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

November 2015

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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, November 4, 2015
1:00 p.m.

Agenda

I. Call to Order

II. Consideration and approval of the minutes from October 7, 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, October 7, 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. 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: Dr. James Marquart

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 September 9, 2015, were reviewed and unanimously approved by nomination from Dr. Hugetz and second from Dr. Malavé.

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

    a. On Charge 4 relating to the Pharmacy Funding Policy:

        i. Mr. Turcotte presented two issues with the policy for the committee's consideration.

        ii. The committee unanimously approved changes to the formula funding policy by nomination from Dr. O'Brien and second from Dr. Neely.

            1. Modify the policy so that undergraduate pharmacy courses not in the Pharm-D program are weighted using the undergraduate pharmacy weights instead of the current direction to weight those courses using the undergraduate science weights.

            2. Modify the policy so that Pharm-D course enrollments use the same enrollment adjustment methodology as all other programs.

    b. On Charge 2 relating to undergraduate student success funding:

        i. Mr. Young presented the Graduation Bonus incentive-funding model.

        ii. The committee requested data on transfer-student graduates. Staff committed to providing the number of transfer students in the model, the number of those graduates who were identified as at risk, and the number of

overall graduates who are transfer students and were not reported as taking the SAT or ACT.

iii. It was pointed out that sum-certain incentive funding models have self-defeating effects and efforts would be amplified if institutions could be certain of the amount appropriated per degree awarded.

iv. Members asked to see the degrees by institution, the funding levels generated if the model were funded at $600 per degree for students who are not at risk and $1,200 per degree for students who are at risk. They also requested a comparison to that funding allocated with the operations support and the previously recommended outcomes-based funding model. Additionally, members requested the change in the percent of at-risk degrees by institution from the latest data and the preceding three-year period.

v. Members requested a linear projection be applied to the total and at-risk degrees in the model to forecast institutions' degree production into the funded biennium.

vi. Members requested a study of the cost differential of graduating an at-risk student versus a non-at-risk student.

vii. The impact of reallocation was considered. This proposal will allocate funds differently from Operations Support because it has a different objective – to support student service with the aim to increase completion rates. Since the Graduation Bonus is not designed to fund basic support, it should not replace any portion of Operations Support funding.

viii. The committee discussed an interim study committee to determine various details of the issue, but there was hesitation of not recommending a model for the 2018-2019 biennium as the commissioner will need to make a recommendation.

c. On Charge 1 relating to funding levels:

i. Mr. Turcotte reviewed the draft recommendation for growth, rate, and inflation increases.

ii. The committee requested to see funding levels by institution if the graduation bonus is recommended.

4. The meeting was adjourned at 2:25 p.m. until November 4, 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
Dr. César Malavé (2020) Department Head, Industrial and Systems Engineering	Texas A&M University 101 Bizzell St. College Station, TX 77840	malave@tamu.edu (979) 845-5535
Dr. James Marquart (2020) Provost and Vice President Academic Affairs	Lamar University PO Box 10002 Beaumont, TX 77710	james.marquart@lamar.edu (409) 880-8398
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%
Operations Support and Teaching Experience Supplement	3,942	4,360	418	10.6%
Space Support (includes Small Institution Supplement)	734	786	51.6	7.0%

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 space support 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 space support 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

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

Fund $200 million to new Graduation Bonus formula for advising, tutoring, and the other interventions many students need to earn a degree. Fund the three-year average of the following:

- $600 for bachelor's degrees awarded to students who are not at risk
- $1,200 for bachelor's degrees awarded to student who are at-risk

Funding for at-risk students is higher because these students require more services, and these extra services are not 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.

NCES Releases New Data on Today's Nontraditional Students

Recently, the National Center for Education Statistics (NCES) released ***Demographic and Enrollment Characteristics of Nontraditional Undergraduates: 2011-12***, a report with descriptive statistics about nontraditional undergraduate students. **Nontraditional students** have the following characteristics: they are independent, have dependents of their own, did not enter postsecondary education immediately after high school, and/or may be working while enrolled in school. The report presents key demographic, enrollment, and academic data from comprehensive, nationally representative surveys of nontraditional students.

Seventy-four percent of all 2011–2012 undergraduates had at least one nontraditional characteristic. Comparing this with longitudinal data from four other surveys, the report finds an upward trend from 1995-1996 to the current survey (2011-2012). Similarly, the percentage of students with dependents, as well as single students with dependents, has continued to grow; survey data for 2011-2012 report the highest percentages since 1995-1996 for both groups (27.5 percent and 15.2 percent respectively). Roughly a third (33.9 percent) of all female undergraduates had at least one dependent, while Blacks and students attending four-year for-profit institutions most commonly had more than one dependent.

