

Higher Education Coordinating Board Summary of Recommendations - House

Section 1

Page III-45

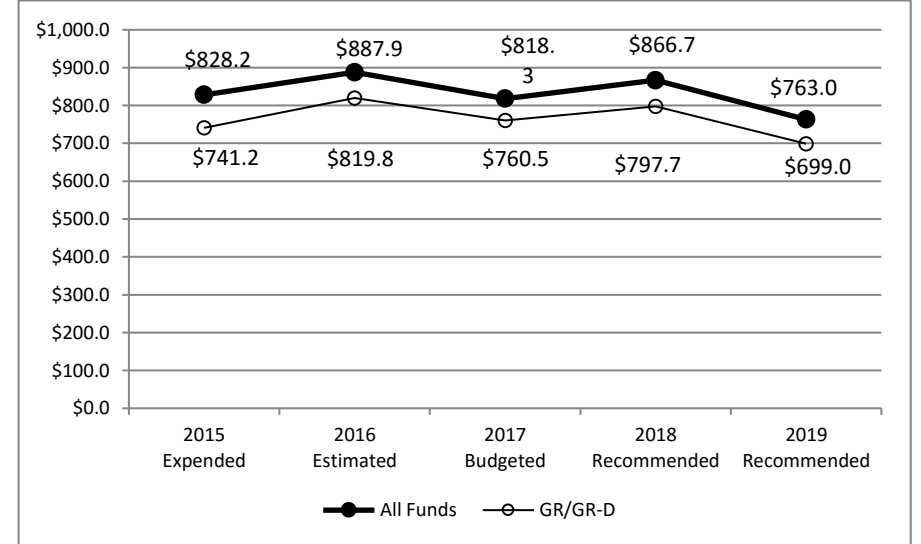
Raymund Paredes, Commissioner of Higher Education

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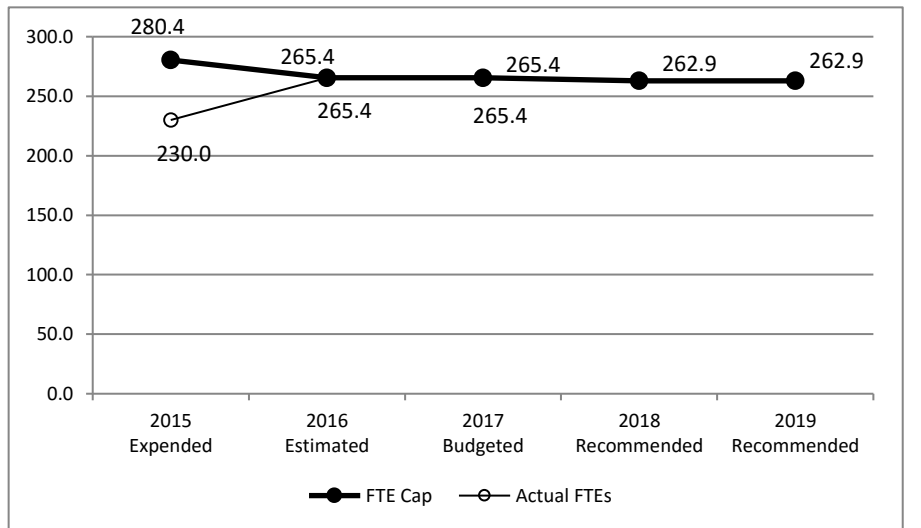
Method of Financing	2016-17 Base	2018-19 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$1,456,763,203	\$1,377,649,369	(\$79,113,834)	(5.4%)
GR Dedicated Funds	\$123,512,308	\$119,082,663	(\$4,429,645)	(3.6%)
Total GR-Related Funds	\$1,580,275,511	\$1,496,732,032	(\$83,543,479)	(5.3%)
Federal Funds	\$66,496,659	\$60,767,292	(\$5,729,367)	(8.6%)
Other	\$59,432,659	\$72,244,755	\$12,812,096	21.6%
All Funds	\$1,706,204,829	\$1,629,744,079	(\$76,460,750)	(4.5%)

	FY 2017 Budgeted	FY 2019 Recommended	Biennial Change	Percent Change
FTEs	265.4	262.9	(2.5)	(0.9%)

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2018-19 Recommended) represents an estimated 86.9% of the agency's estimated total available funds for the 2018-19 biennium.

**Higher Education Coordinating Board
Summary of Funding Changes and Recommendations - House**

Section 2

Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
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SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):

A)	Graduate Medical Education. Recommendations increase General Revenue funding by \$8.0 million and include estimated distributions from the Permanent Fund Supporting Graduate Medical Education.	\$8.0	\$0.0	\$0.0	\$21.8	\$29.8	F.1.3
B)	Texas Research Incentive Program. General Revenue reduced 50 percent. Funding from the Emerging Technology Fund not replaced in recommendations.	(\$64.6)	(\$9.0)	\$0.0	\$0.0	(\$73.6)	I.1.1
C)	B-On-Time Program-Public. Recommendations continue support for renewal students only at public institutions.	\$0.0	(\$43.5)	\$0.0	\$0.0	(\$43.5)	C.1.2
D)	B-On-Time Program-Public. Recommendations include \$65.3 million in unexpended balances.	\$0.0	\$65.3	\$0.0	\$0.0	\$65.3	C.1.2
E)	B-On-Time Program-Private. Recommendations continue support for renewal students only at private institutions.	(\$11.5)	\$0.0	\$0.0	\$0.0	(\$11.5)	C.1.3
F)	Top Ten Percent Scholarship Program. Recommendations continue support for renewal students only.	(\$15.0)	\$0.0	\$0.0	\$0.0	(\$15.0)	C.1.10
G)	Tuition Equalization Grants. General Revenue reduced 5 percent.	(\$9.6)	\$0.0	\$0.0	\$0.0	(\$9.6)	C.1.4
H)	Texas Armed Services Scholarship Program. General Revenue reduced 50 percent to support renewals.	(\$2.7)	\$0.0	\$0.0	\$0.0	(\$2.7)	C.1.11
I)	Baylor College of Medicine-Undergraduate Medical Education. Formula allocations are tied to Health Related Institutions Formula.	(\$1.7)	\$0.0	\$0.0	\$0.0	(\$1.7)	G.1.1
J)	Baylor College of Medicine-Graduate Medical Education. Formula allocations are tied to Health Related Institutions Formula.	(\$0.2)	\$0.0	\$0.0	\$0.0	(\$0.2)	G.1.2
K)	Professional Nursing Shortage Reduction Program. General Revenue reduced 10 percent.	(\$3.3)	\$0.0	\$0.0	\$0.0	(\$3.3)	F.1.7

**Higher Education Coordinating Board
Summary of Funding Changes and Recommendations - House**

Section 2

Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
L)	Nursing Faculty Loan Repayment Program. Recommendations include \$3.3 million in General Revenue.	\$3.3	\$0.0	\$0.0	\$0.0	\$3.3	F.1.12
M)	Family Practice Residency Program and Physician and Nurse Trauma Care Program. General Revenue Dedicated Trauma Care Fund 5111 replaced with with General Revenue.	\$17.3	(\$17.3)	\$0.0	\$0.0	\$0.0	F.1.1 and F.1.5
N)	Bilingual Education Programs. Recommendations include \$2.1 million in General Revenue.	\$2.1	\$0.0	\$0.0	\$0.0	\$2.1	E.1.10
O)	Information Resources. CAPPS funding not included in recommendations.	(\$1.4)	\$0.0	\$0.0	\$0.0	(\$1.4)	B.1.2
P)	Central Administration. Recommendations include \$0.1 million and 1 FTE for a dual credit program evaluation.	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1	B.1.1

OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):

Q)	Decrease in anticipated donations from Texas Guaranteed Student Loan Corporation and other organizations.	\$0.0	\$0.0	\$0.0	(\$9.8)	(\$9.8)	C.1.1, E.1.8, F.1.8, and F.1.11
R)	Increase in Student Loan Funds (Other Funds) used for administration.	\$0.0	\$0.0	\$0.0	\$0.8	\$0.8	A.1.2 and B.1.2
S)	Decrease in anticipated federal grants.	\$0.0	\$0.0	(\$5.7)	\$0.0	(\$5.7)	E.1.2, E.1.6 and E.1.9.

TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		(\$79.2)	(\$4.5)	(\$5.7)	\$12.8	(\$76.6)	As Listed
SIGNIFICANT & OTHER Funding Increases		\$30.8	\$65.3	\$0.0	\$22.6	\$118.7	As Listed
SIGNIFICANT & OTHER Funding Decreases		(\$110.0)	(\$69.8)	(\$5.7)	(\$9.8)	(\$195.3)	As Listed

NOTE: Totals may not sum due to rounding.

Higher Education Coordinating Board Selected Fiscal and Policy Issues

1. **Funding Overview of Higher Education Coordinating Board (HECB).** Appropriations to the HECB are composed of General Revenue, General Revenue-Dedicated (GR-D), which is primarily designated tuition set asides (B-On-Time Account for public institutions) and funding from a tax on smokeless tobacco (Physician Education Loan Repayment Account), Federal Funds and Other Funds, which includes donations. Below is a list of the selected fiscal and policy issues broken out by goal in the agency's new budget structure tied to the new higher education plan, 60x30TX. Supplemental Schedule 3a includes a comparison of the 2016-17 appropriated amounts, the 2016-17 estimated/budgeted levels, the HECB baseline requested 2018-19 amounts, and the 2018-19 recommended amounts for the agency's trustee programs that are supported by General Revenue and General-Revenue-Dedicated Funds.

Four Percent Reductions. The agency was required to reduce General Revenue-Related funding by \$61.7 million in its 2018-19 baseline request. The agency reduced the B-On-Time Program (General Revenue and General Revenue-Dedicated), Top Ten Percent Scholarship Program (General Revenue), and CAPPS funding (General Revenue) pursuant to this requirement. Recommendations incorporate these reductions as well as reductions to other programs. These reductions will be described in detail below.

1. Goal A: Coordination/Planning for Higher Education and Goal B: Agency Operations

For the administrative strategies under Goal A and Goal B, the recommended funding amount matched the agency's requested amount with the following exceptions:

- Strategy A.1.4, Academic Quality and Workforce, was reduced by \$117,421 in Trauma Facility and EMS Account.
- Strategy B.1.1, Central Administration, was increased \$144,262 in General Revenue and 1 FTE for a dual credit program evaluation.
- Strategy B.1.2, Information Resources was reduced \$1,340,000 in General Revenue. In 2016-17, the agency was appropriated \$1,390,400 for CAPPS implementation in Strategy B.1.2, Information Resources. Recommendations do not include this funding. This reduction was offset by a \$50,400 increase to maintain current DCS obligations. The agency reduced funding in 2018-19 in this strategy by \$900,000 pursuant to the four percent reduction but included \$440,000 in their base line request to support two exceptional items for IT security upgrades. Recommendations do not include this funding.

2. Goal C: Affordability and Debt

Increases:

- **B-On-Time Program-Public.** Recommendations include \$65.3 million in unexpended balances that will be distributed by the Higher Education Coordinating Board to institutions to help defray the cost of tuition and fees or for student success initiatives.

Reductions:

- **B-On-Time Program-Public.** Recommended funding level is \$18.2 million. The agency's requested amount, \$34.5 million, includes funding that would be used toward the 10 reduction if implemented. Recommendations reduce the agency's requested amount by \$16.3 million, and would support renewal awards only at public institutions, approximately 1,699 students in fiscal year 2018 and

316 students in fiscal year 2019. The agency used \$34.3 million in reductions to the strategy toward the required four percent reduction.

