that reward institutions for helping students complete their education. The 83rd Texas Legislature adopted new funding methodologies for community colleges and technical colleges that include measures of student outcomes, but universities do not have an outcomes-based state funding source.

RECOMMENDATIONS

The Coordinating Board supports the Graduation Bonus model for public universities developed by the General Academic Institutions Formula Advisory Committee (GAIFAC) and supports funding community college student success points at higher levels.

> **The Legislature finds that it is in the state's highest public interest to evaluate student achievement at institutions of higher education and to develop higher education funding policy based on that evaluation. Funding policies that promote postsecondary educational success based on objective indicators or relative performance, such as degree completion rates, are critical to maintaining the state's competitiveness in the national and global economy and supporting the general welfare of this state.**
>
> **- Texas Education Code, 61.0593**

BASIC PRINCIPLES

Student Success Funding Supported by Legislature and Developed by Institutions

During the 84th Interim, the GAIFAC – composed of representatives from Texas public universities and university systems -- was charged by the Commissioner to, "Study and make recommendations for alternative approaches to incorporating undergraduate student success measures into the funding formulas and compare the effects of funding the success measures within the formula versus applying the success measures as a separate formula." This aligns with TEC 61.0593(d), which requires the Board, in consultation with institutions, to devise formula funding recommendations that incorporate the consideration of undergraduate student success measures.

The committee met throughout the fall of 2015 to consider various methods of incorporating student success outcomes into university funding methodologies. Their final recommendation to the Legislature is to fund approximately $200 million for a new Graduation Bonus that would provide funding to each

General Academic Institution based on their three-year average of:

- $600 for each student awarded a bachelor's degree who are not "at risk"
- $1,200 for each student awarded a bachelor's degree who is "at risk"

The Committee recommended higher funding for graduating "at risk" students due to the fact that these students often require additional academic and student support services to be successful. For the purposes of the model, an "at risk" student is any student who is eligible to receive a Pell Grant or whose SAT or ACT score was below the national average for the year taken.

The Committee also stated that their first priority is to fully fund the operations support formula in support of basic operations, that funding for the graduation bonus be outside and separate from the operations formula ,and that it is intended to fund degree completion initiatives in support of the state's *60x30TX* goals.

Commissioner's Recommendation on the Graduation Bonus

Commissioner Paredes accepts the Graduation Bonus model recommended by the committee, particularly the strong focus on producing more graduates and on graduating at risk students, who must complete at higher rates in order to achieve the *60x30TX* goals.

However, the Commissioner recommends some changes to the model adopted by the Committee to reflect the potentially difficult budget situation facing the 85th Texas Legislature:

- The Commissioner recommends that that the Graduation Bonus be funded at $150 million, and that institutions receive $500 per not at-risk graduate and $1,000 per at-risk graduate
- The Commissioner recommends that the decision about whether to prioritize operations support or student outcomes be left to the Legislature to determine based on the larger budget picture.
- The Commissioner believes that it is important that outcomes-based funding be firmly institutionalized, whether it be inside or outside the Instruction and Operations formula, so that universities invest in long-term approaches to increasing student completion. The Legislature is best positioned to determine how to do that most effectively.

Support for Student Success at Community Colleges

The General Appropriation Act for FY2014-15 (SB 1, 83rd Texas Legislature) changed the formula funding structure for public community colleges. Rather than being based solely on enrollment, their formula funding was divided into a fixed amount per district for Core Operations, with the remainder being divided between contact hour funding and funding for Student Success Points. For this initial year, 10 percent of non-Core Operations funding was allocated to Student Success Points with the remaining 90 percent being allocated to contact hour funding. However, Rider 23 of the Public Community/Junior College bill pattern (III-205) required the Coordinating Board to jointly develop recommendations for student success points for the 2016-17 biennium that would compare the performance of the college district to itself using the allocation for student success points in the 2014-15 biennium as the baseline for comparison.