CLASP highlights additional data points reflecting the nontraditional status of today's undergraduates and makes policy recommendations to address these students' complex circumstances.

Graduation Bonus - Three-year average (2012 through 2014) of undergraduate degrees and undergraduate degrees awarded to at-risk students defined as students who received Pell grants or scored below the national average on the SAT/ACT. Award amounts are $600 for graduates who are not at risk and $1,200 for graduates who are at risk.

FICE	Institution	Degrees	At-Risk Degrees	Graduation Bonus Points	Graduation Bonus (GB)	Percent Distribution
003656	UT-Arlington	6,285	3,520	9,805	$ 11,766,000	6.7%
003658	UT-Austin	9,183	3,507	12,690	15,228,400	8.6%
009741	UT-Dallas	2,702	1,399	4,101	4,921,200	2.8%
003661	UT-El Paso	3,156	2,564	5,720	6,864,400	3.9%
003599	UT-Rio Grande Valley	3,765	3,308	7,073	8,487,200	4.8%
009930	UT-Permian Basin	580	419	999	1,198,800	0.7%
010115	UT-San Antonio	4,419	3,323	7,742	9,290,400	5.3%
011163	UT-Tyler	1,166	813	1,979	2,374,800	1.3%
003632	TAMU	9,207	3,709	12,916	15,498,800	8.8%
010298	TAMU-Galveston	315	181	496	595,200	0.3%
003630	Prairie View	1,019	881	1,900	2,280,000	1.3%
003631	Tarleton	1,855	1,377	3,232	3,878,400	2.2%
042295	TAMU-Central	485	331	816	979,600	0.6%
011161	TAMU-CC	1,488	1,101	2,589	3,106,800	1.8%
003639	TAMU-Kingsville	946	805	1,751	2,100,800	1.2%
103639	TAMU-San Antonio	759	626	1,385	1,662,000	0.9%
009651	TAMI	873	790	1,663	1,995,200	1.1%
003665	WTAMU	1,360	932	2,293	2,751,200	1.6%
003565	TAMU-Commerce	1,488	1,090	2,578	3,093,600	1.7%
029269	TAMU-Texarkana	353	246	599	719,200	0.4%
003652	UH	5,873	3,830	9,703	11,644,000	6.6%
011711	UH-Clear Lake	1,236	790	2,026	2,431,600	1.4%
012826	UH-Downtown	2,348	1,646	3,995	4,793,600	2.7%
013231	UH-Victoria	659	412	1,072	1,286,000	0.7%
003592	Midwestern	1,060	668	1,727	2,072,800	1.2%
003594	UNT	5,976	3,654	9,630	11,556,000	6.5%
042421	UNT-Dallas	387	280	667	800,800	0.5%
003624	SFA	2,038	1,497	3,535	4,241,600	2.4%
003642	TSU	789	678	1,467	1,760,400	1.0%
003644	TTU	5,126	2,980	8,106	9,727,200	5.5%
003541	Angelo	1,067	749	1,816	2,179,200	1.2%
003646	TWU	1,969	1,300	3,270	3,923,600	2.2%
003581	Lamar	1,440	1,027	2,467	2,960,800	1.7%
003606	Sam Houston	3,162	2,243	5,405	6,485,600	3.7%
003615	TXST	5,742	3,827	9,568	11,482,000	6.5%
003625	Sul Ross	195	163	358	429,200	0.2%
000020	Sul Ross-Rio Grande	141	124	264	317,200	0.2%
	Total	90,611	56,792	147,403	$ 176,883,600	100.0%

Comparison of the Graduation Bonus to the Operations Support Allocation

1. A graduation bonus for universities of $600 per degree awarded to students who are not at-risk and $1,200 per degree awarded to at-risk students on top of an operations support allocation of $4.36 billion
2. Allocation of $4.537 billion on weighted semester credit hours (operations support recommendation of $4.36 and graduation bonus funds of $176,883,600).

