Agenda Materials
General Academic Institutions Formula Advisory Committee (GAIFAC) for the 2018-2019 Biennial Appropriations

October 2015

Table of Contents

Agenda

Meeting of the General Academic Institutions Formula Advisory Committee
Texas Higher Education Coordinating Board
Board Room, First Floor, 1.170
1200 East Anderson Lane, Austin
Wednesday, October 7, 2015
1:00 p.m.

Agenda

I. Call to Order

II. Consideration and approval of the minutes from September 9, 2015, meeting

III. Discussion, review, and consideration of the Commissioner's 2018-2019 Biennium charges

IV. Planning for subsequent meetings

V. Adjournment

Prior Meeting's Draft Minutes

Meeting of the General Academic Institutions Formula Advisory Committee
Texas Higher Education Coordinating Board
Board Room, First Floor
1200 East Anderson Lane, Austin
Wednesday, September 9, 2015
1:00 p.m.

Minutes

Attendees: Mr. Martin V. Baylor, Dr. Allen Clark, Dr. Dana G. Hoyt, Dr. Edward T. Hugetz, Dr. Harrison Keller, Dr. César Malavé, Dr. James Marquart, Dr. Perry Moore, Dr. Karen Murray, Dr. Robert Neely, Dr. Marc A. Nigliazzo, Dr. J. Patrick O'Brien, Dr. Paula M. Short, Ms. Noel Sloan, and Ms. Angie W. Wright

Absent: None

Staff: Dr. David Gardner, Dr. Julie Eklund, Mr. David Young, and Mr. Paul Turcotte

1. The vice chair called the meeting to order at 1:03 p.m.

2. The minutes from the meeting on August 12, 2015, were reviewed and unanimously approved by nomination from Dr. Nigliazzo and second from Dr. Clark.

3. The committee discussed, reviewed, and considered the Commissioner's 2018-2019 biennium charges.

    a. Consideration of charge 2 relating to outcomes-based funding and charge 4 relating to pharmacy funding were deferred until the October meeting.

    b. On Charge 5 relating to the *60x30TX* plan:

        i. Dr. Ginger Gossman provided a brief overview of the plan.

        ii. After deliberation, the draft recommendation included in the advance materials (with edits) was unanimously approved by nomination from Ms. Sloan and second from Dr. Marquart.

        iii. Members recognized that there are several ways that state appropriations will impact the goals of the plan. They noted in discussion of the student debt goal that tuition is only part of the cost of attendance; appropriations will play an important but not a singular role in goal achievement. Some adjustments to the formulas may be necessary to ensure equitable distribution of appropriations during the plan years.

    c. On Charge 3 relating to competency-based funding:

        i. Dr. Eklund introduced Dr. Judith Sebesta who provided the committee with an overview of competency-based education.

ii. Dr. Mary Hendrix from Texas A&M University-Commerce was on hand to answer questions related to the expenditure study requested by the 2016-2017 GAIFAC to ascertain the per semester credit hour cost of competency-based education. The committee acknowledged that the expenditure study did not provide adequate information to determine if the current formulas are appropriate to fund these programs and agreed the next GAIFAC should review these expenditure study breakouts. However, the committee unanimously voted to table, by nomination from Dr. Keller and second from Dr. O'Brien, the draft recommendation provided in the advanced materials.

iii. Members inquired on the development and maintenance of the program content. Dr. Hendrix shared that the program, which currently has 108 students, is expected to break even when enrollment reaches 200.

iv. The committee noted that low enrollments impacted the expenditure study results. Dr. Hendrix pointed out that the high results are also, in part, due to a grant the institution received. She hopes course material repositories similar to the Texas Learning Object Repository may reduce the expense of developing future programs.

v. Members recognized the potential need to consider alternative funding models to equitably fund these programs, but expressed interest in models that would not privilege competency-based education over other alternative instructional methods.

d. On Charge 1 relating to funding levels:

i. Mr. Turcotte presented the draft recommendation and funding level justifications. The committee requested the funding level for estimated growth only – no rate increases and no inflation adjustments.

ii. Members deliberated on a number of options in setting funding levels for the formulas and associated rationales with the intent of continuing the discussion at later meetings.

iii. These discussions led to a conversation of funding an alternative model and the potential to request an interim workgroup that would report its findings to the 2020-2021 GAIFAC.

iv. The committee requested staff estimate the expense of reaching the goals of the *60x30TX* plan. Staff cautioned that similar estimates for *Closing the Gaps* yielded unsubstantiated results with costs levels that are yet to be realized. Members asked staff to do a simple linear projection of expenditures at today's rates.

v. Members inquired if the committee was required to make recommendations to the specific formulas listed in the charge. Mr. Turcotte did not think so, but Dr. Eklund volunteered to check with the Board's legal counsel.