The recommendation developed and included in the formula funding recommendations for FY2016-17 was to hold the per-point rate steady at $185 per point in order to reward institutions who increased their Success Point total between the biennia. However, the Legislature ultimately held funding to the same ratio of 10% student success/90% contact hours used during the previous biennium, resulting in a lower per-point rate than requested.

The Commissioner's recommendation for FY18-19 is to increase Success Point Funding by 31.4 percent, or a $53.1 million increase over FY16-17. This additional investment will ensure community colleges continue to strongly focus on increasing student outcomes.

Information on Student Loan Indebtedness

LEGISLATIVE RECOMMENDATION

2016

60x30TX
Texas Higher Education Coordinating Board

BACKGROUND

One of the four goals of *60x30TX is* that, by 2030, undergraduate student loan debt will not exceed 60 percent of first-year wages for graduates of Texas public institutions. Attaining this goal will require that students have the ability to make informed choices regarding debt and understand the short-term and long-term consequences of those choices.

RECOMMENDATIONS

- Require institutions of higher education to annually provide each student with certain information concerning the student's education loans, including the amount borrowed to date and estimated future loan payments.
- Collaborate with institutions to foster innovative practices for communicating this information to students, such as through mobile apps.

BASIC PRINCIPLES

Controlling Student Debt is a Top Coordinating Board Priority

The Coordinating Board has adopted a student debt goal as one of its top four higher education goals in its 15-year strategic plan, *60x30TX*. The goal aims to help students graduate with manageable debt, ensuring that students are not deterred from entering higher education by debt and that education debt does not unnecessarily limit their post-graduation options. The intent of this goal is to hold student loan debt in Texas to no more than 60 percent of first-year wages after college.

Debt is a Growing Problem

According to the Texas Comptroller of Public Accounts, 20.5 percent of all student debt holders in Texas were more than 90 days delinquent on their debt in 2012.[1] About 14 percent of student borrowers are in default within three years of leaving school, according to the U.S. Department of Education.

Informed Students Can Make Informed Decisions

Education debt is an important tool for financing higher education, and should not be arbitrarily rejected or embraced. Rather, students should be given information to help them understand the current status of their debt and the longer term implications of their current debt load. Based on a model adopted in Indiana, this recommendation would require institutions to provide students information on the total amount of education loans taken out by the student; and estimated potential

In Texas, student loan debt has increased at a faster rate than inflation. Between 2004 and 2012, the average Texas student debt balance grew by 61 percent. Inflation increased by only 22 percent. The average 2012 Texas student loan debt was $22,800, about 8 percent below the U.S. average.

- Texas Comptroller of Public Accounts

[1] http://comptroller.texas.gov/specialrpt/student_loan/

total payoff amount; an estimated monthly repayment amount; and the percentage of the borrowing limit the student has reached at the time the information is provided.

Just as importantly, this information must be provided to students in a manner that is accessible and relevant to them. The recommendation calls for institutions and the Coordinating Board to collaborate to identify innovative practices for relaying this information to students, such as through a mobile app.

Formula Funding for Returning Adult Completers

LEGISLATIVE RECOMMENDATION

2016

60×30TX
Texas Higher Education Coordinating Board

BACKGROUND

Current statute places formula restrictions on the number of repeated or dropped courses, and the number of hours accumulated beyond a student's degree plan. These restrictions are meant to encourage timely degree completion, but can be a barrier to adult non-completers wishing to return to higher education and complete a credential.

RECOMMENDATION

Grant returning adult students with at least 50 semester credit hours completed, and who have not been enrolled for at least 24 months, one opportunity to enroll in higher education without penalty due to statutory restrictions such as the "30 hour rule," the "45 hour rule," the "three-peat" rule, and the "six-drop" rule.