Institution	Percent of Degrees to At-Risk Students	2018-2019 Operations Support Per Semester Credit Hour	Operations Support with a Graduation Bonus (1)	Operations Support without a Graduation Bonus (2)	Difference	Percent Difference
UT-Arlington	56%	$307	$ 260,000,196	$258,305,011	$1,695,185	0.7%
UT-Austin	38%	359	502,847,164	507,401,366	(4,554,202)	-0.9%
UT-Dallas	52%	370	209,683,572	213,069,543	(3,385,971)	-1.6%
UT-El Paso	81%	249	144,044,605	142,745,580	1,299,025	0.9%
UT-Rio Grande Valley	88%	227	175,160,794	173,435,510	1,725,284	1.0%
UT-Permian Basin	72%	231	27,404,522	27,268,883	135,639	0.5%
UT-San Antonio	75%	258	191,839,170	189,954,739	1,884,431	1.0%
UT-Tyler	70%	280	52,737,808	52,406,226	331,582	0.6%
TAMU	40%	389	633,662,679	643,242,672	(9,579,993)	-1.5%
TAMU-Galveston	57%	248	24,004,545	24,359,058	(354,513)	-1.5%
Prairie View	87%	241	55,557,898	55,439,372	118,526	0.2%
Tarleton	74%	236	71,890,428	70,771,263	1,119,165	1.6%
TAMU-Central	68%	279	15,305,768	14,907,378	398,390	2.7%
TAMU-CC	74%	247	69,853,787	69,454,900	398,887	0.6%
TAMU-Kingsville	85%	344	74,912,383	75,765,536	(853,152)	-1.1%
TAMU-San Antonio	82%	271	25,826,632	25,144,986	681,645	2.7%
TAMI	90%	221	40,822,017	40,402,014	420,003	1.0%
WTAMU	69%	242	56,222,571	55,640,694	581,877	1.0%
TAMU-Commerce	73%	310	86,940,962	87,249,034	(308,072)	-0.4%
TAMU-Texarkana	70%	235	10,544,804	10,224,227	320,577	3.1%
UH	65%	318	331,744,598	333,087,019	(1,342,421)	-0.4%
UH-Clear Lake	64%	369	65,927,830	66,072,261	(144,430)	-0.2%
UH-Downtown	70%	208	68,778,136	66,580,376	2,197,759	3.3%
UH-Victoria	63%	270	27,089,304	26,850,140	239,165	0.9%
Midwestern	63%	217	35,739,300	35,032,344	706,956	2.0%
UNT	61%	262	244,035,275	241,910,915	2,124,359	0.9%
UNT-Dallas	72%	226	11,249,996	10,873,118	376,878	3.5%
UNT-Dallas Law[1]		605	3,973,851	4,135,069	(161,218)	-3.9%
SFA	73%	216	74,200,643	72,797,268	1,403,375	1.9%
TSU	86%	275	65,368,435	66,188,601	(820,166)	-1.2%
TTU	58%	316	290,997,136	292,681,004	(1,683,869)	-0.6%
Angelo	70%	220	38,132,120	37,411,524	720,597	1.9%
TWU	66%	283	102,045,836	102,103,036	(57,201)	-0.1%
Lamar	71%	291	102,450,411	103,525,886	(1,075,475)	-1.0%
Sam Houston	71%	222	116,524,067	114,502,707	2,021,360	1.8%
TXST	67%	221	213,118,032	209,816,368	3,301,664	1.6%
Sul Ross	83%	252	11,625,694	11,650,734	(25,040)	-0.2%
Sul Ross-Rio Grande	88%	267	4,601,350	4,457,957	143,393	3.2%
Total	63%	291	$4,536,864,318	$ 4,536,864,318	$ -	0.0%

1. The graduation bonus does not apply to UNT-Dallas Law. This bonus is for undergraduate success and the law school is for graduate students only.

Comparison of the Graduation Bonus to the Outcomes-Based Funding Model

1. A graduation bonus for universities of $600 per degree awarded to students who are not at risk and $1,200 per degree awarded to students who are at-risk on top of an operations support allocation of $4.36 billion
2. Outcomes-Based Funding of $177 million, using the metrics recommended by the committee two years ago, on top of an operations support allocation of $4.36 billion