4. The meeting was adjourned at 3:20 p.m. until October 7, 2015 at 1:00 p.m.

Commissioner's Charges

The GAIFAC, conducted in an open and public forum, is charged with proposing a set of formulas that provide the appropriate funding levels and financial incentives necessary to best achieve the four major goals of *60x30TX* plan. A preliminary written report of its activities and recommendations is due to the Commissioner by December 3, 2015, and a final written report by February 3, 2016. The GAIFAC's specific charges are to:

1. Study and make recommendations for the appropriate funding levels for the operations support and space support formulas and the percent split between the "utilities" and "operations and maintenance" (O&M) components of the space support formula. (TEC, Section 61.059 (b))
2. 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. (TEC, Section 61.0593)
3. Study and make recommendations on the treatment of competency-based courses in formula allocations.
4. Study and make recommendations on the treatment of pharmacy hours for professional practice pharmacy courses.
5. Study and make recommendations on changes to the funding model that will enable institutions to meet the goals of *60x30TX*.

General Academic Institutions Formula Advisory Committee for the 2018-2019 Biennium

Name	Institution	Contacts
Dr. Dana G. Hoyt (Chair) (2018) President	Sam Houston State University Box 2027 Huntsville, TX 77341	dlg013@shsu.edu (936) 294-1013
Mr. Martin V. Baylor (Vice Chair) (2018) Executive Vice President for Finance and Administration	The University of Texas Rio Grande Valley 1201 West University Dr. Edinburg, TX 78539	baylormv@utpa.edu (956) 665-2121
Dr. Allen Clark (2016) Vice Provost for Academic Resources	University of North Texas 1501 W. Chestnut St., Suite 206 Denton, Texas 76201	Allen.Clark@unt.edu (940) 565-2496
Mr. Edward T. Hugetz (2018) Interim Provost and Senior Vice President for Academic Affairs	University of Houston-Downtown 1 Main Street Houston, TX 77002	hugetze@uhd.edu (713) 221-5005
Dr. Harrison Keller (2020) Deputy to the President for Strategy and Policy	The University of Texas at Austin 1 University Station G1000 Austin, TX 78712	harrison.keller@austin.utexas.edu (512) 232-8277
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Dr. Perry Moore (2016) Vice Chancellor for Academic Affairs	Texas State University System 208 E 10th Suite 600 Austin, TX78701	perry.moore@tsus.edu (512) 463-7281
Dr. Karen Murray (2020) Executive Vice President of Academic Affairs and Provost	Tarleton State University 1333 West Washington Stephenville, TX 76402	kmurray@tarleton.edu (254) 968-9992
Dr. Robert Neely (2016) Provost and Vice President Academic Affairs	Texas Woman's University PO Box 425617 Denton, TX76204	rneely@twu.edu (940) 898-3301
Dr. Marc A. Nigliazzo (2016) President	Texas A&M University Central Texas 1001 Leadership Place Killeen, TX76549	marc.nigliazzo@tamuct.edu (254) 519-5720
Dr. J. Patrick O'Brien (2020) President	West Texas A&M University 2501 4th Avenue Canyon, TX 79016	pobrien@wtamu.edu (806) 651-2100
Dr. Paula M. Short (2018) Senior Vice President for Academic Affairs and Provost	University of Houston 4302 University Dr., Room 204 S2019 Houston, TX 77204	pmshort@uh.edu (832) 842-0550
Ms. Noel Sloan (2020) Chief Financial Officer and Vice President of Administration and Finance	Texas Tech University 2500 Broadway Lubbock, TX 79409	noel.a.sloan@ttu.edu (806) 834-1625
Ms. Angie W. Wright (2020) Vice President for Finance and Administration	Angelo State University 2601 West Ave N San Angelo, TX 76903	angie.wright@angelo.edu (325) 942-2017

Note: The year after the member's name is when that member's term expires.