BASIC PRINCIPLES

48,000 Texans have completed 90 semester credit hours toward a four-year degree

A student who temporarily withdraws from school or delays the pursuit of higher education is known as a "stop out" student. Of students who stopped out of higher education between 2008 and 2012, 48,000 four-year students had stopped out with 90 or more semester credit hours, and 161,000 two-year college students had stopped out with 55 or more semester credit hours.

Texas must incent completion to degree for 'stopped out' students

A Harvard study revealed that college students most likely to drop out are those not prepared for academic work, competing demands of study, family and jobs; and cost. These factors often contribute to these students taking longer to complete their coursework and often result in their taking excessive coursework before stopping out. The restrictions on formula funding can create a disincentive for an institution of higher education to aid these students in returning and completing their degree. Formula funding rules prohibit institutions from receiving funding for students taking excess hours or students taking a course for the third time. Further prohibitions prevent a student from dropping more than six courses. These rules tend to hit students most prone to stopping out the hardest.

In 2014, workers with a Bachelor's degree earned an average of $1,101 per week. Workers with some college but no degree earned an average of $741 per week. The unemployment rate for workers with a Bachelor's degree was 3.5 percent. The unemployment rate for workers with some college but no degree was 6 percent.

- U.S. Bureau of Labor Statistics

'Stopped Out' Students Are an Untapped Reservoir

Aiding stopped out students to graduate is necessary if the state is to meet the goal of 60 percent of Texans ages 25-34 with a certificate or degree by 2030. In 2015, the state's six-year graduation rate was 59.3 percent for public, four-year institutions. The 3-year rate for students graduating from a public 2-year college or transferring to a 4-year institution was 26.6 percent and the 4-year rate was 31.8 percent. Students who have stopped out represent an untapped reservoir toward the 60x30TX goal.

Community College Baccalaureate Programs

LEGISLATIVE RECOMMENDATION

2016

60x30TX
Texas Higher Education Coordinating Board

BACKGROUND

Senate Bill 414 (83rd Texas Legislature, Regular Session) required the Texas Higher Education Coordinating Board to conduct a study to assess the potential to expand community college baccalaureate degrees in nursing and applied sciences at community colleges and make a recommendation to the Texas Legislature by August 1, 2014. Based on the subsequent study (conducted by the RAND Corporation), the Coordinating Board proposed that the 84th Texas Legislature authorize a measured, deliberative process for gradually expanding the authority for some community colleges to offer baccalaureate programs in the critical fields of nursing and applied sciences.

RECOMMENDATION

The Coordinating Board recommends that the Legislature adopt legislation similar to Senate Bill 271 and House Bill 1384 from the 84th Texas Legislature that would create a limited opportunity for certain community colleges to offer new baccalaureate degrees in applied science and nursing.

BASIC PRINCIPLES

In developing this recommendation, the Coordinating Board adhered to four core principles:

- Ensure that current programs are being fully utilized and that university partnerships, articulation agreements and distance learning options have been fully explored.
- Expand the evaluations by the Coordinating Board and the Texas Workforce Commission to determine workforce need for community colleges offering baccalaureate degrees.
- Address the shortage of faculty in certain areas.
- Once these recommendations are considered, provide another pathway for earning a postsecondary credential for the state's diverse student population.

Community college baccalaureates would be reviewed according to the same standards as all baccalaureate programs, including:

- Job Market Need
- Student Demand
- Enrollment Projections
- Curriculum
- Faculty
- Library Resources
- Facilities and Equipment
- Revenues

Community College Baccalaureates Held to High Standards

Proposed community college baccalaureate degrees would be reviewed according to the same standards used for baccalaureate program approvals at universities. This would include demonstrating both a short- and long-term workforce need in the field, having adequate faculty and library resources to meet Coordinating Board and accreditor standards, identifying specific revenues to support the program without harming existing programs (including no formula funding for two years and no more than 50 percent from formula funding in years three through five), and instituting a regular program review process to assess quality and effectiveness.