- **B-On-Time Program-Private.** Recommended funding level is \$7.3 million which is a reduction of \$11.5 million in General Revenue, and would support renewal awards at private institutions. This reduction was part of the agency's four percent General Revenue reduction.
- **Tuition Equalization Grants.** Recommended funding level is \$182.7 million, a decrease of \$9.6 million or 5 percent, in General Revenue funds compared to 2016-17 funding levels. Recommended funding levels would result in a decrease of awards to approximately 1,500 students per year. Recommendations would support approximately 26,000 students per year attending private institutions.
- **Top Ten Percent Scholarship Program.** Recommended funding level is \$3.2 million, a decrease of \$15.0 million in General Revenue. This reduction was part of the agency's four percent reduction. Recommendations would support renewal awards only, which total approximately 1,129 students in fiscal year 2018 and 111 in fiscal year 2019.
- **Texas Armed Services Scholarship Program.** Recommended funding level is \$2.7 million, a decrease of \$2.7 million, or 50 percent, in General Revenue funds compared to 2016-17 funding levels. Recommendations would support renewal awards only. Funding is intended to serve as an incentive to encourage students to contract to serve as a commissioned officer in any branch of the United States Armed Forces or to become members of the Texas Army National Guard, Texas Air National Guard, Texas State Guard, United States Coast Guard or United States Merchant Marines. To date, elected officials have not nominated the maximum number of students allowed. Approximately 120 first time awards would not be funded.

Maintained at 2016-17 levels:

- **TEXAS Grants.** Recommended funding level is \$715 million, which maintains General Revenue funding at 2016-17 levels and would support approximately 71,000 students per year. The recommended funding level is a decrease of \$0.8 million compared to the 2016-17 base. The 2016-17 base includes \$0.8 million in donations from the Texas Guaranteed Student Loan Corporation that were transferred from the previous biennium. The 2018-19 recommendations do not include any anticipated donations.
- **TEOG Public Community College Grants.** Recommended funding level is \$86.5 million in General Revenue and would support approximately 24,000 students per year.
- **TEOG Public State/Technical College Grants.** Recommended funding level is \$7.5 million in General Revenue and would support approximately 2,089 students per year.
- **College Work Study Program.** Recommended funding level is \$18.8 million in General Revenue and would support approximately 5,059 students per year.
- **Educational Aide Program.** Recommended funding level is \$1.5 million in General Revenue.

3. Goal D: College Readiness and Success

Maintained at 2016-17 levels:

- **Advise TX.** Recommended funding level is \$4.0 million, matching the agency's requested amount. Advise TX places recent university graduates on high school campuses as near-peer college advisors.
- **Developmental Education Program.** Recommended funding level is \$4.0 million, matching the agency's requested amount. In 2016-17, Rider #53, Mathways Project, requires \$1.2 million per year to be transferred to The University of Texas at Austin to

implement the new Mathways Project. Recommendations for 2018-19 include this rider. The Mathways project is a collaboration between the Dana Center at The University of Texas at Austin and the Texas Association of Community Colleges. The initiative enables college students placed in developmental mathematics to complete a credit-bearing transferable mathematics course in one academic year or less.

- **Accelerate TX Community College Grants.** Recommended funding level is \$4.0 million, matching the agency's requested amount. The program supports grants to community colleges for the alignment of adult basic education, English as a Second Language, and GED preparation to particular career and technical training programs.

4. Goal E: Industry Workforce

Increases:

- **Bilingual Education Program.** Recommendations include \$2.1 million. The program provides financial assistance to students enrolled in educator preparation programs as an incentive for the students to become certified to teach bilingual education.

Maintained at 2016-17 levels:

- **Border Faculty Loan Repayment Program.** Recommended funding level is \$0.4 million.
- **Engineering Recruitment Program.** Recommended funding level is \$0.5 million.
- **Centers for Teacher Education.** Recommended funding level is \$3.0 million.
- **Teach for Texas Loan Repayment Program.** Recommended funding level is \$4.4 million.
- **Texas Teacher Residency Program.** Recommended funding level is \$1.3 million.
- **Math and Science Scholar's Loan Repayment Program.** Recommended funding level is \$2.6 million.

5. Goal F: Industry Workforce-Health Related Programs

Increases:

- **GME Expansion.** Recommended funding level is \$82.8 million, an increase of \$29.8 million over 2016-17 funding levels, and would support approximately 530 resident positions in FY 2018 and 567 in FY 2019. In the 2016-17 biennium, the program was supported exclusively by General Revenue. Senate Bill 18, enacted by the 84th Legislature, created the Permanent Fund Supporting Graduate Medical Education supported by a transfer of funds from the Texas Medical Liability Joint Underwriting Association. Based on information received by the Texas Treasury Safekeeping Trust Company, the estimated distributions from this fund, \$10.8 million in fiscal year 2018 and \$11.0 million in fiscal year 2019.
- **Nursing Faculty Loan Repayment Program.** Recommending funding level is \$3.3 million. The program provides loan repayment assistance for qualified nurses.

Reductions:

- **Professional Nursing Shortage Reduction Program.** Recommended funding level is \$30.0 million, a decrease of \$3.3 million or 10 percent. The Professional Nursing Shortage Reduction Program supports three different programs, the "Regular Program" which is based on increases in nursing graduates, the "Over 70 program" which is based on enrollment targets, and the "Under 70 program" which is based on increases in initial nursing licensure students. The funds for the Over and Under 70 programs are

provided upfront to institutions that apply for the funding and are returned to the agency if the criteria are not met. The agency has reported that some institutions have had capacity issues and were unable to increase enrollments or graduates and as a result funds have been returned.

Maintained at 2016-17 levels:

- **Family Practice Residency Program.** Recommended funding level is \$16.8 million. In the 2016-17 biennium, the program was supported by \$12.8 million in Trauma Care Account 5111 and \$4.0 million in General Revenue. Recommendations replace Trauma Care Account 5111 funding with General Revenue.
- **Preceptorship Program.** Recommended funding level is \$3.0 million.
- **Primary Care Innovation Grant Program.** Recommended funding level is \$2.1 million.
- **Trauma Care Program.** Recommended funding level is \$4.5 million.
- **Joint Admission Medical Program.** Recommended funding level is \$10.2 million.
- **Physician Education Loan Repayment Program.** Recommended funding level is \$33.8 million.
- **Dental Education Loan Repayment Program.** Recommended funding level is \$0.2 million.
- **Mental Health Loan Repayment Program.** Recommended funding level is \$2.1 million.

6. Goal G: Baylor College of Medicine

- **Baylor College of Medicine Undergraduate Medical Education.** Recommended funding level is \$76.3 million in General Revenue, a decrease of \$1.7 million in General Revenue. The recommended funding amount is tied to the Health Related Institutions Formula.
- **Baylor College of Medicine Graduate Medical Education.** Recommended funding level is \$15.4 million, a decrease of \$0.2 million in General Revenue. The recommended funding amount is tied to the Health Related Institutions Formula.

7. Goal I: Trusteed Funds for Research

Reductions:

- **Texas Research Incentive Program.** Recommended funding level is \$64.5 million, which is a reduction of \$64.6 million in General Revenue and \$9.0 million in General Revenue-Dedicated Funds (Emerging Technology Fund). Eight emerging research institutions are eligible for the Texas Research Incentive Program. Since this program began in the 2010-11 biennium, \$291.2 million in state appropriations have been expended on the program. Three institutions, Texas Tech University, The University of Texas at Dallas and the University of Houston have received 80 percent of the appropriations, or \$233.2 million. The 2016-17 appropriations increased funding for the program by \$102.5 million over the 2014-15 appropriated amounts.

2014-15 Appropriations	2016-17 Appropriations	2018-19 Recommendations
\$35.6 million	\$138.1 million	\$64.5 million

Maintained at 2016-17 levels:

- **Autism Program.** Recommended funding level is \$7.8 million.

2. **Graduate Medical Education (GME) Expansion.**

Impact of Increased GME Expansion Funding. In the 2014-15 biennium the 83rd Legislature appropriated \$14.3 million in GME Expansion funding. In the 2016-17 biennium, the 84th Legislature appropriated \$53.0 million. Below is information on the total positions funded/filled by year provided by the Higher Education Coordinating Board. Funding is provided only once it is verified that the physician is in place at a residency program. Positions filled include first-year and following years, as residency training ranges from 3 to 8 years in length. In fiscal year 2014, the Unfilled Position program filled 25 available-but unfilled first year residency positions at a per resident funding rate of \$65,000. The program increased the number of first-year residency positions in family medicine, internal medicine, obstetrics/gynecology, anesthesiology and psychiatry. Funding for these residency positions continued in fiscal year 2015 and fiscal year 2016 and will be maintained in fiscal year 2017. In 2015, 55 positions were supported by the New and Expanded Program with priority given to primary care medical specialties and medical specialties with demonstrated shortage needs. Funding for these residency positions was continued in fiscal year 2015 and fiscal year 2016 and will be maintained in fiscal year 2017. In fiscal year 2016, the residency positions supported under the Unfilled Position Program and the New and Expanded Program have been combined in the Senate Bill 18 GME Expansion Program. In fiscal year 2015, the Resident Physician Expansion Program, which is a competitive grant program to encourage the creation of new GME positions through community collaboration, provided support for 76 residency positions in fiscal year 2015 and fiscal year 2016. In fiscal year 2017, positions supported under the Resident Physician Program have been combined into the Senate Bill 18 GME Expansion Program.

Total Positions Funded/Filled by Year						
Programs	FY14	FY15	FY16, Estimated	FY17, Estimated	FY18, Estimated	FY19, Estimated
Unfilled Position	25	50	0	0	0	0
New and Expanded	0	55	0	0	0	0
Resident Physician Expansion	0	20	56	0	0	0
Senate Bill 18 GME Expansion	0	0	201	486	530	567
Totals:	25	125	257	486	530	567

Comparison of Higher Education Coordinating Board's Trusteed Programs-All Funds-House

Section 3a

	HIGHER EDUCATION COORDINATING BOARD	2016-17 Appropriated	2016-17 Est/Bud	Difference of 2016-17 Est/Bud to Appropriated	2018-19 Base Request by HECB	2018-19 House Bill 1	Difference of House Bill 1 to 2016-17 Est/Bud	Explanation
Strategy	Goal C, Affordability and Debt							
C.1.1	TEXAS Grants	\$715.0	\$715.8	\$0.8	\$715.0	\$715.0	(\$0.8)	The 2016-17 Estimated/Budgeted amounts include \$0.8 million in donations from Texas Guaranteed Student Loan Corporation. Recommendations maintain 2016-17 General Revenue funding levels and would support approximately 71,000 students, or 100 percent of renewal students and 70 percent of entering eligible undergraduates in FY 2018. The agency's exceptional item of \$78.3 million would support approximately 85 percent of eligible students. To fully fund the program at the \$5,000 award amount, the agency would require \$878.8 million, or approximately \$163.8 million, above baseline request.
C.1.2	B-On-Time (BOT) Program- Public-General Revenue-Dedicated	\$128.8	\$61.6	(\$67.2)	\$34.5	\$83.5	\$21.9	The 2016-2017 Estimated/Budgeted funding levels reflect a \$65.3 million lapse in unexpended balances and a transfer of funds to administrative strategies. The agency's base line request is \$34.5 million. The recommended level of funding includes \$18.2 million to cover renewal awards only, approximately 1,699 students in fiscal year 2018 and 316 students in fiscal year 2019 at public universities, and \$65.3 million in unexpended balances.
C.1.3	B-On-Time (BOT) Program-Private-General Revenue	\$19.2	\$18.8	(\$0.4)	\$7.3	\$7.3	(\$11.5)	The 2018-19 recommendations would support renewal awards only, approximately 733 students in fiscal year 2018 and 120 students in fiscal year 2019.
C.1.4	Tuition Equalization Grants	\$192.3	\$192.3	\$0.0	\$192.3	\$182.7	(\$9.6)	Recommendations reduce funding by 5 percent. The agency's base request would fund an estimated 27,500 students each year. Recommendations would fund an estimated 26,000 students.
C.1.5	Texas Educational Opportunity Grants (TEOG)-Public Community Colleges	\$86.5	\$86.5	\$0.0	\$86.5	\$86.5	\$0.0	Recommendations maintain funding and would support approximately 24,000 students per year or 30 percent of eligible students.
C.1.6	Texas Educational Opportunity Grants (TEOG)-Public State and Technical Colleges	\$7.5	\$7.5	\$0.0	\$7.5	\$7.5	\$0.0	Recommendations maintain funding and would support approximately 2,089 students per year.
C.1.7	Texas College Work Study	\$18.8	\$18.8	\$0.0	\$18.8	\$18.8	\$0.0	Recommendations maintain funding and would support approximately 5,059 students per year.