Charge 1 – Study and make recommendations for the appropriate funding levels for the operations support and space support formulas and the percent split between the "utilities" and "operations and maintenance" (O&M) components of the space support formula. (TEC, Section 61.059 (b))

Sector	2016-17 Appropriations (millions)	2018-19 Appropriations (millions)	Change Amount (millions)	Percent Change
General Academic Institutions	4,676	5,146	469	10.0%

Draft Recommendation for Discussion Purposes

The GAIFAC recommends the Legislature **return formula funding rates to the 2010-11** biennium appropriated rates ($62.19 for the Operations Support formula and $6.21 for the Space Support formula) by phasing in these increases over the next three biennia. While the GAIFAC understands the Legislature decreased funding due to a reduction in state revenue, the committee is concerned that institutions may not meet the *60x30TX* goals at current funding levels and urges legislators to find funds to support higher education, specifically to

- fund $5,146 million to the formulas for the 2018-19 biennium, which would be an increase of $469 million, or 10.0 percent, compared to the $4,676 million appropriated for the 2016-17 biennium;
- fund $4,360 million to the Operations Support formula (includes Teaching Experience Supplement) for the 2018-19 biennium, which would be an increase of $418 million, or 10.6 percent, compared to the $3,942 million appropriated for the 2016-17 biennium.
    - ❖ The recommendation increases the funding rate to $58.99 per weighted semester credit hour (SCH), which would be an increase of $3.60, or 6.5 percent, compared to the $55.39 funded for the 2016-17 biennium. This rate includes a $2.27 increase to return the rate to the 2010-11 biennium rate (a third of the way to $62.19) and a 2.3 percent increase for inflation.
    - ❖ It assumes a 3.9 percent increase for growth in weighted SCH between the 2015 and 2017 base years.
    - ❖ It allocates funding using a relative weight matrix based on the three-year average of expense per semester credit hour to include fiscal years 2014, 2015, and 2016;
- fund $786 million to the Space Support formula (includes Small Institution Supplement) for the biennium, which would be an increase of $51.6 million, or 7.0 percent, compared to the $734 million appropriated for the 2016-17 biennium.
    - ❖ The recommendation increases the funding rate to $5.86 per square foot, which would be an increase of $0.31, or 5.6 percent, more than the $5.55 funded for the 2016-17 biennium. This rate includes a $0.18 increase to return the rate to the 2010-11 biennium rate (a third of the way to $6.09) and a 2.3 percent increase for inflation.

- ❖ It assumes a 2.3 percent increase for growth in square feet between fall 2014 and 2016;

- split the recommended Infrastructure rate between "utilities" and "operations and maintenance" components using FY 2016 utility rates, update the utility rate adjustment factors using the FY 2016 utilities expenditures, and allocate the Infrastructure formula using the fall 2016 space model predicted square feet and;
- fund the Small Institution Supplement using the same methodology and rate as the 2016-17 biennium

Draft funding level amounts by base, growth, rate increases, and inflation.

Formula (Millions)	Base	Growth	Growth Only	Rate	Inflation	2018-2019 Recommendation
Operations Support	$3,942	$152	$4,094	$ 167	$98.6	$ 4,360
Percent Change			3.9%	4.2%	2.5%	10.6%
Space Support	$715	$ 11.1	$ 726	$23.6	$17.4	$767
Percent Change			1.6%	3.3%	2.4%	7.3%
Small Institution	$ 18.9	$(0.48)	$18.4			$ 18.4
Percent Change			-2.5%			-2.5%
Combined	$4,676	$162	$4,839	$ 191	$ 116	$ 5,146
Percent Change			3.5%	4.0%	2.5%	10.0%

Cost of Implementing *60x30TX*

The committee asked staff at its September 9, 2015, meeting to estimate the cost of implementing the new state higher education plan, *60x30TX*. Staff is unable to estimate the cost to the level of precision that would be needed to inform decisions about formula funding levels because it cannot predict student choices and how institutions will respond to the changing environment. The degrees students choose and the sector they earn them from are important variables. These are hard to predict because they have historically grown at different rates. Also, student choices and institutional actions may be impacted by, for example, legislative or other policy initiatives, implementation of *60x30TX* strategies, or economic swings. For example, the Legislature may choose to allow more community colleges to offer bachelor's degrees. Other variables that can be hard to predict include graduation rates, number of transfer students, and the amount of credit that will be given for prior learning.