Furthermore, these baccalaureate programs would be required to be built on existing, successful associates degree programs at community colleges. The applying college would be required to show that the proposed programs were not duplicative of existing baccalaureate offerings in the region and that it had explored partnership possibilities with local universities. Only community colleges that meet the current statutory minimum of $2.5 billion in property valuation would be eligible to offer baccalaureates.

Limits to Certain Critical Fields

Initially, only baccalaureates in nursing and certain fields of applied science identified by RAND would be considered. Each biennium, the Coordinating Board would work with the Texas Workforce Commission, institutions, and local workforce boards to identify and study three to five additional disciplines within applied science for possible inclusion as eligible community college baccalaureate programs.

Builds on Previous Experience

Currently, three Texas community colleges are authorized to offer a maximum of five baccalaureate degree programs in applied technology fields. The experience of these institutions suggests that these programs can and must be rolled out in a gradual, thoughtful manner. Although South Texas College, Brazosport College and Midland College have been authorized to offer bachelor's of applied technology degrees since 2003, none of them offer the full five programs authorized by statute. The Coordinating Board's recommendations will ensure that a deliberate approach continues to govern the consideration of community college baccalaureate programs now and in the future.

Graduate Medical Education

LEGISLATIVE RECOMMENDATION

2016

60x30TX
Texas Higher Education Coordinating Board

BACKGROUND

The 84th Legislature increased funding for graduate medical education grants by $38.7 million to expand the number residency positions. Yet, since 2009 three new public medical schools have, or will soon, come on line while three more state institutions are considering new or expanded medical schools. When residency positions fail to keep pace with increased medical school capacity, it increases the likelihood that the state will "export" its medical students to become practicing physicians in other states. As a result, Texas now ranks 41st among all states in its relative number of physicians, according to the Association of American Medical Colleges.

RECOMMENDATION

Resolve that state lawmakers will not approve further medical schools, or their funding, without first supporting a significant increase in funding for residency positions.

BASIC PRINCIPLES

Why is Texas Lagging in Residency Positions?

The Texas population is growing rapidly, and the number of health care providers is not keeping pace with the rate of growth. Almost 70 percent of Texas counties were wholly or partially designated as a primary care Health Professional Shortage Areas in 2015, according to the Legislative Budget Board.

In 2015, Texas medical schools awarded 1,692 Doctor of Medicine and Doctor of Osteopathic Medicine degrees. However, the state will soon have three new medical schools on line, with the possibility of an additional three medical schools created in the near future. This growth in the number of medical school graduates may outstrip the Legislature's recent efforts to expand Graduate Medical Education and further hinder Texas's efforts to achieve the goal of 1.1 residency positions for each medical school graduate.

Texas medical school graduation increased 31 percent from 2002 to 2012, and more medical school graduates are expected with the opening of additional medical schools.

- Legislative Budget Board

Why is the Resolution Needed?

The 85th Legislature should express its support for prioritizing a substantial increase in funding for Graduate Medical Education before it considers authorizing the creation and support of additional medical schools in our state. Further, the Legislature should charge the Coordinating Board to work with institutions of higher education and the medical community to achieve the 1.1 to 1 goal for Graduate Medical Education.

Health Care Workforce Study

LEGISLATIVE RECOMMENDATION

2017

60x30TX
Texas Higher Education Coordinating Board

BACKGROUND

Texas is projected to continue increasing in population and will likely reach more than 30 million by 2020. Notably, those Texans that access health care services often at higher rates and with more complications, are 85 years and older which will increase by more than 17 percent, and the very youngest Texans, those under a year, will increase by more than 12 percent. Ensuring that Texas has an appropriate health care workforce to meet its ever-increasing population needs is essential to ensuring that the state has a ready supply of health professionals prepared to provide health care services.