Institution	2018-2019 Operations Support with a Graduation Bonus (1)	2018-2019 Operations Support with Outcomes-Based Funding (2)	Difference	Percent Difference
UT-Arlington	$ 260,000,196	$ 258,478,371	$ 1,521,825	0.6%
UT-Austin	502,847,164	505,713,707	(2,866,543)	-0.6%
UT-Dallas	209,683,572	209,983,884	(300,312)	-0.1%
UT-El Paso	144,044,605	143,416,009	628,596	0.4%
UT-Rio Grande Valley	175,160,794	174,625,192	535,602	0.3%
UT-Permian Basin	27,404,522	27,252,327	152,195	0.6%
UT-San Antonio	191,839,170	191,457,291	381,878	0.2%
UT-Tyler	52,737,808	52,548,296	189,512	0.4%
TAMU	633,662,679	637,146,142	(3,483,463)	-0.5%
TAMU-Galveston	24,004,545	24,406,263	(401,718)	-1.6%
Prairie View	55,557,898	55,523,008	34,890	0.1%
Tarleton	71,890,428	71,493,106	397,322	0.6%
TAMU-Central	15,305,768	15,229,985	75,782	0.5%
TAMU-CC	69,853,787	69,670,249	183,537	0.3%
TAMU-Kingsville	74,912,383	74,734,169	178,215	0.2%
TAMU-San Antonio	25,826,632	25,494,072	332,559	1.3%
TAMI	40,822,017	40,747,598	74,419	0.2%
WTAMU	56,222,571	55,951,992	270,579	0.5%
TAMU-Commerce	86,940,962	86,604,122	336,841	0.4%
TAMU-Texarkana	10,544,804	10,498,911	45,894	0.4%
UH	331,744,598	331,626,754	117,844	0.0%
UH-Clear Lake	65,927,830	65,614,839	312,991	0.5%
UH-Downtown	68,778,136	67,593,804	1,184,332	1.8%
UH-Victoria	27,089,304	26,865,739	223,565	0.8%
Midwestern	35,739,300	35,584,346	154,955	0.4%
UNT	244,035,275	243,790,017	245,258	0.1%
UNT-Dallas	11,249,996	11,201,446	48,550	0.4%
UNT-Dallas Law	3,973,851	3,973,851	-	0.0%
SFA	74,200,643	74,202,907	(2,265)	0.0%
TSU	65,368,435	65,309,770	58,666	0.1%
TTU	290,997,136	292,180,153	(1,183,017)	-0.4%
Angelo	38,132,120	37,948,704	183,416	0.5%
TWU	102,045,836	101,621,587	424,249	0.4%
Lamar	102,450,411	102,210,196	240,215	0.2%
Sam Houston	116,524,067	116,457,119	66,948	0.1%
TXST	213,118,032	213,507,935	(389,903)	-0.2%
Sul Ross	11,625,694	11,580,144	45,550	0.4%
Sul Ross-Rio Grande	4,601,350	4,620,312	(18,962)	-0.4%
Total	$4,536,864,318	$ 4,536,864,318	$-	0.0%

Comparison of the Graduation Bonus to Projected Graduation Bonus

1. A graduation bonus for universities of $600 per degree awarded to students who are not at risk and $1,200 per degree awarded to at-risk students for a projected three-year average of 2016, 2017, and 2018 using the linear trend three-year averages by institution for 2006 through 2014.
2. A graduation bonus for universities of $600 per degree awarded to students who are not at risk and $1,200 per degree awarded to at-risk students for the three-year average of degrees awarded in 2012, 2013, and 2014.