Charge 2 – 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. (TEC, Section 61.0593)

Draft Recommendation for Discussion Purposes

The GAIFAC recommends that the Legislature allocate $250 million through a new Graduation Bonus formula for advising, tutoring, and the other interventions many students need to earn a degree. Allocate the funds on a three-year average of the following:

- Bachelor's degrees awarded to students who are not at risk: 1 point
- Bachelor's degrees awarded to at-risk students: 2 points

The requested funding level would provide approximately $600 for each graduate who is not at risk and $1,200 for each graduate who is at risk. Funding for at-risk students is higher because these students require more services, and these extra services aren't accounted for in the Operations Support formula.

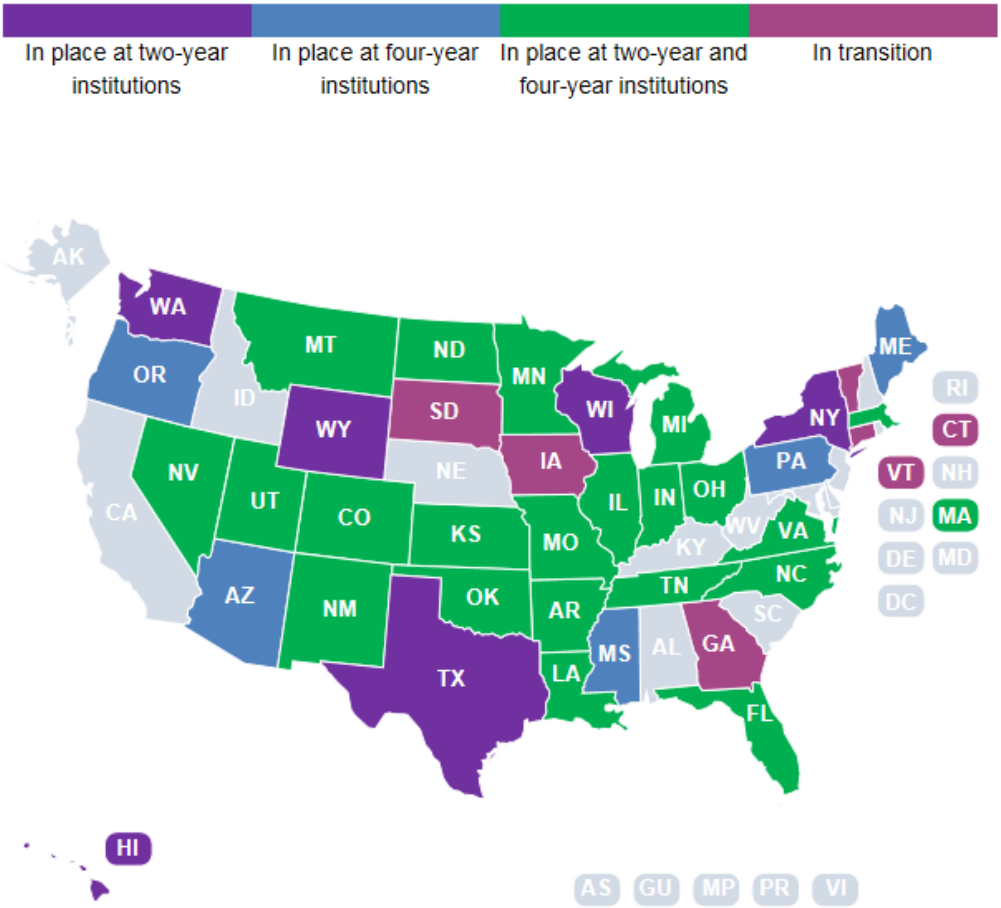
For the purpose of this model, an at-risk student is someone who is a Pell grant recipient or whose SAT/ACT score was below the national average for the year taken.