RECOMMENDATION

Texas Higher Education Coordinating Board in collaboration with other state entities, including the Texas Health Professions Resource Center, Texas Center for Nursing Workforce Studies, and Texas Demographic Center will identify statewide and regional shortages in health professions, with an emphasis on shortages in doctoral-level training. Further, the Coordinating Board shall develop an overview of existing doctoral-level health-related degree programs and note the enrollment capacity of each.

BASIC PRINCIPLES

Why is a study on shortages in certain health professions necessary?

It is important to understand if doctoral-prepared health care professionals being educated and trained in the state is adequate to meet current and future health care demands. It is also important to understand existing capacity of degree programs and monitor health profession education and training opportunities.

Texas medical students and residents who complete their training in state have a retention rate of more than 80 percent, according to the Association of American Medical Colleges. Yet, the state continues to lag in ratio of physicians to population. This holds true for several other doctoral prepared health professionals, including Dentists, Licensed Psychologists, Pharmacists, Physical Therapists, Optometrists, and Nurses.

What would the study do?

The 85th Legislature should support a study by the Board, and related entities, to assess the state's current and future health care workforce needs through the review of doctoral prepared health professionals that are underrepresented in this state.

Texas continues to rank behind nearly every other state in the number of patient care physicians per capita and ranks last among the ten most populous states.

- Association of American Medical Colleges, Workforce Data and Reports: 2015 State Physician Workforce Data Book

Texas WORKS Internship Program

LEGISLATIVE RECOMMENDATION

2017

60x30TX
Texas Higher Education Coordinating Board

BACKGROUND

As identified in the November 2016 Tri-Agency Report to the Office of the Governor, creating more paid internships is critical to the state's future success. Paid internships provide the opportunity to engage students and provide them with the skills they need to succeed, and also a way for employers to gain skilled employees who can help businesses grow. Paid internships are especially critical for those students who cannot afford to take on unpaid experiential learning opportunities.

However, the decentralized nature of the current off-campus work-study program results in limitations on the opportunities available to students, when institutions and employers are unable to execute all of the required elements of a successful off-campus work-study program. While the current Texas College Work-Study Program provides for off-campus work opportunities, utilization of this option has been lackluster. Contracting with off-campus employers is a complicated process and lacks economies of scale due to the decentralized nature of the program. Contracting with off-campus entities is a labor intensive process for the institutions, and off-campus sites must contract with every institution from which they may potentially hire a student.

RECOMMENDATION

Creating more paid internships, apprenticeships and other applied learning opportunities is critical to the state's future success and is a centerpiece of this report.

- *Prosperity Requires Being Bold: Integrating Education and the Workforce for a Bright Texas Future,* The Tri-Agency Report from the Texas Education Agency, Texas Higher Education Coordinating Board and Texas Workforce Commission

The Texas WORKS (Working Off-campus: Reinforcing Knowledge & Skills) Internship Program will function as a subset of the current Texas College Work-Study program, authorizing the Coordinating Board to utilize a portion of the current work-study appropriation to administer a centralized off-campus work-study program. Texas WORKS would focus on providing internship opportunities for full-time undergraduate students, and the Coordinating Board would have the authority to establish priorities in rule that encourage activities supporting timely completion, such as enrollment in 15 or more credit hours per semester.

BASIC PRINCIPLES

Centralizing Internship Opportunities for Employers and Students

Under Texas WORKS, the Coordinating Board would contract directly with off-campus employers, creating a state-wide database of Texas WORKS eligible internships and reimbursing employers for a portion of qualified wages. The Coordinating Board would establish in rule the percentage of reimbursement employers could receive.

This centralized approach has several benefits. Current requirements that institutions spend 20%-50% of their Work Study allocation off campus would be removed and the need satisfied through Texas WORKS, relieving institutions of the administrative burden of contracting with off-campus entities. Students would have a centralized system for identifying statewide private internship opportunities. Employers with a statewide presence would be able to offer internship opportunities through a single centralized system rather than through multiple arrangements at several institutions.