Name	Degrees	At-Risk Degrees	Graduation Bonus Points	Graduation Bonus (2016-2018 Projected Degrees)	Graduation Bonus (2012-2014 Degrees)	Difference	Percent Change
UT-Arlington	7,867	4,496	12,363	$ 14,835,400	$ 11,766,000	$3,069,400	26.1%
UT-Austin	9,744	4,114	13,858	$ 16,629,940	$ 15,228,400	$1,401,540	9.2%
UT-Dallas	2,985	1,672	4,657	$5,588,280	$4,921,200	$ 667,080	13.6%
UT-El Paso	3,705	3,102	6,807	$8,168,500	$6,864,400	$1,304,100	19.0%
UT-Rio Grande Valley	4,266	3,822	8,087	$9,704,940	$8,487,200	$1,217,740	14.3%
UT-Permian Basin	637	464	1,101	$1,321,080	$1,198,800	$ 122,280	10.2%
UT-San Antonio	5,050	4,009	9,059	$ 10,871,080	$9,290,400	$1,580,680	17.0%
UT-Tyler	1,383	1,074	2,457	$2,948,080	$2,374,800	$ 573,280	24.1%
TAMU	9,911	4,189	14,100	$ 16,920,280	$ 15,498,800	$1,421,480	9.2%
TAMU-Galveston	337	213	550	$ 660,320	$ 595,200	$65,120	10.9%
Prairie View	1,092	999	2,091	$2,509,400	$2,280,000	$ 229,400	10.1%
Tarleton	2,000	1,599	3,599	$4,319,360	$3,878,400	$ 440,960	11.4%
TAMU-Central	900	615	1,515	$1,817,580	$ 979,600	$ 837,980	85.5%
TAMU-CC	1,555	1,229	2,784	$3,340,520	$3,106,800	$ 233,720	7.5%
TAMU-Kingsville	845	762	1,607	$1,928,400	$2,100,800	$ (172,400)	-8.2%
TAMU-San Antonio	1,378	1,123	2,501	$3,001,240	$1,662,000	$1,339,240	80.6%
TAMI	1,037	974	2,011	$2,412,820	$1,995,200	$ 417,620	20.9%
WTAMU	1,568	1,110	2,678	$3,213,860	$2,751,200	$ 462,660	16.8%
TAMU-Commerce	1,522	1,162	2,685	$3,221,720	$3,093,600	$ 128,120	4.1%
TAMU-Texarkana	346	272	618	$ 741,680	$ 719,200	$22,480	3.1%
UH	6,619	4,541	11,160	$ 13,392,040	$ 11,644,000	$1,748,040	15.0%
UH-Clear Lake	1,247	880	2,127	$2,552,900	$2,431,600	$ 121,300	5.0%
UH-Downtown	2,701	2,051	4,752	$5,702,860	$4,793,600	$ 909,260	19.0%
UH-Victoria	878	550	1,429	$1,714,200	$1,286,000	$ 428,200	33.3%
Midwestern	1,116	784	1,899	$2,279,320	$2,072,800	$ 206,520	10.0%
UNT	6,998	4,523	11,522	$ 13,826,220	$ 12,081,600	$1,744,620	14.4%
UNT-Dallas	599	445	1,044	$1,252,200	$ 275,200	$ 977,000	355.0%
SFA	2,213	1,764	3,977	$4,772,380	$4,241,600	$ 530,780	12.5%
TSU	846	771	1,617	$1,940,120	$1,760,400	$ 179,720	10.2%
TTU	5,356	3,341	8,697	$ 10,436,560	$9,727,200	$ 709,360	7.3%
Angelo	1,180	876	2,056	$2,466,720	$2,179,200	$ 287,520	13.2%
TWU	2,411	1,694	4,104	$4,925,200	$3,923,600	$1,001,600	25.5%
Lamar	1,567	1,166	2,732	$3,278,860	$2,960,800	$ 318,060	10.7%
Sam Houston	3,736	2,808	6,545	$7,853,840	$6,485,600	$1,368,240	21.1%
TXST	6,542	4,615	11,157	$ 13,388,560	$ 11,482,000	$1,906,560	16.6%
Sul Ross	191	160	351	$ 420,800	$ 429,200	$ (8,400)	-2.0%
Sul Ross-Rio Grande	139	122	261	$ 313,020	$ 317,200	$ (4,180)	-1.3%
Total	102,466	68,092	170,559	$ 204,670,280	$ 176,883,600	$27,786,680	15.7%

Pell versus Pell Eligible

What would the Graduation Bonus be if Pell eligible students, not just students who received Pell, were included in the model? Adding students who were Pell eligible, but did not receive the Pell grant to the at risk pool would add 5,821 at-risk points based on 2012-2014 degrees, an funding increase of 3.9 percent.

Institution	Graduation Bonus Points (Pell Recipients)	Graduation Bonus (Pell Recipients)	Graduation Bonus Points (Pell Eligible)	Graduation Bonus (Pell Eligible)	Difference	Percent Difference
UT-Arlington	9,805	$ 11,766,000	10,156	$ 12,187,200	$ 421,200	3.6%
UT-Austin	12,690	15,228,400	13,202	15,842,800	614,400	4.0%
UT-Dallas	4,101	4,921,200	4,279	5,134,800	213,600	4.3%
UT-El Paso	5,720	6,864,400	5,810	6,972,000	107,600	1.6%
UT-Rio Grande Valley	7,073	8,487,200	7,160	8,591,600	104,400	1.2%
UT-Permian Basin	999	1,198,800	1,027	1,232,000	33,200	2.8%
UT-San Antonio	7,742	9,290,400	7,968	9,562,000	271,600	2.9%
UT-Tyler	1,979	2,374,800	2,070	2,484,400	109,600	4.6%
TAMU	12,916	15,498,800	13,716	16,459,600	960,800	6.2%
TAMU-Galveston	496	595,200	519	622,400	27,200	4.6%
Prairie View	1,900	2,280,000	1,935	2,322,400	42,400	1.9%
Tarleton	3,232	3,878,400	3,338	4,005,200	126,800	3.3%
TAMU-Central	816	979,600	850	1,020,000	40,400	4.1%
TAMU-CC	2,589	3,106,800	2,689	3,226,400	119,600	3.8%
TAMU-Kingsville	1,751	2,100,800	1,789	2,146,800	46,000	2.2%
TAMU-San Antonio	1,385	1,662,000	1,411	1,693,200	31,200	1.9%
TAMI	1,663	1,995,200	1,678	2,014,000	18,800	0.9%
WTAMU	2,293	2,751,200	2,399	2,879,200	128,000	4.7%
TAMU-Commerce	2,578	3,093,600	2,645	3,173,600	80,000	2.6%
TAMU-Texarkana	599	719,200	619	742,800	23,600	3.3%
UH	9,703	11,644,000	10,102	12,122,800	478,800	4.1%
UH-Clear Lake	2,026	2,431,600	2,109	2,531,200	99,600	4.1%
UH-Downtown	3,995	4,793,600	4,105	4,926,400	132,800	2.8%
UH-Victoria	1,072	1,286,000	1,104	1,324,800	38,800	3.0%
Midwestern	1,727	2,072,800	1,794	2,152,400	79,600	3.8%
UNT	9,630	11,556,000	10,094	12,112,447	556,447	4.8%
UNT-Dallas	667	800,800	692	830,753	29,953	3.7%
SFA	3,535	4,241,600	3,657	4,388,800	147,200	3.5%
TSU	1,467	1,760,400	1,485	1,781,600	21,200	1.2%
TTU	8,106	9,727,200	8,625	10,350,400	623,200	6.4%
Angelo	1,816	2,179,200	1,892	2,270,000	90,800	4.2%
TWU	3,270	3,923,600	3,382	4,058,800	135,200	3.4%
Lamar	2,467	2,960,800	2,549	3,058,400	97,600	3.3%
Sam Houston	5,405	6,485,600	5,653	6,783,600	298,000	4.6%
TXST	9,568	11,482,000	10,092	12,110,000	628,000	5.5%
Sul Ross	358	429,200	363	435,600	6,400	1.5%
Sul Ross-Rio Grande	264	317,200	265	318,400	1,200	0.4%
Total	147,403	$ 176,883,600	153,224	$ 183,868,800	$ 6,985,200	3.9%