Since funding for the Graduation Bonus is for degree completion initiatives, and not for basic support, it should not replace any portion of Operations Support funding. This committee should biennially review the model to ensure it equitably distributes appropriations.

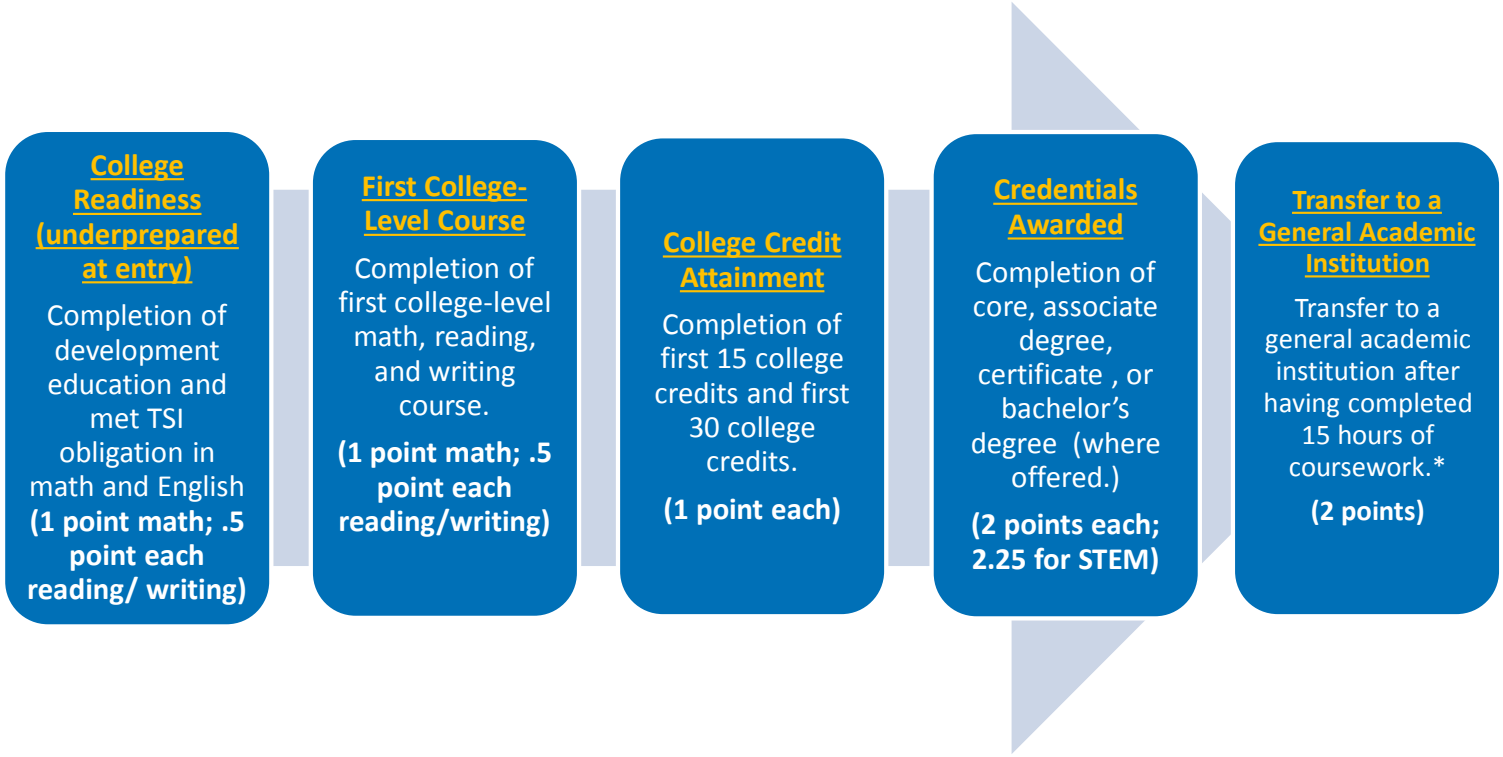
Work from Dr. Martha Snyder at HCM Strategist on this issue.

