

## Outcomes of the 86th Texas Legislature



Texas Higher Education  
Coordinating Board

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## Status of the 86th Legislature

- 86th Texas Legislature ended its Regular Session on May 27
- A total of 101 bills (out of 522 bills analyzed by the agency) were passed and signed by the Governor
- No special session is expected



2

## Budgetary Outcomes: Summary

- Higher education overall received a \$904 million (or 7.3%) increase in General Revenue over FY2018-19 funding levels
- The THECB received a \$237 million (or 17%) increase over FY18-19 levels
- The Legislature funded seven of the agency's 15 Exceptional Item Requests at a total of \$141.4 million

## Budget Outcomes – Exceptional Item Requests

- **\$60 million increase for Graduate Medical Education Expansion Grants** (total of \$157 million)
  - Maintains the 1.1 to 1 ratio of first-year residency positions for each Texas medical school graduate
- **\$80 million increase for TEXAS Grants** (total of \$866 million)
  - Continues to serve 70% of all initially-eligible students at the current \$5,000 target award amount

## Budget Outcomes – Exceptional Item Requests

- **\$230,000 for National Student Clearinghouse Data**
  - Allows the agency to track educational outcomes of students who move out-of-state
- **\$520,000 and 1 FTE for IT Application Portfolio Modernization**
  - Implements a modern architecture and consolidate the agency's 150 applications, lowering support costs and improving efficiency and security
- **\$150,000 for Facilities Contract Lease Extension**
  - Covers the additional cost of a shorter-term building lease due to the agency's potential move to the Capitol Complex
- **\$250,000 for an Open Educational Resource Repository**
  - Provides access to high-quality OER materials that reduce the cost of educational materials for students
- **\$300,000 for Texas Success Initiative Assessment Enhancement**
  - Supports a new online system for students to retrieve and send test results



5

## Budget Outcomes – Other Increases

### Commissioner's Salary

- Legislature increased the Commissioner's salary to be more competitive with comparable positions and help attract high-quality applicants for the position.
- Increases the Commissioner's salary from \$212,135 to \$299,813, the maximum allowable in the position's salary group
- \$175,000 in general revenue appropriated to support the Commissioner's salary

### Texas Armed Services Scholarship

- Increases funding to \$6.8 million, allowing the program to restore award amounts to the historical maximum of \$10,000 (TASSP awards are currently a maximum of \$4,000).



6

## Budget Outcomes – Rider Changes and Additions

### Professional Nursing Shortage Reduction (PNSRP)

- Requires the THECB, in consultation with nursing programs, to set individual targets for enrollment increases in the “Over 70” program
- Requires the THECB to study the effectiveness of PNSRP in addressing the nursing shortage in coordinating with a work group composed of stakeholders



7

## Budget Outcomes – Contingency Riders

### Contingency for SB 11

- Sets terms for allocating \$99 million appropriated for the Texas Child Mental Health Care Consortium
- THECB to serve as a “pass through” agent for funds as directed by the Consortium

### Contingency for SB 16

- Appropriates \$4.2 million and 2 FTE positions for making awards and administration of the newly created Peace Officers Loan Repayment Program

### Contingency for HB 2261

- Appropriates an additional \$4.9 million to the Physician Education Loan Repayment Program to increase maximum annual loan repayments by \$5,000



8

## Budget Outcomes – TEA Riders

### Interstate Educational Compacts

- Includes \$320,000 per year for interstate educational compact fees, including SREB
- Allows Texas to continue to participate in NC-SARA, Academic Common Market and other programs

### Open Education Resource Materials

- Requires TEA to prioritize courses commonly offered for dual credit in making grants to develop OER materials
- Requires Commissioner of Education to collaborate with Commissioner of Higher Education to ensure materials meet college standards of rigor



9

## Budget Outcomes – Formula Funding

- Formula funding across all sectors increased by \$915 million of GR over FY18-19 levels
- Legislature met or exceeded Board recommendations for most formula categories, including increases in:
  - University I&O formula rate from \$55.82 to \$56.97 (Board recommended \$56.79)
  - Community college Student Success Points from \$172 to \$214.7 per point (Board recommended \$215)
  - TSTC Returned Value percentage from 27 to 36 percent (Board recommended 35 percent)
  - HRI GME formula funding from \$5,824 to \$5,992 per resident (Board recommended \$5,925)