How do transfer students contribute to the Graduation Bonus?

- Transfer student graduates account for 35 percent of all undergraduate degrees.
- At-risk transfer student graduates make up 40 percent of all at-risk undergraduate degrees.
- For the 23,752 at-risk degrees earned by transfer students, 19,365, or 82 percent, were at risk because they received a Pell grant, while, 3,386, or 18 percent, were at risk because their average SAT or ACT scores were below the national average. 74 percent of non-transfer student graduates are at risk because they received a Pell grant.
- Transfer student graduates who did not receive a Pell grant, but who earned below average SAT or ACT scores, make up 14 percent of all transfer student graduates. This is 11 percent for non-transfer student graduates.
- For completers, an SAT or ACT score was reported for 56 percent of transfer students and 73 percent of non-transfer students, a difference of 17 percentage points.
- Of the 32,097 transfer students who earned a degree:
    - 44 percent, 14,274 of the 32,097, were reported as not having an SAT or ACT score.
    - 70 percent, 9,929 of the 14,274, of these were at-risk for being Pell recipients.

Three-Year Average Degree Counts	All Degrees	Native	Transfer
Degrees	90,611	58,514	32,097
At-Risk	59,792	36,040	23,752
Pell	45,908	26,543	19,365
SAT/ACT	10,883	6,497	4,386
Part-Time	1,978	775	1,203
Older	420	211	209
GED	20	8	12
Tested	60,3061	42,483	17,823
Percentage of Degrees			
Percent At-Risk	66%	62%	74%
Percent Pell	51%	45%	60%
Percent SAT/ACT	12%	11%	14%
Percent Part-Time	2%	1%	4%
Percent Older	0%	0%	1%
Percent GED	0%	0%	0%
Percent Tested	67%	73%	56%

From the point when students reach junior status, how do the completion rates of transfer students compare to native students (those who start at a university)?