http://hcmstrategists.com/drivingoutcomes/wp-content/themes/hcm/pdf/Driving%20Outcomes.pdf
http://www.nga.org/files/live/sites/NGA/files/pdf/1204POSTSECONDARYJONES.PDF
http://scholars.unh.edu/radio/39/
https://www.insidehighered.com/news/2015/02/12/report-seeks-add-specificity-debate-over-states-performance-based-funding-models
http://hcmstrategists.com/wp-content/uploads/2014/04/HCM-State-Shared-Responsibility-RADD-2.0.pdf

The National Conference of State Legislatures (NCSL) has compiled a list of each state's status in implementing performance-based funding for higher education. The 4-year institution summary was included in the August meeting materials. This link will take members to the full list: http://www.ncsl.org/research/education/performance-funding.aspx



COMMUNITY COLLEGES AND THE THECB REACHED CONSENSUS ON A VARIETY OF STUDENT SUCCESS METRICS



THECB 7-8-14

*NOTE: Institutions may choose to report out-of-state transfers to the THECB

2

Graduation Bonus Public Universities

David Young

Senior Director, Special Projects

60x30TX

- Goal of 550,000 completions by 2030
  - Increase of over 250,000
  - To reach goal, more at-risk students must graduate
- At-risk students require more services
  - Advising
  - Tutoring
  - Other interventions
- Operations Support (OS) doesn't pay extra for at-risk students

Graduation Bonus

- Bachelor's degrees awarded to students who are not at risk: 1 point
- Bachelor's degrees awarded to at-risk students: 2 points

At-risk criteria

- At risk is defined as:
  - Pell grant recipient
  - Below average SAT/ACT score
- These two criteria cover 96% of students in the previous five criteria model

Funding

- Request
  - New money outside OS
  - $250 million for the biennium
- Approximate award amount
  - $600 for each graduate who is not at risk ($150 per year if student graduates in four years)
  - $1,200 for each graduate who is at risk

Graduation Bonus and Operations Support

- OS funds basic support, while the Graduation Bonus funds degree completion initiatives
  - –These two models will allocate funds differently
  - –Graduation Bonus should not decrease OS funding

The two metrics incentivize:

- More degrees, including degrees to at-risk students
- Improved graduation rates and faster time to degree
- Increased retention rates
- Enrollment of transfers from community colleges
- Reduced excess credit hours
- Improved course completion
- Affordability

Takeaways

- Graduation Bonus will help the state reach the completion goal of *60x30TX*
- Graduation Bonus will help more students earn a degree, especially low-income students
- Graduation Bonus will not hurt institutions
  - OS will continue to provide basic support
  - Graduation Bonus will be new money

Charge 3 – Study and make recommendations on the treatment of competency-based courses in formula allocations.

Draft Recommendation for Discussion Purposes

- Fund competency-based education courses (not modules) using the existing formula calculation and updated expenditure-based weights for the 2018-19 biennium.

    - ❖ Institutions offering competency-based programs should report hours to the Coordinating Board upon the student's completion of all the modules associated with the course.

    - ❖ The expenditure study should include the courses' expense and hours reported for the respective fiscal years.

    - ❖ Fund hours through the formula for courses where the student attained mastery of the subject at the institution through instruction or independent study. Exclude hours where the student obtained mastery of the entire course prior to enrolling in the program. This includes not funding credit obtained through CLEP tests or similar evaluation practices through the formula.

- Expenditure data from the Texas A&M University-Commerce program was insufficient in determining the appropriate funding formula for competency-based education.

    - ❖ The program had only been in operation a single semester during Fiscal Year (FY) 2014. The committee requests Texas A&M University-Commerce continue to provide competency-based course expenditure data as a subset of the expenditure study data provided for fiscal years 2015 and 2016.

    - ❖ The commissioner should charge the 2020-21 biennium GAIFAC with reviewing this information to determine if the expense per hour for these courses varies enough from the statewide ratios to warrant an additional formula to fund competency-based education courses.

Alternative approaches for the committee's consideration in making recommendations:

1. Estimate the number of weighted semester credit hours to complete the CBE program using a degree audit of a similar program and include those hours in the base year for each CBE student that graduates in the base year.
    a. This approach would encourage timely completion, maintain the program's activity in the expenditure-based formula, and eliminate the need to associate the program modules with courses.
    b. This option results in funding lags for students who take longer to complete and excludes activity for students who never complete.
2. Fund institutions based on the fraction of total number of competencies in a CBE program that a CBE student completes during the semester.