Comparison of Higher Education Coordinating Board's Trusteed Programs-All Funds-House

Section 3a

	HIGHER EDUCATION COORDINATING BOARD	2016-17 Appropriated	2016-17 Est/Bud	Difference of 2016-17 Est/Bud to Appropriated	2018-19 Base Request by HECB	2018-19 House Bill 1	Difference of House Bill 1 to 2016-17 Est/Bud	Explanation
C.1.9	Educational Aide Program	\$1.5	\$1.5	\$0.0	\$1.5	\$1.5	\$0.0	
C.1.10	Top Ten Percent Scholarships	\$18.2	\$18.2	\$0.0	\$3.2	\$3.2	(\$15.0)	Recommendations support renewal students only. In fiscal year 2016, an estimated 6,257 students received awards. Based on historical persistence rates, the agency estimates that 2,794 students will receive a \$2,000 award in fiscal year 2017. The agency estimates that 1,129 students will receive a \$2,000 award amount in fiscal year 2018 and 111 students in fiscal year 2019.
C.1.11	Texas Armed Services Scholarships Program	\$5.3	\$5.3	\$0.0	\$5.3	\$2.7	(\$2.7)	Recommendations reduce funding for the program by 50 percent and would support renewal awards only. Would eliminate approximately 120 first time awards.
	Goal D: College Readiness and Success							
D.1.1	Advise TX	\$4.0	\$4.0	\$0.0	\$4.0	\$4.0	\$0.0	Currently, advisors serve 113 high schools in Texas and advise a total population of 133,525 juniors and seniors. The agency's exceptional item request, \$4 million, would allow for an additional 80 to 100 advisors and the expansion of advising services to additional high schools across Texas.
D.1.2	Developmental Education Programs	\$0.4	\$0.4	\$0.0	\$0.4	\$0.4	\$0.0	Rider requires that the agency transfer \$1.2 million per year to The University of Texas at Austin for the Mathways Project.
D.1.3	Accelerate TX Community College Grants	\$0.4	\$0.4	\$0.0	\$0.4	\$0.4	\$0.0	
	Goal E: Industry Workforce							
E.1.2	Career/Technical Education Programs	\$55.2	\$55.1	(\$0.1)	\$55.1	\$55.1	\$0.0	Program is supported by federal funds.
E.1.4	Teach for Texas Loan Repayment Program	\$7.0	\$4.4	(\$2.6)	\$4.4	\$4.4	\$0.0	In the 2016-17 biennium, the funding for the Math and Science Scholars's Loan Repayment Program, \$2.6 million, was included in the appropriation for the Teach for Texas Loan Repayment Program. In the 2018-19 biennium funding for the Math and Science Scholar's Loan Repayment Program is included in a stand-alone Strategy, E.1.10.

Comparison of Higher Education Coordinating Board's Trusteed Programs-All Funds-House

Section 3a

	HIGHER EDUCATION COORDINATING BOARD	2016-17 Appropriated	2016-17 Est/Bud	Difference of 2016-17 Est/Bud to Appropriated	2018-19 Base Request by HECB	2018-19 House Bill 1	Difference of House Bill 1 to 2016-17 Est/Bud	Explanation
E.1.5	Centers for Teacher Education	\$3.0	\$3.0	\$0.0	\$3.0	\$3.0	\$0.0	
E.1.6	Teacher Quality Grants Programs	\$9.8	\$9.8	\$0.0	\$4.9	\$4.9	-\$4.9	Recommendations reflect an anticipated decrease in federal funds. The agency reports that the funding for the Teacher Quality Grant Program has been discontinued and the final award is expected in FY 2017. Residual expenditures are expected to continue through FY 2018.
E.1.7	Texas Teacher Residency Program	\$1.3	\$1.3	\$0.0	\$1.3	\$1.3	\$0.0	
E.1.8	Other Federal Grants	\$0.2	\$1.5	\$1.3	\$0.8	\$0.8	(\$0.7)	Recommendations reflect an anticipated decrease in RAND US Department of Education Grants.
E.1.9	Math and Science Scholar's Loan Repayment Program	\$0.0	\$2.6	\$2.6	\$2.6	\$2.6	\$0.0	The 2016-17 appropriations for the program were included in Strategy E,1,4, Teach for Texas Loan Repayment Program.
E.1.10	Bilingual Education Program	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.1	Recommendations increase funding over 2016-17 levels by \$2.1 million in General Revenue Funds.
	T-Stem Challenge Program	\$13.0	\$7.0	(\$6.0)	\$0.0	\$0.0	(\$7.0)	Recommendations do not fund the program. The program has been exclusively funded by donations from the Texas Guaranteed Student Loan Corporation. The 2018-19 recommendations do not include any anticipated donations.
	Goal F: Industry Workforce-Health Related							
F.1.1	Family Practice Residency Program	\$16.8	\$16.8	\$0.0	\$16.8	\$16.8	\$0.0	Recommendations replace \$12.8 million in General Revenue-Dedicated Trauma Care Fund 5111 with General Revenue.
F.1.2	Preceptorship Program	\$3.0	\$3.0	\$0.0	\$3.0	\$3.0	\$0.0	
F.1.3	GME Expansion	\$53.0	\$53.0	\$0.0	\$53.0	\$82.8	\$29.8	Recommendations provide a total of \$82.8 million for GME Expansion. This includes \$61.0 million in General Revenue Funds, an increase of \$8.0 million from 2016-17 funding levels, and \$21.8 million in distributions from the Permanent Fund Supporting Graduate Medical Education (Other Funds). The agency requested an exceptional item, \$29.8 million above
F.1.4	Primary Care Innovation Grant Program	\$2.1	\$2.1	\$0.0	\$2.1	\$2.1	\$0.0	

Comparison of Higher Education Coordinating Board's Trusteed Programs-All Funds-House

Section 3a

	HIGHER EDUCATION COORDINATING BOARD	2016-17 Appropriated	2016-17 Est/Bud	Difference of 2016-17 Est/Bud to Appropriated	2018-19 Base Request by HECB	2018-19 House Bill 1	Difference of House Bill 1 to 2016-17 Est/Bud	Explanation
F.1.5	Trauma Care Program	\$4.5	\$4.4	(\$0.1)	\$4.5	\$4.5	\$0.1	Recommendations replace \$4.5 million General Revenue-Dedicated Trauma Care Fund 5111 with General Revenue. Recommendations match the 2016-17 appropriated amounts for the program. The 2016-17 base amounts reflect the transfer of funds to Strategy A.1.4, Academic Quality and Workforce for administrative purposes.
F.1.6	Joint Admission Medical Program	\$10.2	\$10.2	\$0.0	\$10.2	\$10.2	\$0.0	
F.1.7	Professional Nursing Shortage Reduction Program	\$33.8	\$33.3	(\$0.5)	\$33.3	\$30.0	(\$3.3)	Recommendations reduce funding by 10 percent. The 2016-17 estimated/budgeted amounts reflect a transfer of funding to administrative strategies.
F.1.8	Physician Education Loan Repayment Program	\$33.8	\$34.1	\$0.3	\$33.8	\$33.8	(\$0.3)	In FY 2016, the agency received a one-time donation of \$0.3 million for the program. The 2018-19 recommendations do not include any anticipated donations.
F.1.10	Mental Health Loan Repayment Program	\$2.1	\$2.1	\$0.0	\$2.1	\$2.1	\$0.0	
F.1.11	Other Loan Repayment Programs	\$1.3	\$1.7	\$0.4	\$0.2	\$0.2	(\$1.5)	The strategy includes funding for the St. David Loan Repayment Program. This program is exclusively funded by donations. Program is being phased out.
F.1.12	Nursing Faculty Loan Repayment Program	\$0.0	\$0.0	\$0.0	\$0.0	\$3.3	\$3.3	Recommendations increase funding over 2016-17 levels by \$3.3 million in General Revenue Funds.
	Goal G Baylor College of Medicine							
G.1.1	Baylor College of Medicine-Undergraduate Medical Education	\$78.0	\$78.0	\$0.0	\$78.0	\$76.3	(\$1.7)	Funding amounts for Baylor College of Medicine Undergraduate Medical Education are tied to Health Related Institutions formula.
G.1.2	Baylor College of Medicine-Graduate Medical Education	\$15.6	\$15.6	\$0.0	\$15.6	\$15.4	(\$0.2)	Funding amounts for Baylor College of Medicine Undergraduate Graduate Medical Education are tied to Health Related Institutions formula.
G.1.3	Baylor College of Medicine Permanent Endowment Fund	\$2.9	\$2.9	\$0.0	\$2.9	\$2.9	\$0.0	
G.1.4	Baylor College of Medicine Permanent Health Fund	\$3.8	\$3.8	\$0.0	\$3.8	\$3.8	\$0.0	
	Goal H Tobacco Settlement Funds to Institutions							
H.1.1	Tobacco Earnings-Permanent Fund for Minority Health Research and Education	\$5.6	\$7.9	\$2.3	\$7.9	\$7.9	\$0.0	

Comparison of Higher Education Coordinating Board's Trusteed Programs-All Funds-House

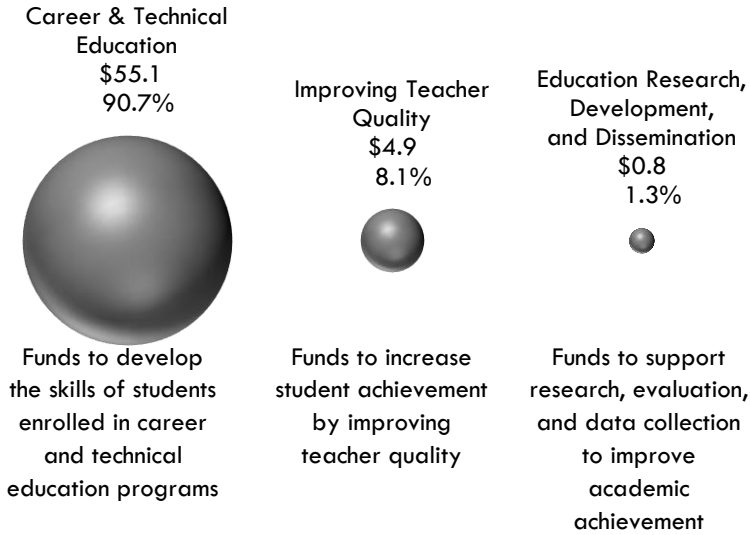
Section 3a

	HIGHER EDUCATION COORDINATING BOARD	2016-17 Appropriated	2016-17 Est/Bud	Difference of 2016-17 Est/Bud to Appropriated	2018-19 Base Request by HECB	2018-19 House Bill 1	Difference of House Bill 1 to 2016-17 Est/Bud	Explanation
H.1.2	Tobacco Earnings-Permanent Fund for Higher Education Nursing, Allied Health, and Other Health-Related Programs.	\$9.7	\$10.8	\$1.1	\$10.8	\$10.8	\$0.0	
	Goal I Research							
I.1.1	Texas Research Incentive Program	\$138.1	\$138.1	\$0.0	\$129.1	\$64.5	(\$73.6)	Recommendations reduce General Revenue funding by 50 percent. Recommendations reflect a decrease of \$9.0 million in Emerging Technology Account 5124. Funding from this account was not included in 2018-19.
I.1.2	Autism Program	\$8.1	\$7.8	(\$0.3)	\$7.8	\$7.8	\$0.0	The 2016-17 estimated/budgeted amount reflects a transfer of \$0.3 million to administrative strategies.
	Tuition Revenue Bond Debt Service	\$240.0	\$0.0	(\$240.0)	\$0.0	\$0.0	\$0.0	The 84th Legislature appropriated an additional \$240.0 million to the agency for debt service for tuition revenue bond projects authorized by House Bill 100. Expenditures for this debt service are reflected in the Tuition Revenue Bond Debt Service strategy at institutions of higher education.
	Total Compared to 2016-17 Amounts*						(\$75.6)	The difference in this schedule as compared to Section 1 is primarily due to a decrease of \$1.4 million in CAPPs funding in Strategy B.1.2, Information Resources, that is not reflected on this schedule.