Completion Rates for Fall 2010 Juniors	Natives			Transfers		
	Total	Total Graduates	Percent Graduating in 4 years	Total	Total Graduates	Percent Graduating in 4 years
UT-Arlington	1,286	1,064	83%	1,132	694	61%
UT-Austin	5,453	4,912	90%	265	209	79%
UT-Dallas	927	809	87%	708	475	67%
UT-El Paso	1,435	1,048	73%	521	285	55%
UT-Pan American	1,671	1,212	73%	396	265	67%
UT-Brownsville	163	141	87%	209	110	53%
UT-Permian Basin	187	158	84%	110	62	56%
UT-San Antonio	2,252	1,756	78%	685	424	62%
UT-Tyler	306	267	87%	280	178	64%
TAMU	6,437	5,971	93%	413	363	88%
TAMU-Galveston	192	166	86%	17	8	47%
Prairie View	768	531	69%	52	39	75%
Tarleton	717	619	86%	384	299	78%
TAMU-Central Texas[1]				114	73	64%
TAMU-Corpus Christi	612	490	80%	239	154	64%
TAMU-Kingsville	394	306	78%	102	75	74%
TAMU-San Antonio[1]				390	254	65%
TAMI	435	336	77%	196	104	53%
WTAMU	613	480	78%	275	177	64%
TAMU-Commerce	327	261	80%	447	322	72%
TAMU-Texarkana[2]				143	98	69%
UH	2,285	1,908	84%	1,089	625	57%
UH-Clear Lake[2]				833	553	66%
UH-Downtown	302	203	67%	575	335	58%
UH-Victoria[2]				191	117	61%
Midwestern	445	343	77%	129	79	61%
UNT	2,346	1,944	83%	996	700	70%
UNT-Dallas[2]				175	124	71%
SFA	1,233	1,057	86%	288	219	76%
TSU	502	310	62%	22	13	59%
TTU	2,973	2,602	88%	411	292	71%
Angelo	677	532	79%	11	6	55%
TWU	437	349	80%	357	251	70%
Lamar	777	590	76%	126	76	60%
Sam Houston	1,325	1,150	87%	480	360	75%
TXST	2,468	2,001	81%	950	655	69%
Sul Ross	94	75	80%	23	15	65%
Sul Ross Rio Grande[1,3]			67%	90	33	37%
Statewide	**40,042**	**33,593**	**84%**	**13,824**	**9,121**	**66%**

1. Upper-Level only. Natives include high school graduates with dual credit who enrolled at a university after high school graduation
2. Four-Year cohort data not yet available
3. FERPA restricted, less than 5

How academically successful are transfer students?

The grade point averages (GPA) of transfer students are similar to their peers who started at a public university.

Institution Name	Junior Transfers	Junior Natives	Transfer Student Average GPA	Native Student Average GPA	Difference (Native minus Transfer)
UT-Arlington	1,569	1,039	3.05	3.12	0.07
UT-Austin	611	4,868	3.12	3.20	0.09
UT-Dallas	1,129	801	3.09	3.27	0.17
UT-El Paso	998	1,025	3.15	3.18	0.03
UT-Pan American	682	1,166	3.06	3.02	(0.04)
UT-Brownsville	531	137	2.98	3.11	0.13
UT-Permian Basin	235	154	3.20	3.15	(0.05)
UT-San Antonio	1,230	1,712	3.04	3.00	(0.04)
UT-Tyler	462	261	3.08	3.10	0.02
TAMU	1,084	5,926	3.01	3.19	0.17
TAMU-Galveston	34	161	2.75	2.88	0.13
Prairie View	138	521	3.12	2.85	(0.27)
Tarleton	522	612	3.08	2.98	(0.10)
TAMU-Central[1]	181	N/A	3.19	N/A	
TAMU-CC	436	482	3.14	3.11	(0.04)
TAMU-Kingsville	177	300	3.17	3.02	(0.16)
TAMU-San Antonio[1]	423	N/A	3.24	N/A	
TAMI	266	327	3.08	3.17	0.09
WTAMU	394	475	3.20	3.12	(0.08)
TAMU-Commerce	607	255	3.35	3.18	(0.17)
TAMU-Texarkana[1]	183	N/A	3.29	N/A	
UH	1,827	1,864	3.11	3.18	0.07
UH-Clear Lake[1]	1,035	N/A	3.33	N/A	
UH-Downtown	742	198	3.07	2.92	(0.15)
UH-Victoria[1]	329	N/A	3.22	N/A	
Midwestern	225	338	3.08	2.99	(0.09)
UNT	1,907	1,911	3.07	3.14	0.07
UNT-Dallas[1]	25	N/A	3.21	N/A	
SFA	483	1,043	3.06	3.06	(0.00)
TSU	133	300	3.17	2.85	(0.31)
TTU	853	2,529	3.03	3.19	0.16
Angelo	71	524	3.04	3.12	0.08
TWU	729	344	3.28	3.24	(0.04)
Lamar	228	579	3.08	3.10	0.02
Sam Houston	1,183	1,142	3.04	3.06	0.03
TXST	1,895	1,981	3.01	3.08	0.07
Sul Ross	38	75	3.13	3.09	(0.04)
Sul Ross-Rio Grande[1]	103	N/A	3.08	N/A	
Statewide	25,265	33,613	3.09	3.13	0.03

1. Upper-division or not in existence long enough to have a junior natives in fall 2010
2. Transfer Student - attempted at least 30 hours at a CTC excluding dual credit before fall 2010
3. Native Student - started at the same university where enrolled as a junior in fall 2010
4. GPA based on courses completed in FY 2011-2014
5. Excludes data at institutions where the total number of transfers were less than 5

What is the additional expense of graduating an at-risk student?
Public universities spend about 20 percent more graduating an at-risk student, which is a student who is low-income or not college ready.