Funds allocated per student per semester =
$$\left(\frac{Number\ of\ modules\ completed\ in\ a\ semester}{Total\ number\ of\ modules\ in\ CBE\ program} * Program\ Weight\right) * Value\ of\ CBE\ Program$$

    a. This approach takes into account the number of competencies a student places out of as a result of Prior Learning Assessments (PLA).
    b. It is more in line with how CBE programs are being designed in Texas and across experimental sites in the U.S.
    c. The Program Weight equalizes the variation in the maximum length and number of competencies across CBE programs.
    d. This option requires that CBE programs be valued or monetized.

Charge 4 – Study and make recommendations on the treatment of pharmacy hours for professional practice pharmacy courses.

Draft Recommendation for Discussion Purposes

Update the pharmacy funding policy to fund pharmacy courses with pharmacy expenditure-based weights and the standard enrollment adjustment methodology.

- Weight pharmacy undergraduate semester credit hours using pharmacy undergraduate course expenditures and hours. Remove directions to use science weights.
- Adjust pharm-D program course enrollments in the same manner as enrollments for all other programs.
    - ❖ Weight hours for graduate level students (master's, doctoral, and professional-practice) enrolled in pharmacy professional practice courses at the pharmacy professional practice weight.
    - ❖ Weight hours for undergraduate level students (lower and upper) enrolled in pharmacy professional practice courses at the corresponding pharmacy lower- and upper-level weights.

Issues:

1. Undergraduate pharmacy content is not funded at the undergraduate science weight as stated in the published Pharmacy Funding Policy.
2. Students enrolled in Pharm-D courses and classified at enrollment levels other than professional practice are being funded at the professional practice level weight.

Options:

1. Update the policy to state undergraduate pharmacy content is funded at the undergraduate pharmacy-funding weight (versus science).
2. Remove the enrollment classification adjustment from the "formula funding hours" calculation.

Considerations:

1. Four public universities in Texas offer Doctor of Pharmacy degrees (Pharm-D): Texas Southern University, The University of Texas at Austin, The University of Texas at Tyler, and the University of Houston (and three health-related institutions offer this credential).
2. Currently, undergraduate pharmacy courses are funded at the undergraduate pharmacy weights (1.86 and 5.02) and not the undergraduate science weights (1.78 and 3.02).
    a. For the 2015 base year (used in the 2016-2017 biennium appropriations), the universities reported 534 lower-level and 966 upper-level undergraduate pharmacy hours resulting in 5,843 weighted semester credit hours.
    b. According to the policy, 3,868 should have been funded.
3. Currently, the university formula funding program calculates weighted semester credit hours (WSCH) for the 'Pharm-D program courses' by adjusting the reported enrollment levels (undergraduate to professional practice) for Pharm-D courses to the professional

practice level so that all enrollments in Pharm-D courses are funded at the professional practice weight.

a. For the 2015 base year, the 36,149 "student course enrollments" in Pharm-D courses accounted for 48,606 semester credit hours (SCH) or 209,978 WSCH in the operations support formula. Of the 36,149 enrollments, 39 (who generated SCH) were classified at levels other than professional practice (5 undergraduate upper-level, 33 master's, and 1 doctoral). An additional 35 enrollments attended courses reported with zero SCH.

b. Calculated without enrollment adjustments, the 2016-2017 allocation would have included an additional 3,061 WSCH, for 213,039 Pharm-D WSCH.

c. Note: 18,481 of the 36,149 course enrollments were in zero semester credit hour courses skewing the hours per enrollment from 2.74 to 1.34.