Higher Education Coordinating Board

Summary of Federal Funds (2018 - 19) - House

Total \$60.8M



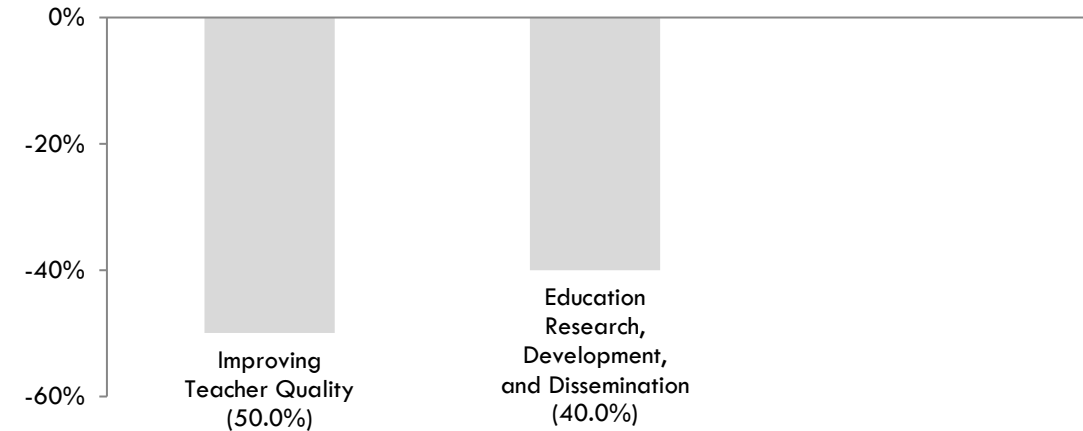
Selected Federal Fiscal and Policy Issues
Federal Funds estimates for Improving Teacher Quality Grant expenditures in fiscal years 2018-19 reflect a \$4.9 million decrease from fiscal years 2016-17.
This decrease is attributable to the elimination of program funds for state agencies of higher education pursuant to the Every Student Succeeds Act of 2015.

Programs with Significant Federal Funding Changes from 2016 - 17

Program-by Amount



Program-by Percentage



**Higher Education Coordinating Board
Rider Highlights - House**

Modification of Existing Riders

2. **Capital Budget.** Updated to reflect elimination of CAPPs funding in 2018-19.
7. **Texas Success Initiative.** Rider modified to clarify how funds appropriated for developmental courses will be expended.
9. **Cost Recovery for the Common Application Form.** Rider modified to allow the agency to use funds to promote the ApplyTexas website.
11. **Tuition Equalization Grants.** Rider modified to require agency to include additional TEG information in LAR. Rider modified to strike language dealing with eligibility of National Merit Finalists to receive award. The struck language is redundant as language is included in Texas Administrative Code.
32. **Texas Armed Services Scholarship Program.** Rider modified to clarify payments received will be used to cover administrative costs of disbursing new and servicing outstanding loans.
34. **Accelerate Texas Community College Grants.** Rider modified to promote scaling and enhancement of programs.
40. **Developmental Education.** Rider modified to be consistent with statute.
42. **B-On-Time Program Public.** Rider modified to clarify payments received will be used to cover administrative costs of disbursing new and servicing outstanding loans.
48. **Graduate Medical Education Expansion.** Rider modified to reflect updated information provided by agency on allocation of funding between various graduate medical education programs.
52. **Trauma Care Fellowships.** Rider modified to remove reference to General Revenue-Dedicated Account No. 5111, Designated Trauma and Facility EMS
58. **Educational Aide Program.** Rider combined with Rider 63, Local Institution Match for Educational Aide Program.
60. **Autism Grant Program.** Rider modified to allow transferability between programs. Rider modified to include intra biennium unexpended balance authority.
61. **Permanent Fund Supporting Graduate Medical Education.** Rider modified to remove reference to being a contingency for Senate Bill 18. Rider modified to clarify how funding is used.

62. **Math and Science Scholars Loan Repayment Program.** Rider modified to remove reference to being a contingency for Senate Bill 686. Rider modified to remove reference to Teach for Texas Loan Repayment Program. Rider modified to include intra biennium unexpended balance authority.

New Riders

63. **B-On-Time Public Balances.** New rider that appropriates \$65.3 million in balances for the B-On-Time Program-Public. Rider requires institutions use funds to help defray the cost of tuition and for student success initiatives for current students.
64. **Advise TX Reporting Requirement.** New rider that requires the agency conduct a study on the effectiveness of the Advise TX program.
65. **Program to Encourage Certification to Teach Bilingual Education, English, as a Second Language, or Spanish.** New rider that specifies how funding will be distributed.
66. **Collaborative Dual Credit Program Evaluation.** New rider that requires the agency to conduct a dual credit program evaluation.

Deleted Riders

14. **Higher Education Assistance Program.** House Bill 2550, enacted by the 83rd Legislature, requires institutions of higher education to collaborate directly with public institutions.
35. **Teacher Education Centers.** Recommendations eliminate funding for program.
37. **Texas Grants Donations.** The agency does not anticipate receiving any additional donations from the Texas Guaranteed Student Loan Corporation.
55. **Space Projection Model.** Study has been completed.
59. **Nursing Field of Study Curricula.** Study was completed on January 1, 2017.
63. **Local Institution Match for Educational Aide Program.** Rider language has been combined with Rider 57, Educational Aide Program.
64. **Physician Education Loan Repayment Program Rulemaking for Obstetrics and Gynecology.** Agency has implemented rules.
65. **OAG Lawyer's Loan Repayment Program.** The program was eliminated in the 84th Session.
66. **Contingency for House Bill 2396.** House Bill 2396, 84th Legislature, Regular Session, was enacted.
71. **Contingency for House Bill 100.** House Bill 100, 84th Legislature, Regular Session, was enacted.
72. **Contingency for House Bill 700.** House Bill 700, 84th Legislature, Regular Session, was enacted.

**Higher Education Coordinating Board
Items Not Included in Recommendations - House**

Section 5

	2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items-In Agency Priority Order

1)	Security Upgrades to Agency's Identity and Access Management Services. The request would implement commercial identity management solutions to protect the confidentiality of data. THECB manages applications providing student loan processing, collections and administration of reports from higher education institutions, management of loan repayment programs, and outreach to prospective higher education students. This includes loan repayment programs, grant programs, and many other agency applications that are integrated into a agency developed authentication system (CBID). A commercial identity management system would replace the agency developed CBID application. The request includes one-time expenditures totaling \$80,000 to cover initial configuration and one-time fees in FY 2018 and annual costs of \$67,500 in FY 2018 and FY 2019 to cover annual licensing and other recurring service-based costs.	\$215,000	\$215,000	0.0	Yes	No	\$135,000
2)	Agency Cybersecurity Improvements and Managed Security Services. The request will fund cybersecurity and professional services to address information security at the agency. The request would fund the cost of information security initiatives and professional services by providing services to address vulnerability management, application security, security incident & event management (SIEM), and participation in cloud-based managed security services. The request includes two one time costs in FY 2018, \$10,000 for implementation services to provide security services and \$75,000 to acquire hardware for security incident and event management. The annual costs of \$70,000 per year is for security services.	\$225,000	\$225,000	0.0	Yes	No	\$140,000

**Higher Education Coordinating Board
Items Not Included in Recommendations - House**

Section 5

		2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
		GR & GR-D	All Funds	FTEs			
3)	TEXAS Grant Program. The exceptional item request, in addition to the 2018-19 base line request, \$715.0 million, would support approximately 85 percent of eligible students under current eligibility requirements and a \$5,000 targeted award amount. The agency reports that it will be requesting legislative changes to TEXAS Grant eligibility. The \$78.3 million exceptional item would support 95 percent of eligible students at a targeted award amount of \$5,200 under these proposed changes.	\$78,300,000	\$78,300,000	0.0	No	No	\$78,300,000
4)	Advise Texas CAC. Advise Texas places recent university graduates on high school campuses as near-peer college advisors. Advise Texas advisors receive training before serving in a high school, completing a four-six week practical curriculum that focuses on college access, college admissions, financial aid, student services, diversity community service and professionalism. The exceptional item request seeks to provide funding for an additional 80-100 advisors (totaling up to 210) in high schools across Texas.	\$4,000,000	\$4,000,000	0.0	No	No	\$4,000,000
5)	Fields of Study. Fields of Study (FOS) facilitate the applicability of courses transferred from community colleges to universities by establishing a set of lower division courses within a discipline that must be applied to a bachelor's degree in that discipline. FOS are 12 to 18 semester credit hours that complement the 42 hour Core Curriculum. The agency reports existing FOS need to be revised, the voluntary transfer compacts need to be transformed into FOS, and new ones need to be created. The request will provide the personnel (2 FTES) for the agency to manage the process and the funds to facilitate the faculty and institutional participation necessary to create a viable product. The funding would allow the THECB to conduct 28-32 meetings per year for approximately 6-8 academic fields.	\$494,000	\$494,000	2.0	No	No	\$494,000

**Higher Education Coordinating Board
Items Not Included in Recommendations - House**

Section 5

		2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
		GR & GR-D	All Funds	FTEs			
6)	Oversight of For-Profit-Institutions. The exceptional item request would create a centralized repository of closed postsecondary educational institutions formerly authorized by the agency to operate under a certificate of authorization or certificate of authority, to provide centralized access to student records. The exceptional item includes funding for 4 FTES, technology, software and secure storage of academic records.	\$750,000	\$750,000	4.0	Yes	No	\$750,000
7)	Texas Research Incentive Program. The exceptional item request, in addition to SB 1 funding levels, \$64.5 million, would provide matching funds for gifts received by the eight emerging research universities. According to the agency, as of January 2017, \$131,062,367 in gifts are eligible to be matched by the State.	\$66,562,368	\$66,562,368	0.0	No	No	\$66,562,368
8)	Audit Risk-Based Coverage. The request would support one additional internal audit position. Currently the agency has three internal auditors, and a fourth internal auditor, would reportedly better inform the agency of ongoing risks and would serve to more timely prevent or detect issues with possible negative financial and reputational consequences.	\$170,000	\$170,000	1.0	No	No	\$170,000
	Riders Requested by Agency but not Recommended						
	Unexpended Balance Authority. The agency requested unexpended balance authority from fiscal year 2017 into fiscal year 2018 for several financial aid programs and license plate programs.						
	Mathways Project. The agency requested to delete language in Rider #39, Developmental Education and Rider #49, Mathways Project that requires the agency to transfer \$1.2 million in General Revenue in each fiscal year to The University of Texas at Austin for implementing the Mathways project.						
	Strategic Plan for Teacher Certification. The agency requested that the State Board of Educator Certification be the lead agency under Rider #15, Strategic Plan for Teacher Certification.						