How would this impact the existing Texas College Work-Study Program?

The current on-campus component of Texas College Work-Study and the mentorship program will continue as currently structured. All off-campus state work-study opportunities would be channeled through Texas WORKS. Funding will come from the current appropriations for the Texas College Work-Study, and should be revenue neutral for institutions as they would no longer need to administer off-campus programs themselves. The Coordinating Board estimates that utilization of $1 million per year in appropriations for the Texas WORKS program is projected to fund 450 internship placements after administrative expenses.

What would be the terms and conditions of participating in Texas WORKS?

The Coordinating Board would have authority to define the types of employers and internships that would qualify for the program through appropriate rules and procedures. The Coordinating Board would focus on criteria such as incorporating marketable skills requirements to support *60x30TX* and utilize best practices from off-campus work-study programs that have been successful in other states.

The Coordinating Board would have the authority to establish standard rates of pay for all Texas WORKS participants, reflecting the experiential learning nature of these roles. The Coordinating Board would also establish an appropriate level of maximum eligibility for each student based on the time period during which the student will be working and the hours that are agreed upon between the student, employer, and Coordinating Board.

Work-Study Mentorship Program

Improving student success

LEGISLATIVE RECOMMENDATION

2016

60x30TX
Texas Higher Education Coordinating Board

BACKGROUND

The Work-Study Mentorship Program provides funding for eligible college students to mentor their peers at participating institutions of higher education or high school students at participating school districts; or to counsel high school students at GO Centers or similar high school-based recruiting centers designed to improve student access to higher education. Postsecondary students may also provide mentoring and tutoring to other college students on their college campus. The current program ties students to college access work assisting future students and academic related projects.

RECOMMENDATION

Expand the Work-Study Mentorship Program's use of funds to support success

Reaching the *60x30TX* goals requires implementing initiatives focused on higher education access and success in all facets of higher education. The Coordinating Board recommends expanding the current program's allowable use of funds to go beyond student access to more directly support college success programs.Currently, the funds support mentoring tutoring at participating institutions of higher education, high school GO Centers, or similar high school-based recruiting centers designed to improve student access to higher education. The recommendation would broaden the statutory language to allow funding to support targeted student support interventions, such as advising and supplemental instruction to increase student completion and success rates.

Common Admission Application

Broadening stakeholder involvement

LEGISLATIVE RECOMMENDATION

2016

60x30TX
Texas Higher Education Coordinating Board

BACKGROUND

The Texas Common Admission Application System, more commonly known as ApplyTexas, was created through a collaborative effort between the Texas Higher Education Coordinating Board and a variety of colleges and universities. ApplyTexas offers a centralized means for both Texas and non-Texas students to apply to the many postsecondary institutions available in Texas. ApplyTexas is overseen by a statutorily-mandated advisory committee comprised of representatives from participating institutions. Under the Committee's guidance, ApplyTexas developed the Counselor Suite through which high school counselors are enabled to view data regarding their student's progress in submitting applications for college and for aid through the completion of the Free Application for Federal Student Aid (FAFSA). High school counselors play a vital role in supporting student's college goals but are not statutorily appointed to serve on the Committee. Further, many private and independent institutions of higher education have voluntarily participated on the Committee and have shared the costs of the ApplyTexas System.

RECOMMENDATION

Broaden stakeholder participation on the ApplyTexas Advisory Committee

Formalize the participation of high school counselors and private and independent institutions of higher education as members of the ApplyTexas Advisory Committee.

Statewide Preceptorship Program

LEGISLATIVE RECOMMENDATION

2016

60x30TX
Texas Higher Education Coordinating Board

BACKGROUND

Texas ranks fourth among the six most-populous states in medical students and resident physicians per capita, according to the Association of American Medical Colleges.

RECOMMENDATION

Revise the existing Texas Statewide Preceptorship Program to include family medicine.