10

## Policy Outcomes – CB Recommendations

### Facilitate efficient student transfer

- SB 25 by West/Turner includes several changes intended to ensure students' courses transfer and count toward their major
- New requirement that institutions identify transferred courses that do not apply toward the major, and to explain why they did not
- Requires earlier filing of a degree plan and advisement, and for institutions to develop recommended course sequences for their programs
- Allows dual credit courses in Fields of Study or Programs of Study to be formula funded
- Charges the THECB to convene an advisory committee of 2-year and 4-year institutions to examine the feasibility of splitting the core curriculum between a general core and "meta major" curricula as vehicle for more efficient transfer



11

## Policy Outcomes – CB Recommendations

### Texas WORKS Paid Internship Program

- HB 3808 by Walle/Powell includes the agency's recommendation to create a centralized paid internship program at the Coordinating Board using existing Texas College Work-Study (TCWS) funding
- Builds on Governor's Tri-Agency Workforce Initiative proposal to increase the availability of paid internships in the state
- Removes current off-campus requirements under TCWS that institutions found difficult to administer
- THECB will work with employers statewide to offer meaningful, paid internships to students in higher education
- By leveraging private sector funding to help students earn while they learn, will directly impact 60x30TX goals for marketable skills and student debt



12

## Policy Outcomes – CB Recommendations

### Graduation Supplement

- Legislature did not enact the Board's recommendation to allocate a portion of university formula funding on the basis of undergraduate completions
- Based on legislative feedback, the agency pursued an alternate approach of using unused funds in the B-on-Time (BOT) Account to increase institutions' graduation success with academically and financially at-risk students
- SB 1504 requires institutions to spend any proceeds from BOT on initiatives such as intrusive advising, academic support and other methods that increase the number of at-risk students completing an undergraduate degree at the institution



13

## Policy Outcomes – CB Recommendations

### Student Loan Program

- The Legislature adopted critical legislation impacting the operations of the agency's \$1.3 billion Hinson-Hazlewood Student Loan Program
- SB 1474 amends existing statutes regarding the allocation, project limitations and timing of the state's Private Activity Bonds that fund the loan program
- Under SB 1474, the agency secured the necessary capacity to fund demand in the loan programs for the foreseeable future
- The greater efficiency created by the bill will save the loan program \$4 million per year in unnecessary interest payments, allowing the agency to keep interest rates on student loans low
- The Legislature also passed HB 4465 which cleans up outdated statutes impacting the loan program and brings them in line with current practice



14

## Policy Outcomes – CB Recommendations

### Filing a Degree Plan

- The Legislature passed bills that require dual credit students file a degree plan to ensure that they are adequately advised and are taking coursework relevant to their intended major
- This was a key recommendation aligning with the findings of the AIR study on dual credit education in Texas
- SB 25 and SB 1324 require that all dual credit students file a degree plan no later than the second semester after they complete 15 semester credit hours
- Additionally, university students are required to file a degree plan after completing 30 SCH (down from 45 SCH)

### Unnecessary Reports

- SB 241 repealed two reports identified by the Coordinating Board through a negotiated rulemaking process with the institutions of higher education



15

## Policy Outcomes – CB Recommendations

### Recommendations Not Finally Passed

- Coordinating Board authority to review and approve new off campus sites
- Requirement to report allegations of waste, fraud and abuse
- Incorporating undergraduate success into doctoral program review
- Modifications to the TEXAS Grant and TEOG programs
- Requiring a common electronic format for the Texas Records Exchange (TREx)



16



## Agency Operations During Session

- External Relations monitored and coordinated the analysis of 522 bills. Of those, 101 were signed into law.
- Dozens of individuals from across the agency contributed to bill analysis and recommendations, fiscal impact estimates, expert testimony, and other efforts in support of the legislative session.
- With their support, the External Relations team worked with bill authors and committee members to improve bills and advance legislation that will positively impact *60x30TX*.