**Higher Education Coordinating Board
Items Not Included in Recommendations - House**

Section 5

		2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
		GR & GR-D	All Funds	FTEs			
	Professional Nursing Shortage Reduction Program. The agency requested authority to transfer excess funds to the Graduate Medical Education Expansion Program.						
	Reporting Requirements. The agency requested to delete multiple riders dealing with reporting requirements. These riders include Rider #10, Retention of Economically Disadvantaged Students, Rider #12, Disparity Study for Institutions of Higher Education, Rider #14, Graduation and Persistence Rates, and Rider #26, Align Adult Basic Education and Postsecondary Education. The agency requested that information contained in Rider #30, Physician Education Loan Repayment Program, be reported in the agency's Annual Financial Aid Report and not submitted as a separate report to the LBB and Governor's Office.						
TOTAL Items Not Included in Recommendations		\$150,716,368	\$150,716,368	7.0			\$150,551,368

**Higher Education Coordinating Board
Appendices**

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	22
B	Summary of Federal Funds	35
C	FTE Highlights	36
D	Performance Measure Highlights	37
E	Summary of Ten Percent Biennial Base Reduction Options	38

Higher Education Coordinating Board
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
COLLEGE READINESS AND SUCCESS A.1.1	\$3,713,555	\$5,208,134	\$1,494,579	40.2%	In 2016-17 funding associated with fees from Common Application/Apply Texas was reflected in the Academic Quality and Workforce Program. In 2018-19, this funding is reflected in the College Readiness and Success Program.
STUDENT LOAN PROGRAMS A.1.2	\$12,443,973	\$12,798,360	\$354,387	2.8%	Recommendations reflect an anticipated increase in Student Loan Funds (Other Funds) for administration of loan programs.
FINANCIAL AID SERVICES A.1.3	\$1,387,334	\$1,387,334	\$0	0.0%	
ACADEMIC QUALITY AND WORKFORCE A.1.4	\$5,376,846	\$3,737,225	(\$1,639,621)	(30.5%)	In 2016-17 funding associated with fees from Common Application/Apply Texas was reflected in the Academic Quality and Workfoce Program. In 2018-19, this funding is reflected in the College Readiness and Success Program. Recommendations reflect a decrease of \$117,421 in Trauma Facility and EMS Account 51111. Funding from this account was not included in 2018-19.
STRATEGIC PLANNING AND FUNDING A.1.5	\$5,478,593	\$5,358,042	(\$120,551)	(2.2%)	In 2016-17 administrative costs associated with the Professional Nursing Shortage Reduction Program was reflected in the Strategic Planning and Funding Program. Recommendations include this funding in the Professional Nursing Shortage Reduction Program.
INNOVATION AND POLICY DEVELOPMENT A.1.6	\$524,082	\$524,082	\$0	0.0%	
Total, Goal A, COORDINATION/PLANNING FOR HIGHER ED	\$28,924,383	\$29,013,177	\$88,794	0.3%	
CENTRAL ADMINISTRATION B.1.1	\$10,948,880	\$11,093,142	\$144,262	1.3%	Recommendations reflect an increase in General Revenue for 1 FTE for a dual credit program evaluation.

Higher Education Coordinating Board
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
INFORMATION RESOURCES B.1.2	\$11,886,754	\$10,987,497	(\$899,257)	(7.6%)	The 2016-17 base amounts reflect \$1,390,400 in General Revenue for CAPPS. The 2018-19 recommendations reflect the elimination of CAPPS funding offset by a \$50,400 increase in General Revenue to maintain current DCS obligations. Recommendations reflect an increase of \$440,743 in Other Funds.
FACILITIES SUPPORT B.1.3	\$3,810,723	\$3,862,723	\$52,000	1.4%	
Total, Goal B, AGENCY OPERATIONS	\$26,646,357	\$25,943,362	(\$702,995)	(2.6%)	
TEXAS GRANT PROGRAM C.1.1	\$715,792,125	\$714,985,114	(\$807,011)	(0.1%)	Recommendations reflect a decrease in donations from the Texas Guaranteed Student Loan Corporation. The last donation the agency received was in FY 2015 and a portion of these funds was UB'ed into FY 2016.
TEXAS B-ON-TIME PROGRAM - PUBLIC C.1.2	\$61,632,308	\$83,482,663	\$21,850,355	35.5%	Recommendations include \$18.2 million in General-Revenue-Dedicated B-On-Time Account 5103, to support renewal awards, a decrease of \$43.5 million from 2016-17 levels. In addition, recommendations include \$65.3 million in unexpended balances that will be distributed by the agency to institutions of higher education.
TEXAS B - ON - TIME PROGRAM-PRIVATE C.1.3	\$18,799,700	\$7,280,742	(\$11,518,958)	(61.3%)	Recommendations cover renewal students in the program.
TUITION EQUALIZATION GRANTS C.1.4	\$192,303,954	\$182,688,756	(\$9,615,198)	(5.0%)	Recommendations include a 5 percent reduction in General Revenue to the strategy.
TEOG PUB COMMUNITY COLLEGES C.1.5	\$86,472,917	\$86,472,917	\$0	0.0%	
TEOG PUB STATE/TECHNICAL COLLEGES C.1.6	\$7,519,384	\$7,519,384	\$0	0.0%	
COLLEGE WORK STUDY PROGRAM C.1.7	\$18,809,278	\$18,809,278	\$0	0.0%	
LICENSE PLATE SCHOLARSHIPS C.1.8	\$494,800	\$494,800	\$0	0.0%	
EDUCATIONAL AIDE PROGRAM C.1.9	\$1,500,000	\$1,500,000	\$0	0.0%	
TOP 10 PERCENT SCHOLARSHIPS C.1.10	\$18,223,048	\$3,223,048	(\$15,000,000)	(82.3%)	Recommendations cover renewal students in the program.

Higher Education Coordinating Board
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
TX ARMED SERVICES SCHOLARSHIP PGM C.1.1.1	\$5,340,000	\$2,670,000	(\$2,670,000)	(50.0%)	Recommendations include a 50 percent reduction in General Revenue to the strategy. Recommendations cover renewal students in the program.
Total, Goal C, AFFORDABILITY AND DEBT	\$1,126,887,514	\$1,109,126,702	(\$17,760,812)	(1.6%)	
ADVISE TX D.1.1	\$4,000,000	\$4,000,000	\$0	0.0%	
DEVELOPMENTAL EDUCATION PROGRAM D.1.2	\$4,007,408	\$4,000,000	(\$7,408)	(0.2%)	
ACCELERATE TX CC GRANTS D.1.3	\$4,007,381	\$4,000,000	(\$7,381)	(0.2%)	
Total, Goal D, COLLEGE READINESS AND SUCCESS	\$12,014,789	\$12,000,000	(\$14,789)	(0.1%)	
BORDER FACULTY LOAN REPAYMENT PGM E.1.1	\$375,626	\$375,626	\$0	0.0%	
CAREER/TECHNICAL EDUCATION PROGRAMS E.1.2	\$55,147,736	\$55,087,036	(\$60,700)	(0.1%)	
ENGINEERING RECRUITMENT PROGRAM E.1.3	\$500,392	\$500,000	(\$392)	(0.1%)	
TEACH FOR TEXAS LOAN REPAYMENT E.1.4	\$4,425,000	\$4,425,000	\$0	0.0%	
TEACHER EDUCATION E.1.5	\$3,040,706	\$3,040,706	\$0	0.0%	
TEACHER QUALITY GRANTS PROGRAMS E.1.6	\$9,806,012	\$4,907,701	(\$4,898,311)	(50.0%)	Recommendations reflect an anticipated decrease in federal funds. The agency reports that the funding for the Teacher Quality Grant Program has been discontinued and the final award is expected in FY 2017. Residual expenditures are expected to continue through FY 2018.
TEXAS TEACHER RESIDENCY PROGRAM E.1.7	\$1,298,305	\$1,298,305	\$0	0.0%	
T-STEM CHALLENGE PROGRAM E.1.8	\$7,038,242	\$0	(\$7,038,242)	(100.0%)	Recommendations do not include funding for the program. The program has been exclusively funded by donations from the Texas Guaranteed Student Loan Corporation. The 2018-19 recommendations do not include any anticipated donations.
OTHER FEDERAL GRANTS E.1.10	\$1,542,911	\$772,555	(\$770,356)	(49.9%)	Recommendations reflect an anticipated decrease in RAND US Department of Education grants.
MATH AND SCIENCE SCHOLAR'S LRP E.1.11	\$2,575,000	\$2,575,000	\$0	0.0%	
BILINGUAL EDUCATION PROGRAM E.1.12	\$0	\$2,100,000	\$2,100,000	100.0%	Recommendations reflect an increase of \$2.1 million in General Revenue.

Higher Education Coordinating Board
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
Total, Goal E, INDUSTRY WORKFORCE	\$85,749,930	\$75,081,929	(\$10,668,001)	(12.4%)	
FAMILY PRACTICE RESIDENCY PROGRAM F.1.1	\$16,780,000	\$16,780,000	\$0	0.0%	In 2016-17 funding for the strategy was \$12,780,000 from Trauma Care and EMS Account 5111 and \$4,000,000 in General Revenue. The 2018-19 recommendations replace this General-Revenue-Dedicated funding with General Revenue.
PRECEPTORSHIP PROGRAM F.1.2	\$3,000,000	\$3,000,000	\$0	0.0%	
GME EXPANSION F.1.3	\$53,000,000	\$82,800,000	\$29,800,000	56.2%	Recommendations increase General Revenue funding by \$8,000,000 and include \$21,800,000 in estimated allocations from the Permanent Fund Supporting Graduate Medical Education (Other funds).
PRIMARY CARE INNOVATION GRANT PGM F.1.4	\$2,100,000	\$2,100,000	\$0	0.0%	
TRAUMA CARE PROGRAM F.1.5	\$4,382,579	\$4,500,000	\$117,421	2.7%	Recommendations match the 2016-17 appropriated amounts for the program. The 2016-17 base amounts reflect the transfer of funds to the Academic, Quality and Workforce Program for administrative purposes. In 2016-17 funding for the program was \$4,500,000 from Trauma Care and EMS Account 5111. The 2018-19 recommendations replace this General-Revenue-Dedicated funding with General Revenue.
JOINT ADMISSION MEDICAL PROGRAM F.1.6	\$10,206,794	\$10,206,794	\$0	0.0%	
PROF NURSING SHORTAGE REDUCTION PGM F.1.7	\$33,313,753	\$29,982,378	(\$3,331,375)	(10.0%)	Recommendation reduce funding for the program by 10 percent.
PHYSICIAN ED. LOAN REPAY. PROGRAM F.1.8	\$34,135,229	\$33,800,000	(\$335,229)	(1.0%)	In FY 2016, the agency received a one-time donation of \$335,229 for the program. The 2018-19 recommendations do not include any anticipated donations.
DENTAL ED. LOAN REPAY. PROGRAM F.1.9	\$220,000	\$220,000	\$0	0.0%	
MENTAL HEALTH LOAN REPAYMENT PGM F.1.10	\$2,125,000	\$2,125,000	\$0	0.0%	
OTHER LOAN REPAYMENT PROGRAMS F.1.11	\$1,691,168	\$200,000	(\$1,491,168)	(88.2%)	The strategy includes funding for the St. David Loan Repayment Program. This program is exclusively funded by donations. Program is being phased out.

Higher Education Coordinating Board
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
NURSING FACULTY LN REPAY PGM F.1.1.3	\$0	\$3,331,375	\$3,331,375	100.0%	Recommendations reflect an increase of \$3.3 million in General Revenue.
Total, Goal F, INDUSTRY WORKFORCE - HEALTH RELATED	\$160,954,523	\$189,045,547	\$28,091,024	17.5%	
BAYLOR COLLEGE OF MEDICINE - UGME G.1.1	\$78,012,350	\$76,348,650	(\$1,663,700)	(2.1%)	Funding amounts for Baylor College of Medicine Undergraduate Medical Education are tied to Health Related Institutions formula.
BAYLOR COLLEGE OF MEDICINE - GME G.1.2	\$15,626,238	\$15,420,998	(\$205,240)	(1.3%)	Funding amounts for Baylor College of Medicine Undergraduate Medical Education are tied to Health Related Institutions formula.
BAYLOR COLL MED PERM ENDOWMENT FUND G.1.3	\$2,850,031	\$2,850,000	(\$31)	(0.0%)	
BAYLOR COLL MED PERM HEALTH FUND G.1.4	\$3,828,386	\$3,828,386	\$0	0.0%	
Total, Goal G, BAYLOR COLLEGE OF MEDICINE	\$100,317,005	\$98,448,034	(\$1,868,971)	(1.9%)	
EARNINGS - MINORITY HEALTH H.1.1	\$7,944,680	\$7,944,680	\$0	0.0%	
EARNINGS - NURSING/ALLIED HEALTH H.1.2	\$10,840,648	\$10,840,648	\$0	0.0%	
Total, Goal H, TOBACCO FUNDS	\$18,785,328	\$18,785,328	\$0	0.0%	
N HACKERMAN ADVANCED RESEARCH PGM I.1.1	\$0	\$0	\$0	0.0%	
TEXAS RESEARCH INCENTIVE PROGRAM I.1.2	\$138,125,000	\$64,500,000	(\$73,625,000)	(53.3%)	Recommendations reduce General Revenue funding by 50 percent. Recommendations reflect a decrease of \$9,000,000 in General Revenue-Dedicated Emerging Technology Account No. 5124. Funding from this account was not included in 2018-19.
AUTISM PROGRAM I.1.3	\$7,800,000	\$7,800,000	\$0	0.0%	
Total, Goal I, RESEARCH	\$145,925,000	\$72,300,000	(\$73,625,000)	(50.5%)	
Grand Total, All Strategies	\$1,706,204,829	\$1,629,744,079	(\$76,460,750)	(4.5%)	