BASIC PRINCIPLES

Why is the program necessary?

According testimony last session offered by doctors representing Seton Hospital, "Texas has made gains in the number of physicians over the past years; however, the state continues to lag behind this critical need because the population is growing at an even faster pace.

"The state has more than 115 counties designated primary care shortage areas, of which 19 have only two physicians, 17 have only one physician, and 25 have no physician at all. Seventy-six counties experienced reductions in the number of primary care physicians in the past 10 years. We need an additional 4,500 primary care physicians by the end of this year to care just for the state's underserved population." [1]

Why is the change needed?

"Texas has only 68 primary care physicians for every 100,000 people when the national average is 81 per 100,000."

- Testimony of Drs. Alejandro Moreno and Iidefonson Ismael Rodriguez before the Senate Finance and House Appropriations Committees

The Texas Statewide Preceptorship Programs in Family Practice, Internal Medicine, and Pediatrics support student preparation and education efforts at the medical school level. The programs provide direct funding to Texas medical students to encourage them to choose primary care careers by offering an on-site experience in one of three primary care specialties: family practice, general internal medicine, or general pediatrics. Medical students typically participate in the preceptorship programs during the summer between their first and second year of medical school. The students work in practicing physicians' offices and experience the daily life and work of primary care physicians.

In the past, Coordinating Board staff have included family medicine as part of the program. The change would make that inclusion specific in statute.

[1] https://www.seton.net/news/2015/02/20/seton-doctors-state-should-fund-program-fostering-more-primary-care-physicians/

College Loan Program

Aligning statute with the Texas Constitution

LEGISLATIVE RECOMMENDATION

2016

60x30TX
Texas Higher Education Coordinating Board

BACKGROUND

Since 1965, the Texas Higher Education Coordinating Board has provided low-interest loans for students who are Texas residents and are eligible to pay in-state tuition. Two funds, the Student Loan Auxiliary Fund (SLA) and the Texas Opportunity Plan (TOP) Fund house the proceeds from the sale of bonds to service the Coordinating Board administered loans named College Access Loans. Funds resulting from the sale of new bonds are to be deposited into the SLA Fund, as created in 1991. The TOP Fund continues to exist for administrative purposes and to service loans issued prior to 1991.

RECOMMENDATIONS

Update statute to align with current practices as authorized by the Texas Constitution

The Coordinating Board recommend modifying statutory sections relating to the loan program in order to align it with current practices. No new authority or policies are being proposed.

Clarify statute relating to using financial need as a requirement for a loan

Statute is ambiguous on whether financial need or a student's Expected Family Contribution (EFC) must be taken into consideration on loan applications. The Coordinating Board recommend the statute be clarified to eliminate any ambiguity and ensure loans are not based on need in order to keep loans available to a broad number of students and families.

Higher Education Assistance Plans

LEGISLATIVE RECOMMENDATION

2016

60x30TX
Texas Higher Education Coordinating Board

BACKGROUND

Per House Bill 2550, 83rd Texas Legislature, the Coordinating Board is responsible for providing a list of high schools with low college-going rates for institutions of higher education to target and for publishing selected college outcomes for graduates of those schools in the annual state strategic plan progress report. In accordance with that legislation, the Coordinating Board developed a methodology for identifying these schools. However, an existing section of code (Texas Education Code 29.904) prescribes another outdated and conflicting methodology for determining high schools with low-college going rates, necessitating the production of two lists.

RECOMMENDATION

- Remove the statutory requirement under Texas Education Code 29.904 and generate one list per the methodology developed for HB 2550.

BASIC PRINCIPLES

Eliminate Redundancy and Potential Confusion

Producing two separate lists with different methodologies of schools with low college-going rates can create confusion for institutions and other stakeholders and wastes staff resources. Limiting the requirement to the more recently developed methodology will ensure that institutions use the list that is most relevant for their purposes.