Enrollment Classification Level	Course Enrollments	Semester Credit Hours	Weight	Weighted Semester Credit Hours
Undergraduate Upper-Level	10	15	5.02	75
Master's	63	126	28.29	3,565
Doctoral	1	1	35.14	35
Professional Practice	36,075	48,464	4.32	209,364
Total	36,149	48,606		213,039
Total for Formula Funding	36,149	48,606	4.32	209,978

The current formula funding calculation is an interpretation of the following:

Pharmacy Funding Policy (Revised 9/22/02)

1. All pharmacy courses at general academic institutions that are part of a Pharm-D degree program will be funded at the Doctor's Level-Professional Practice rate. *Note: Reporting non-Pharm-D undergraduate courses as level 7 courses (see description of levels below) is an auditable error.*

2. Courses in master's and doctoral pharmacy programs will continue to be funded at their assigned rates.

3. Other undergraduate pharmacy content courses will be funded at the undergraduate ~~science~~ pharmacy rate. This will be done at the Coordinating Board by applying the science weights in the formula matrix to undergraduate pharmacy courses.

4. Pre-pharmacy courses will continue to be funded at their respective ~~liberal arts~~ rates. Students taking pre-pharmacy courses should not be reported as doctor's level-professional practice students.

5. All students in Pharm-D programs should be reported in the doctor's level-professional practice enrollment category on the class report. On the student report (CBM001), the students in Pharm-D programs are classified with a code '~~9~~' '8'.

6. All pharmacy-related courses should be coded on the course inventory based on their content and level of the courses where:

Level - Use

7 - Is only for courses that are part of the Pharm-D curriculum

6 - For doctoral courses

5 - For master's courses

3 and 4 - For upper-division undergraduate courses

1 and 2 - For lower-division undergraduate courses

Doctor's Level-Professional Practice – Pharmacy (Pharm-D) – a student admitted to an approved Pharm-D program at the institution; prior to admission to pharmacy school, a student must complete at least 60 semester credit hours (SCH) of pre-pharmacy coursework (Student Report - CBM001 manual).

Pharmacy Formula Funding Policy (Prior to 9/22/02)

1. The entry-level Pharm-D program must include:

   a. A pre-professional program of at least 60 hours of baccalaureate-level courses,

   b. At least 60 hours of baccalaureate-level professional pharmacy courses,

   c. No more than 36 hours of masters-level professional pharmacy courses, and

   d. No more than 40 hours of special professional pharmacy courses.

2. The Post-B.S. Pharm-D program must include:

   a. A B.S. in Pharmacy as a condition of admission,

   b. Baccalaureate-Level and masters-level professional pharmacy courses as required,

   c. No more than 40 hours of special professional pharmacy courses.

3. Courses designated as doctoral level shall be reserved for doctoral students pursuing the Ph.D. in Pharmacy.

		Student Enrollment Classification (CBM001)				
Course Level (CBM003)		Undergraduate Lower-Level (UGL) – Freshman or Sophomore	Undergraduate Upper-Level (UGU) – Junior or Senior	Master's (MAS)	Doctoral (DOC) – Doctor's Research/ Scholarship	Special Professional (SP) – Doctor's Professional Practice
1	Freshman	UGL	UGL	UGL	UGL	UGL
2	Sophomore	UGL	UGL	UGL	UGL	UGL
3	Junior	UGL	UGU	UGU	UGU	UGU
4	Senior	UGL	UGU	UGU	UGU	UGU
5	Master's	UGL	UGU	MAS	MAS	MAS
6	Doctoral	UGL	UGU	MAS	DOC	MAS
7	Special Professional	UGL	UGU	SP	SP	SP

Charge 5 – Study and make recommendations on changes to the funding model that will enable institutions to meet the goals of *60x30TX.*

Recommendation (Approved September 9, 2015)

State funding is an essential resource for institutions to meet the *60x30TX* goals. The committee considered the four goals of this plan when setting the funding level recommendations included in this report. Over the course of the 15 years during the *Closing the Gaps* plan, general academic institutions increased enrollments 45 percent and increased graduation rates over 11 percentage points (from 49.5 to 60.5 percent). These strides require quality faculty and staff motivated to reaching a higher standard of education for our students and our state.

Since fiscal year 2000, these same institutions received decreasing amounts in state support on a per full-time student equivalent basis – a trend that must be reversed if the state intends to educate 3 out of 5 citizens, nearly double the annual graduates, increase students awareness of their marketable skills, all while maintaining student debt levels. This committee encourages the Legislature to work diligently in forming budgets over the next 15 years that help higher education in the state of Texas reach these ambitious but attainable goals.

This document is available on the Texas Higher Education Coordinating Board Website: **http://www.thecb.state.tx.us/formulafunding**

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