Higher Education Coordinating Board
Funding Changes and Recommendations - House, by Strategy -- GENERAL REVENUE FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
COLLEGE READINESS AND SUCCESS A.1.1	\$3,713,555	\$3,728,344	\$14,789	0.4%	
STUDENT LOAN PROGRAMS A.1.2	\$400,000	\$400,000	\$0	0.0%	
FINANCIAL AID SERVICES A.1.3	\$1,387,334	\$1,387,334	\$0	0.0%	
ACADEMIC QUALITY AND WORKFORCE A.1.4	\$3,726,978	\$3,731,225	\$4,247	0.1%	
STRATEGIC PLANNING AND FUNDING A.1.5	\$5,122,041	\$5,122,042	\$1	0.0%	
INNOVATION AND POLICY DEVELOPMENT A.1.6	\$524,082	\$524,082	\$0	0.0%	
Total, Goal A, COORDINATION/PLANNING FOR HIGHER ED	\$14,873,990	\$14,893,027	\$19,037	0.1%	
CENTRAL ADMINISTRATION B.1.1	\$7,263,310	\$7,403,324	\$140,014	1.9%	Recommendations reflect an increase in General Revenue for 1 FTE for a dual credit program evaluation.
INFORMATION RESOURCES B.1.2	\$6,801,314	\$5,461,314	(\$1,340,000)	(19.7%)	The 2016-17 base amounts reflect \$1,390,400 in General Revenue for CAPPS. The 2018-19 recommendations reflect the elimination of CAPPS funding offset by a \$50,400 increase in General Revenue to maintain current DCS obligations. Recommendations reflect an increase of \$440,743 in Other Funds.
FACILITIES SUPPORT B.1.3	\$1,122,633	\$1,122,633	\$0	0.0%	
Total, Goal B, AGENCY OPERATIONS	\$15,187,257	\$13,987,271	(\$1,199,986)	(7.9%)	
TEXAS GRANT PROGRAM C.1.1	\$714,975,114	\$714,975,114	\$0	0.0%	
TEXAS B-ON-TIME PROGRAM - PUBLIC C.1.2	\$0	\$0	\$0	0.0%	
TEXAS B - ON - TIME PROGRAM-PRIVATE C.1.3	\$18,799,700	\$7,280,742	(\$11,518,958)	(61.3%)	Recommendations cover renewal students in the program.
TUITION EQUALIZATION GRANTS C.1.4	\$192,303,954	\$182,688,756	(\$9,615,198)	(5.0%)	Recommendations include a 5 percent reduction in General Revenue to the strategy.
TEOG PUB COMMUNITY COLLEGES C.1.5	\$86,472,917	\$86,472,917	\$0	0.0%	
TEOG PUB STATE/TECHNICAL COLLEGES C.1.6	\$7,519,384	\$7,519,384	\$0	0.0%	
COLLEGE WORK STUDY PROGRAM C.1.7	\$18,809,278	\$18,809,278	\$0	0.0%	

Higher Education Coordinating Board
Funding Changes and Recommendations - House, by Strategy -- GENERAL REVENUE FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
LICENSE PLATE SCHOLARSHIPS C.1.8	\$0	\$0	\$0	0.0%	
EDUCATIONAL AIDE PROGRAM C.1.9	\$1,500,000	\$1,500,000	\$0	0.0%	
TOP 10 PERCENT SCHOLARSHIPS C.1.10	\$18,223,048	\$3,223,048	(\$15,000,000)	(82.3%)	Recommendations cover renewal students in the program.
TX ARMED SERVICES SCHOLARSHIP PGM C.1.11	\$5,340,000	\$2,670,000	(\$2,670,000)	(50.0%)	Recommendations include a 50 percent reduction in General Revenue to the strategy. Recommendations cover renewal students in the program.
Total, Goal C, AFFORDABILITY AND DEBT	\$1,063,943,395	\$1,025,139,239	(\$38,804,156)	(3.6%)	
ADVISE TX D.1.1	\$4,000,000	\$4,000,000	\$0	0.0%	
DEVELOPMENTAL EDUCATION PROGRAM D.1.2	\$4,007,408	\$4,000,000	(\$7,408)	(0.2%)	
ACCELERATE TX CC GRANTS D.1.3	\$4,007,381	\$4,000,000	(\$7,381)	(0.2%)	
Total, Goal D, COLLEGE READINESS AND SUCCESS	\$12,014,789	\$12,000,000	(\$14,789)	(0.1%)	
BORDER FACULTY LOAN REPAYMENT PGM E.1.1	\$375,626	\$375,626	\$0	0.0%	
CAREER/TECHNICAL EDUCATION PROGRAMS E.1.2	\$0	\$0	\$0	0.0%	
ENGINEERING RECRUITMENT PROGRAM E.1.3	\$500,000	\$500,000	\$0	0.0%	
TEACH FOR TEXAS LOAN REPAYMENT E.1.4	\$4,425,000	\$4,425,000	\$0	0.0%	
TEACHER EDUCATION E.1.5	\$3,040,706	\$3,040,706	\$0	0.0%	
TEACHER QUALITY GRANTS PROGRAMS E.1.6	\$0	\$0	\$0	0.0%	
TEXAS TEACHER RESIDENCY PROGRAM E.1.7	\$1,298,305	\$1,298,305	\$0	0.0%	
T-STEM CHALLENGE PROGRAM E.1.8	\$0	\$0	\$0	0.0%	
OTHER FEDERAL GRANTS E.1.10	\$0	\$0	\$0	0.0%	
MATH AND SCIENCE SCHOLAR'S LRP E.1.11	\$2,575,000	\$2,575,000	\$0	0.0%	
BILINGUAL EDUCATION PROGRAM E.1.12	\$0	\$2,100,000	\$2,100,000	100.0%	Recommendations reflect an increase of \$2.1 million in General Revenue.
Total, Goal E, INDUSTRY WORKFORCE	\$12,214,637	\$14,314,637	\$2,100,000	17.2%	
FAMILY PRACTICE RESIDENCY PROGRAM F.1.1	\$4,000,000	\$16,780,000	\$12,780,000	319.5%	
PRECEPTORSHIP PROGRAM F.1.2	\$3,000,000	\$3,000,000	\$0	0.0%	

Higher Education Coordinating Board
Funding Changes and Recommendations - House, by Strategy -- GENERAL REVENUE FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
GME EXPANSION F.1.3	\$53,000,000	\$61,000,000	\$8,000,000	15.1%	Recommendations increase General Revenue funding by \$8,000,000 and include \$21,800,000 in estimated allocations from the Permanent Fund Supporting Graduate Medical Education (Other funds).
PRIMARY CARE INNOVATION GRANT PGM F.1.4	\$2,100,000	\$2,100,000	\$0	0.0%	
TRAUMA CARE PROGRAM F.1.5	\$0	\$4,500,000	\$4,500,000	100.0%	Recommendations match the 2016-17 appropriated amounts for the program. The 2016-17 base amounts reflect the transfer of funds to Strategy, A.1.4, Academic, Quality and Workforce for administrative purposes.
JOINT ADMISSION MEDICAL PROGRAM F.1.6	\$10,206,794	\$10,206,794	\$0	0.0%	
PROF NURSING SHORTAGE REDUCTION PGM F.1.7	\$33,313,753	\$29,982,378	(\$3,331,375)	(10.0%)	Recommendation reduce funding for the program by 10 percent.
PHYSICIAN ED. LOAN REPAY. PROGRAM F.1.8	\$0	\$0	\$0	0.0%	
DENTAL ED. LOAN REPAY. PROGRAM F.1.9	\$220,000	\$220,000	\$0	0.0%	
MENTAL HEALTH LOAN REPAYMENT PGM F.1.10	\$2,125,000	\$2,125,000	\$0	0.0%	
OTHER LOAN REPAYMENT PROGRAMS F.1.11	\$0	\$0	\$0	0.0%	
NURSING FACULTY LN REPAY PGM F.1.13	\$0	\$3,331,375	\$3,331,375	100.0%	Recommendations reflect an increase of \$3.3 million in General Revenue.
Total, Goal F, INDUSTRY WORKFORCE - HEALTH RELATED	\$107,965,547	\$133,245,547	\$25,280,000	23.4%	
BAYLOR COLLEGE OF MEDICINE - UGME G.1.1	\$78,012,350	\$76,348,650	(\$1,663,700)	(2.1%)	Funding amounts for Baylor College of Medicine Undergraduate Medical Education are tied to Health Related Institutions formula.
BAYLOR COLLEGE OF MEDICINE - GME G.1.2	\$15,626,238	\$15,420,998	(\$205,240)	(1.3%)	Funding amounts for Baylor College of Medicine Undergraduate Medical Education are tied to Health Related Institutions formula.
BAYLOR COLL MED PERM ENDOWMENT FUND G.1.3	\$0	\$0	\$0	0.0%	
BAYLOR COLL MED PERM HEALTH FUND G.1.4	\$0	\$0	\$0	0.0%	
Total, Goal G, BAYLOR COLLEGE OF MEDICINE	\$93,638,588	\$91,769,648	(\$1,868,940)	(2.0%)	

Higher Education Coordinating Board
Funding Changes and Recommendations - House, by Strategy -- GENERAL REVENUE FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
EARNINGS - MINORITY HEALTH H.1.1	\$0	\$0	\$0	0.0%	
EARNINGS - NURSING/ALLIED HEALTH H.1.2	\$0	\$0	\$0	0.0%	
Total, Goal H, TOBACCO FUNDS	\$0	\$0	\$0	0.0%	
N HACKERMAN ADVANCED RESEARCH PGM I.1.1	\$0	\$0	\$0	0.0%	
TEXAS RESEARCH INCENTIVE PROGRAM I.1.2	\$129,125,000	\$64,500,000	(\$64,625,000)	(50.0%)	Recommendations reduce General Revenue funding by 50 percent.
AUTISM PROGRAM I.1.3	\$7,800,000	\$7,800,000	\$0	0.0%	
Total, Goal I, RESEARCH	\$136,925,000	\$72,300,000	(\$64,625,000)	(47.2%)	
Grand Total, All Strategies	\$1,456,763,203	\$1,377,649,369	(\$79,113,834)	(5.4%)	

Higher Education Coordinating Board
Funding Changes and Recommendations - House, by Strategy -- GR DEDICATED

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
COLLEGE READINESS AND SUCCESS A.1.1	\$0	\$0	\$0	0.0%	
STUDENT LOAN PROGRAMS A.1.2	\$1,800,000	\$1,800,000	\$0	0.0%	
FINANCIAL AID SERVICES A.1.3	\$0	\$0	\$0	0.0%	
ACADEMIC QUALITY AND WORKFORCE A.1.4	\$117,421	\$0	(\$117,421)	(100.0%)	
STRATEGIC PLANNING AND FUNDING A.1.5	\$0	\$0	\$0	0.0%	
INNOVATION AND POLICY DEVELOPMENT A.1.6	\$0	\$0	\$0	0.0%	
Total, Goal A, COORDINATION/PLANNING FOR HIGHER ED	\$1,917,421	\$1,800,000	(\$117,421)	(6.1%)	
CENTRAL ADMINISTRATION B.1.1	\$0	\$0	\$0	0.0%	
INFORMATION RESOURCES B.1.2	\$0	\$0	\$0	0.0%	
FACILITIES SUPPORT B.1.3	\$0	\$0	\$0	0.0%	
Total, Goal B, AGENCY OPERATIONS	\$0	\$0	\$0	0.0%	
TEXAS GRANT PROGRAM C.1.1	\$0	\$0	\$0	0.0%	
TEXAS B-ON-TIME PROGRAM - PUBLIC C.1.2	\$61,632,308	\$83,482,663	\$21,850,355	35.5%	Recommendations include \$18.2 million in General-Revenue-Dedicated B-On-Time Account 5103, to support renewal awards, a decrease of \$43.5 million from 2016-17 levels. In addition, recommendations include \$65.3 million in unexpended balances that will be distributed by the agency to institutions of higher education.
TEXAS B - ON - TIME PROGRAM-PRIVATE C.1.3	\$0	\$0	\$0	0.0%	
TUITION EQUALIZATION GRANTS C.1.4	\$0	\$0	\$0	0.0%	
TEOG PUB COMMUNITY COLLEGES C.1.5	\$0	\$0	\$0	0.0%	
TEOG PUB STATE/TECHNICAL COLLEGES C.1.6	\$0	\$0	\$0	0.0%	
COLLEGE WORK STUDY PROGRAM C.1.7	\$0	\$0	\$0	0.0%	
LICENSE PLATE SCHOLARSHIPS C.1.8	\$0	\$0	\$0	0.0%	
EDUCATIONAL AIDE PROGRAM C.1.9	\$0	\$0	\$0	0.0%	