The per-student expense in the table below is based on a cohort of students who enrolled for the first time (part-time or full-time) at a public university in the fall or summer of 2008. Students who transferred to the public university after starting at a different institution are not part of the cohort (including those from community colleges).

The model assumes a similar expense per semester credit hour (rate) for all students, but accounts for the lower completion rates and additional semester credit hours of at-risk students. The model groups cohort students as graduates, those who completed a degree by 2014, and leavers, those who did not complete by 2014. Leavers may be persisting to complete their degrees.

The model includes per-student expenses for leavers and graduates using the institutions' Fiscal Year (FY) 2014 rate and the average semester credit hours for the group. The model applies the lower-level rate for the first 60 hours and developmental education hours. The upper-level rate was applied to the remaining hours.

A third per-student expense was calculated by adding the expense of the hours for leavers into the expense for graduates to show the additional expense of lower graduation rates.

	Expense of Not At-Risk			Expense of At-Risk			
Institution	Leaver	Graduate	Graduate (Includes Leaver Expense)	Leaver	Graduate	Graduate (Includes Leaver Expense)	Increased Expense of Graduating At-Risk Students
UT-Arlington	$30,489	$58,304	$82,385	$37,133	$59,688	$97,955	19%
UT-Austin	69,455	94,660	104,912	77,605	102,591	125,293	19%
UT-Dallas	49,304	76,804	89,990	52,685	77,850	102,980	14%
UT-El Paso	20,693	50,857	71,080	24,799	55,018	95,843	35%
UT-Pan American	26,890	42,369	58,035	27,038	47,884	78,333	35%
UT-Brownsville	8,998	50,327	58,646	28,004	57,809	91,191	55%
UT-Permian Basin	23,309	47,045	66,470	27,843	54,188	94,406	42%
UT-San Antonio	30,156	57,845	76,665	34,605	60,831	97,465	27%
UT-Tyler	31,389	53,361	74,918	33,723	55,184	79,627	6%
TAMU	41,795	57,355	63,220	45,757	59,730	71,455	13%
TAMU-Galveston	49,414	88,062	110,153	55,519	92,528	131,391	19%
Prairie View	35,741	78,928	100,180	40,538	90,837	154,436	54%
Tarleton	22,437	47,628	63,931	25,390	51,082	75,113	17%
TAMU-Corpus Christi	26,859	51,463	73,267	29,114	53,214	87,442	19%
TAMU-Kingsville	21,774	61,627	87,661	21,997	66,192	103,546	18%
TAMI	33,368	48,675	91,143	32,396	52,116	87,617	-4%
WTAMU	26,459	59,294	74,393	26,126	62,406	98,391	32%
TAMU-Commerce	24,283	64,376	80,633	34,946	71,799	113,557	41%
UH	28,697	52,754	70,769	35,648	58,880	94,079	33%
UH-Clear Lake	4,110	8,543	9,993	0	29,228	29,228	192%
UH-Downtown	8,925	45,589	86,829	19,696	49,154	112,363	29%
Midwestern	29,259	71,387	94,272	38,985	74,442	118,341	26%

Institution	Expense of Not At-Risk			Expense of At-Risk			Increased Expense of Graduating At-Risk Students
	Leaver	Graduate	Graduate (Includes Leaver Expense)	Leaver	Graduate	Graduate (Includes Leaver Expense)	
UNT	27,385	50,438	68,556	33,109	54,004	78,174	14%
SFA	27,012	51,430	67,375	31,299	55,859	88,780	32%
TSU	18,341	84,908	137,034	32,317	93,705	247,397	81%
TTU	39,435	61,454	75,305	42,717	64,005	86,641	15%
Angelo	29,433	55,798	74,810	28,623	58,160	109,361	46%
TWU	18,039	38,444	51,793	25,511	41,402	67,938	31%
Lamar	21,250	62,953	94,358	28,000	68,096	126,250	34%
Sam Houston	21,208	44,525	55,465	26,851	47,550	67,177	21%
TXST	26,963	46,757	60,001	30,770	47,781	66,805	11%
Sul Ross	25,109	80,449	143,222	27,046	90,374	157,045	10%
Total	32,787	64,642	77,425	33,066	62,818	93,778	21%

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.

Recommendation (Approved October 7, 2015)

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.

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, and 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 institution 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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