Higher Education Coordinating Board
Funding Changes and Recommendations - House, by Strategy -- GR DEDICATED

Strategy/Gol	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
TOP 10 PERCENT SCHOLARSHIPS C.1.10	\$0	\$0	\$0	0.0%	
TX ARMED SERVICES SCHOLARSHIP PGM C.1.11	\$0	\$0	\$0	0.0%	
Total, Goal C, AFFORDABILITY AND DEBT	\$61,632,308	\$83,482,663	\$21,850,355	35.5%	
ADVISE TX D.1.1	\$0	\$0	\$0	0.0%	
DEVELOPMENTAL EDUCATION PROGRAM D.1.2	\$0	\$0	\$0	0.0%	
ACCELERATE TX CC GRANTS D.1.3	\$0	\$0	\$0	0.0%	
Total, Goal D, COLLEGE READINESS AND SUCCESS	\$0	\$0	\$0	0.0%	
BORDER FACULTY LOAN REPAYMENT PGM E.1.1	\$0	\$0	\$0	0.0%	
CAREER/TECHNICAL EDUCATION PROGRAMS E.1.2	\$0	\$0	\$0	0.0%	
ENGINEERING RECRUITMENT PROGRAM E.1.3	\$0	\$0	\$0	0.0%	
TEACH FOR TEXAS LOAN REPAYMENT E.1.4	\$0	\$0	\$0	0.0%	
TEACHER EDUCATION E.1.5	\$0	\$0	\$0	0.0%	
TEACHER QUALITY GRANTS PROGRAMS E.1.6	\$0	\$0	\$0	0.0%	
TEXAS TEACHER RESIDENCY PROGRAM E.1.7	\$0	\$0	\$0	0.0%	
T-STEM CHALLENGE PROGRAM E.1.8	\$0	\$0	\$0	0.0%	
OTHER FEDERAL GRANTS E.1.10	\$0	\$0	\$0	0.0%	
MATH AND SCIENCE SCHOLAR'S LRP E.1.11	\$0	\$0	\$0	0.0%	
BILINGUAL EDUCATION PROGRAM E.1.12	\$0	\$0	\$0	0.0%	
Total, Goal E, INDUSTRY WORKFORCE	\$0	\$0	\$0	0.0%	
FAMILY PRACTICE RESIDENCY PROGRAM F.1.1	\$12,780,000	\$0	(\$12,780,000)	(100.0%)	Recommendations reflect a decrease of \$12,780,000 in Trauma Facility and EMS Account 5111. Funding from this account was not included in 2018-19.
PRECEPTORSHIP PROGRAM F.1.2	\$0	\$0	\$0	0.0%	
GME EXPANSION F.1.3	\$0	\$0	\$0	0.0%	

Higher Education Coordinating Board
Funding Changes and Recommendations - House, by Strategy -- GR DEDICATED

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
PRIMARY CARE INNOVATION GRANT PGM F.1.4	\$0	\$0	\$0	0.0%	
TRAUMA CARE PROGRAM F.1.5	\$4,382,579	\$0	(\$4,382,579)	(100.0%)	Recommendations reflect a decrease of \$4,382,579 in Trauma Facility and EMS Account 5111. Funding from this account was not included in 2018-19.
JOINT ADMISSION MEDICAL PROGRAM F.1.6	\$0	\$0	\$0	0.0%	
PROF NURSING SHORTAGE REDUCTION PGM F.1.7	\$0	\$0	\$0	0.0%	
PHYSICIAN ED. LOAN REPAY. PROGRAM F.1.8	\$33,800,000	\$33,800,000	\$0	0.0%	
DENTAL ED. LOAN REPAY. PROGRAM F.1.9	\$0	\$0	\$0	0.0%	
MENTAL HEALTH LOAN REPAYMENT PGM F.1.10	\$0	\$0	\$0	0.0%	
OTHER LOAN REPAYMENT PROGRAMS F.1.11	\$0	\$0	\$0	0.0%	
NURSING FACULTY LN REPAY PGM F.1.13	\$0	\$0	\$0	0.0%	
Total, Goal F, INDUSTRY WORKFORCE - HEALTH RELATED	\$50,962,579	\$33,800,000	(\$17,162,579)	(33.7%)	
BAYLOR COLLEGE OF MEDICINE - UGME G.1.1	\$0	\$0	\$0	0.0%	
BAYLOR COLLEGE OF MEDICINE - GME G.1.2	\$0	\$0	\$0	0.0%	
BAYLOR COLL MED PERM ENDOWMENT FUND G.1.3	\$0	\$0	\$0	0.0%	
BAYLOR COLL MED PERM HEALTH FUND G.1.4	\$0	\$0	\$0	0.0%	
Total, Goal G, BAYLOR COLLEGE OF MEDICINE	\$0	\$0	\$0	0.0%	
EARNINGS - MINORITY HEALTH H.1.1	\$0	\$0	\$0	0.0%	
EARNINGS - NURSING/ALLIED HEALTH H.1.2	\$0	\$0	\$0	0.0%	
Total, Goal H, TOBACCO FUNDS	\$0	\$0	\$0	0.0%	
N HACKERMAN ADVANCED RESEARCH PGM I.1.1	\$0	\$0	\$0	0.0%	
TEXAS RESEARCH INCENTIVE PROGRAM I.1.2	\$9,000,000	\$0	(\$9,000,000)	(100.0%)	Recommendations reflect a decrease of \$9,000,000 in Emerging Technology Account 5124. Funding from this account was not included in 2018-19.

Higher Education Coordinating Board					
Funding Changes and Recommendations - House, by Strategy -- GR DEDICATED					
Strategy/Gol	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
AUTISM PROGRAM I.1.3	\$0	\$0	\$0	0.0%	
Total, Goal I, RESEARCH	\$9,000,000	\$0	(\$9,000,000)	(100.0%)	
Grand Total, All Strategies	\$123,512,308	\$119,082,663	(\$4,429,645)	(3.6%)	

**Higher Education Coordinating Board
Summary of Federal Funds - House
(Dollar amounts in Millions)**

Appendix B

Program	Est 2016	Bud 2017	Rec 2018	Rec 2019	2016-17 Base	2018-19 Rec	2018-19 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Career and Technical Education Basic Grants to States	\$27.6	\$27.5	\$27.5	\$27.5	\$55.1	\$55.1	90.7%	(\$0.1)	(0.1%)
Improving Teacher Quality State Grants	\$4.9	\$4.9	\$4.9	\$0.0	\$9.8	\$4.9	8.1%	(\$4.9)	(50.0%)
Education Research, Development, and Dissemination	\$0.5	\$0.8	\$0.4	\$0.4	\$1.3	\$0.8	1.3%	(\$0.5)	(40.0%)
All Other	\$0.1	\$0.1	\$0.0	\$0.0	\$0.3	\$0.0	0.0%	(\$0.3)	(100.0%)
	\$33.2	\$33.3	\$32.8	\$27.9	\$66.5	\$60.8	100.0%	(\$5.7)	(8.6%)

**Texas Higher Education Coordinating Board
FTE Highlights - House**

Appendix C

Full-Time-Equivalent Positions	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
Cap	275.4	265.4	265.4	262.9	262.9
Actual/Budgeted	230.0	265.4	265.4	NA	NA

Schedule of Exempt Positions (Cap)

Commissioner of Higher Education	\$191,926	\$210,289	\$210,289	\$210,289	\$210,289
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Notes:

- a) Fiscal year 2015 actual FTE figure is less than the FTE cap due to agency reorganization.
- b) The agency was appropriated 4 additional FTEs in 2016-17 for Centralized Accounting and Payroll/Personnel System Depoyments.
- c) The agency was appropriated 1 additional FTE in 2018-19 for a dual credit program evaluation.
- d) The State Auditor's Office Report, *Executive Compensation at State Agencies* (Report 16-706, August 2016), indicates a market average salary of \$235,705 for the Commissioner of Higher Education at the Texas Higher Education Coordinating Board and does not recommend changing the Group classification for the position. The agency is not requesting any changes to its Exempt Positions. The Commissioner of Higher Education receives a stipend from the College for All Texans Foundation. The Foundation is a support organization for the Texas Higher Education Coordinating Board. The stipend is \$55,000 per year, in addition to the salary cap in the agency's bill pattern, on the condition the Commissioner meets fundraising benchmarks.

Texas Higher Education Coordinating Board
Performance Measure Highlights - House

	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
<ul style="list-style-type: none">Number of Students Receiving TEXAS Grants	74,630	71,500	71,000	71,000	71,000
<i>LBB recommendations total \$715.0 million. According to the agency approximately 70 percent of eligible students will be supported in FY 2018. In the 2016-17 biennium approximately 85 percent of eligible students were supported. Per Senate Bill 215, 83rd Legislative Session, beginning in Fall 2015, the program is a university only program with only renewal students at two year institutions being supported through the program.</i>					
<ul style="list-style-type: none">Number of Students Receiving TEG Awards	26,900	29,585	27,500	26,000	26,000
<i>LBB recommendations total \$182.7 million, a five percent reduction compared to 2016-17 funding levels.</i>					

**Higher Education Coordinating Board
Summary of Ten Percent Biennial Base Reduction Options - House**

Appendix E

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Intro Bill?
			GR & GR-D	All Funds	FTEs			
1)	Border Faculty Loan Repayment	The agency placed emphasis on the elimination of programs that do not provide direct aid to current students, as well as programs which have a relatively small impact. The reduction to the Border Faculty Loan Repayment Program would eliminate all funding for the program and would result in the elimination of loan repayment assistance in the amount of \$5,000 for approximately 40 doctoral faculty located in institutions in counties that border Mexico for each year of the biennium.	\$375,626	\$375,626	0.0	\$0	100%	No
2)	Centers for Teacher Education	The reduction would eliminate all funding for the program. Under the program, five private, historically black institutions receive approximately \$300,000 per year from this program for their teacher preparation programs. One-half of the money is used for scholarships and one-half is used for program enhancements. According to the agency the impact to each institution would be minimal.	\$3,040,706	\$3,040,706	0.0	\$0	100%	No
3)	Dental Educ. Loan Repay. Program	The reduction would eliminate all funding for the program. The Dental Education Loan Repayment Program was established in 1999 but appropriations for the program were not provided for several sessions until the 2016-17 biennium. The purpose of the program is to encourage qualified dentists to provide services in areas of the state that are underserved with the respect to dental care. According to the agency the program will disburse funding for the first time in the fall to approximately eleven dentists, who would receive a loan amount of \$11,000 per year.	\$220,000	\$220,000	0.0	\$0	100%	No

**Higher Education Coordinating Board
Summary of Ten Percent Biennial Base Reduction Options - House**

Appendix E

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Intro Bill?
			GR & GR-D	All Funds	FTEs			
4)	Educational Aide Program	The reduction would eliminate all funding for the program. The program reimburses institutions for tuition and fee exemptions provided to state residents working at a school as an educational aide for at least one school year during during the past five years, who have demonstrated financial need, and who have enrolled in coursework required for teacher certification in subject areas determined by TEA to be experiencing critical shortages of public school teachers in the state.	\$1,500,000	\$1,500,000	0.0	\$0	100%	No
5)	Engineering Recruitment Program	The reduction would eliminate all funding for the program. Awards are made to approximately 26 institutions. Each institution serves approximately 20 students. According to the agency, program is essentially a summer camp for secondary students interested in engineering.	\$500,000	\$500,000	0.0	\$0	100%	No
6)	Preceptorship Program	The reduction would eliminate all funding for the program. The Statewide Preceptorship Program (SPP) funds statewide preceptorship programs in three primary care specialties: family practice, internal medicine, and pediatrics. The programs encouraged medical students enrolled in Texas medical schools to choose primary care careers by offering direct student support for a month-long experience in one of the specialties. According to the agency approximately 350 students would not have the opportunity to shadow a primary care physician if funding was eliminated.	\$3,000,000	\$3,000,000	0.0	\$0	100%	No
7)	Primary Care Innovation Grant Program	The reduction would eliminate all funding for the program. The agency reports that this competitive grant program supports innovative efforts from Texas Medical Schools. Examples of projects supported included funding a streamlined 3 + 3 program to encourage medical students to complete medical school and residency training. An additional project supported the development of a pipeline to medical school for community college students.	\$2,100,000	\$2,100,000	0.0	\$0	100%	No

**Higher Education Coordinating Board
Summary of Ten Percent Biennial Base Reduction Options - House**

Appendix E

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Intro Bill?
			GR & GR-D	All Funds	FTEs			
8)	TX Teacher Residency Program	The reduction would eliminate all funding for the program. The program provides a stipend for approximately 30 students to spend a year working on both a Master's degree in education and teacher certification. According to the agency, the program has been successful, but has limited accessibility.	\$1,298,305	\$1,298,305	0.0	\$0	100%	No
9)	Mental Health Loan Repay. Program	The reduction would eliminate all funding for the program. The program was established by the 84th Legislature. According to the agency, the first awards to recipients occurred in the fall of 2016.	\$1,062,500	\$1,062,500	0.0	\$0	100%	No
10)	TX Armed Serv Scholarship Program	According to the agency, the proposed reduction would result in funding being limited to renewal students and approximately 120 students first-time awards would not be available.	\$2,670,000	\$2,670,000	0.0	\$0	50%	Yes
11)	Physician Educ. Loan Repay. Program	The agency reports that due to the size of the program, and the nature of the commitment, that decreased funding would have a significant impact. According to the agency, the first 5 percent reduction scenario would result in limitations being placed on first-time awards. While no physicians would be impacted by the reduction in funding, roughly half (70) of the eligible nursing faculty would not receiving funding through the program. The second 5 percent reduction scenario would impact physicians, as well as nursing faculty, and would result in no new participants being added to the program (roughly 170 eligible participants would not receive funding).	\$8,450,000	\$8,450,000	0.0	\$0	25%	No
12)	Autism Program	The Autism Program has three distinct parts, two provide support for direct services to children with Autism Spectrum Disorder. The parent-directed treatment portion of the program is designed to serve up to 750 children. The agency reports the proposed reduction would result in less support for innovative treatment models.	\$795,000	\$795,000	0.0	\$0	10%	No
13)	Family Practice Residency Program	According to the agency, the proposed reduction would result in a decrease to the per resident funding level, which is currently just under \$9,000.	\$100,000	\$100,000	0.0	\$0	1%	No

**Higher Education Coordinating Board
Summary of Ten Percent Biennial Base Reduction Options - House**

Appendix E

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Intro Bill?
			GR & GR-D	All Funds	FTEs			
14)	Joint Admission Medical Program	The agency reports the proposed reduction would reduce the number of students who could enter the program. Currently, the program serves approximately 500 students who are either in pre-med studies or are in medical school. Approximately 100 students are admitted to the program each year.	\$183,722	\$183,722	0.0	\$0	2%	No
15)	Teach for Texas Loan Repayment	The agency reports the first 5 percent reduction scenario would result in a reduction in the loan repayment amount provided to recipients from \$2,500 to \$2,250. The second 5 percent reduction scenario would result in limiting funding solely to renewal awards, thus causing roughly 700 eligible recipients to not receive a first-time award.	\$1,750,000	\$1,750,000	0.0	\$0	40%	No
16)	Texas Research Incentive Program	The funds in this strategy are used to match private donations received by the Emerging Research Institutions. The agency reports that the reduction may slow the progress made by these institutions in increasing funds available for enhancing research activities.	\$15,948,916	\$15,948,916	0.0	\$0	12%	Yes, program reduced 50%.
17)	Prof Nursing Shortage Reduction	The funds in this strategy are used to hire additional nursing faculty and other costs of the training for future nurses. The agency reports the impact may slow the progress that has been made since this program was created to increase nursing candidates. According to the agency, some of the reduction will be from administrative costs; the rest would come from funds to the institutions.	\$9,994,126	\$9,994,126	0.0	\$0	30%	Partial, program reduced 10%.
18)	Trauma Care Program	According to the agency the decrease would reduce funding to support the training of emergency medicine physicians and fellows and would reduce funding for nurses pursuing advanced training in trauma care and treatment.	\$219,129	\$219,129	0.0	\$0	5%	No
19)	Accelerate TX CC Grants	According to the agency, the reduction would reduce the number of institutions served or reduce the number of students served. Institutions will have to rely more on federal funds through the Texas Workforce Commission.	\$600,000	\$600,000	0.0	\$0	15%	No

**Higher Education Coordinating Board
Summary of Ten Percent Biennial Base Reduction Options - House**

Appendix E

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			GR & GR-D	All Funds	FTEs			
20)	Developmental Education Program	The agency reports the reduction in funding is directly related to the Mathways Project at UT Austin. Funding was originally utilized to support start-up and implementation. According to the agency, the project is running and able to secure continuation funds through a webstore, product sales, and multiple contracts with state and national clients.	\$350,000	\$350,000	0.0	\$0	9%	No
21)	Texas B-On-Time Program - Public	According to the agency, the B-On-Time Loan Program - Public funding level has been reduced to reflect funding necessary during the legislatively mandated phase-out of the program. This reduction scenario acknowledges the cash available for the program, while ensuring that all eligible renewal students receive funding in the 2018-19 biennium.	\$14,158,266	\$14,158,266	0.0	\$0	11%	Yes
22)	Top 10 Percent Scholarships	The agency reports as the Top 10 Percent Scholarship Program progresses through the legislatively mandated phase-out, these reduction scenarios reflect limiting funding to three-quarters of the maximum award level (\$1,500) for the first 5 percent reduction scenario, and one half of the maximum award level (\$1,000) for the second 5 percent reduction scenario.	\$1,822,304	\$1,822,304	0.0	\$0	10%	No
23)	College Work Study Program	The Texas College Work-Study Program is one of the top five largest financial aid programs that utilizes state appropriations to provide direct financial aid to students. Rather than functioning as pure gift aid, such as the state's three signature grant programs (TEXAS Grant, TEOG, and TEG), the work-study program requires a work component, as well as an institutional matching program (25 percent of wages must be covered by the institution). Thus, in ranking the program, the agency indicates that it is more beneficial than a loan program requiring repayment and interest, but less beneficial than a grant program. According to the agency, the reduction will result in approximately 600 fewer students receiving an award.	\$940,464	\$940,464	0.0	\$0	5%	No

**Higher Education Coordinating Board
Summary of Ten Percent Biennial Base Reduction Options - House**

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24)	Tuition Equalization Grants	The Tuition Equalization Grant (TEG) Program is one of the top five largest financial aid programs that utilizes state appropriations to provide direct financial aid to students. TEG is focused on supporting students enrolled at private, non-profit institutions of higher education. The agency reports that a larger reduction for this strategy is proposed than for the other two grant programs due to the fact that the public institutions participating in the TEXAS Grant and TEOG programs will also be facing reduction scenarios in their operating expenses, while the operating expenses of private institutions participating in TEG are not subject to the budget reduction process. These reduction scenarios will result in approximately 6,200 fewer students receiving an initial award.	\$20,493,660	\$20,493,660	0.0	\$0	11%	Partial, program reduced 5%.
25)	Central Administration	According to the agency, the proposed reduction would require a reduction in administrative resources within the Central Administration strategy.	\$100,000	\$100,000	0.0	\$0	1%	No
26)	College Readiness and Success	According to the agency, reductions in administrative funding and resources.	\$20,000	\$20,000	0.0	\$0	1%	No
27)	Strategic Planning and Funding	According to the agency, the impact of the reduction of professional services would reduce funds for professional services that would be used for 1) ensuring that the update of the accountability system works effectively and can be augmented to handle increased data needs, including data associated with the goals of 60x30TX, and 2) other data management activities, such as the development of a more robust data request tracking system. The agency reports the decrease would reduce the amounts available for adjustments in staff compensation to reward and retain the high performers in the division, and it would reduce the ability of division staff to travel to conferences and meetings, where strategies regarding the new statewide strategic plan will be discussed and developed.	\$50,000	\$50,000	0.0	\$0	1%	No

**Higher Education Coordinating Board
Summary of Ten Percent Biennial Base Reduction Options - House**

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			GR & GR-D	All Funds	FTEs			
28)	TEOG - Pub Comm College	The Texas Educational Opportunity Grant (TEOG) Program is one of the top five largest financial aid programs that utilizes state appropriations to provide direct financial aid to students. Of the state's three signature grant programs to assist needy students attain a college education (TEXAS Grant, TEG, and TEOG), the TEOG program (funded through two separate strategies) is funded at the lowest level in relation to the percentage of eligible students -- significantly lower than the other two signature programs. According to the agency, any reduction to TEOG has a disproportionate impact on its recipients, which is why it is one of the last programs ranked in the agency's reduction scenarios. The agency reports the reduction scenarios would result in approximately 2,500 fewer students receiving an initial award.	\$8,647,292	\$8,647,292	0.0	\$0	10%	No
29)	TEOG - Pub State/Tech College	The Texas Educational Opportunity Grant (TEOG) Program is one of the top five largest financial aid programs that utilizes state appropriations to provide direct financial aid to students, and its ranking reflects that. Of the state's three signature grant programs to assist needy students attain a college education (TEXAS Grant, TEG, and TEOG), the TEOG program (funded through two separate strategies) is funded at the lowest level in relation to the percentage of eligible students -- significantly lower than the other two signature programs. The agency reports that any reduction to TEOG has a disproportionate impact on its recipients, which is why it is one of the last programs ranked in the agency's reduction scenarios. According to the agency, the reduction scenarios would result in approximately 450 fewer students receiving an initial award.	\$751,938	\$751,938	0.0	\$0	10%	No
30)	Graduate Medical Education Expansion	The agency reports the proposed cut would eliminate funding of additional planning grants. According to the agency funding of existing new positions could be maintained; however, without an increase in funding, no new first year residency positions could be established.	\$3,000,000	\$3,000,000	0.0	\$0	6%	No

Higher Education Coordinating Board
Summary of Ten Percent Biennial Base Reduction Options - House

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31)	Academic Quality and Workforce	According to the agency reduction would be primarily felt in the ability to award merit salary increases and one merit pay awards, affecting the ability to a well trained and very effective staff.	\$50,000	\$50,000	0.0	\$0	1%	No
32)	Advise TX	According to the agency, the reduction would reduce the number of campuses served by 2.	\$86,500	\$86,500	0.0	\$0	2%	No
33)	TEXAS Grant Program	The Towards EXcellence, Access, and Success (TEXAS) Grant Program is the largest financial aid program that utilizes state appropriations to provide direct financial aid to students, and its ranking reflects that. As the largest of the state's three signature grant programs to assist needy students attain a college education (TEXAS Grant, TEG, and TEOG), the TEXAS Grant program impacts the greatest number of students in the state. According to the agency, the reduction scenarios will result in approximately 8,800 fewer students receiving an initial award.	\$43,845,800	\$43,845,800	0.0	\$0	6%	No
TOTAL, 10% Reduction Options			\$148,124,254	\$148,124,254	0.0	\$0		