

Higher Education Coordinating Board
Summary of Recommendations - Senate

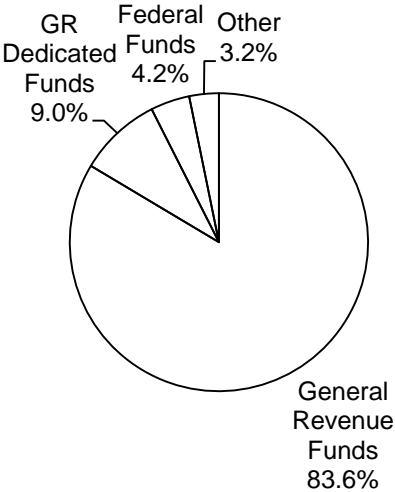
Raymund Paredes, Commissioner of Higher Education

Greg Owens, LBB Analyst

Method of Financing	2012-13 Base	2014-15 Recommended	Biennial Change	% Change
General Revenue Funds	\$1,053,524,418	\$1,073,749,760	\$20,225,342	1.9%
GR Dedicated Funds	\$87,256,791	\$115,523,713	\$28,266,922	32.4%
Total GR-Related Funds	\$1,140,781,209	\$1,189,273,473	\$48,492,264	4.3%
Federal Funds	\$102,468,961	\$54,546,000	(\$47,922,961)	(46.8%)
Other	\$77,646,721	\$41,212,781	(\$36,433,940)	(46.9%)
All Funds	\$1,320,896,891	\$1,285,032,254	(\$35,864,637)	(2.7%)

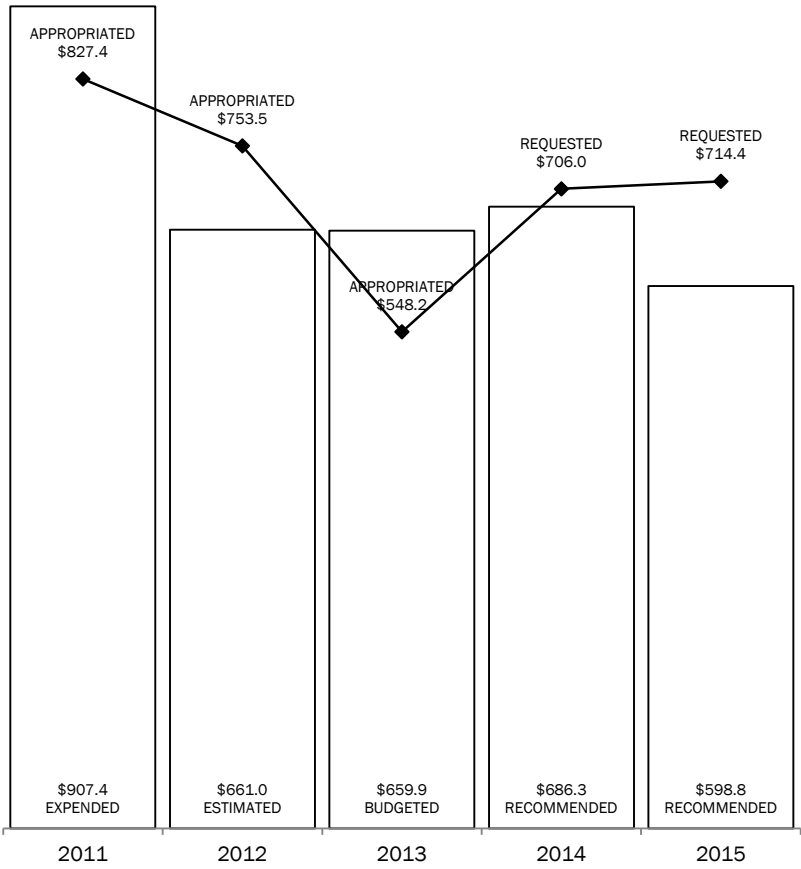
	FY 2013 Budgeted	FY 2015 Recommended	Biennial Change	% Change
FTEs	275.4	275.4	0.0	0.0%

RECOMMENDED FUNDING
BY METHOD OF FINANCING

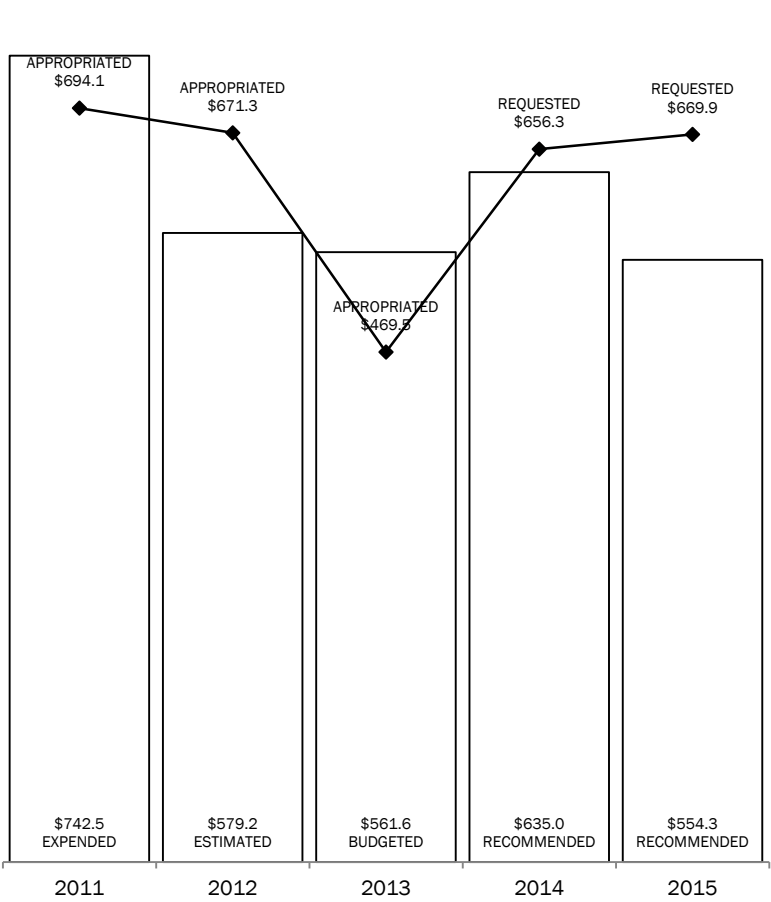


The bill pattern for this agency (2014-15 Recommended) represents an estimated 79% of the agency's estimated total available funds for the 2014-15 biennium.

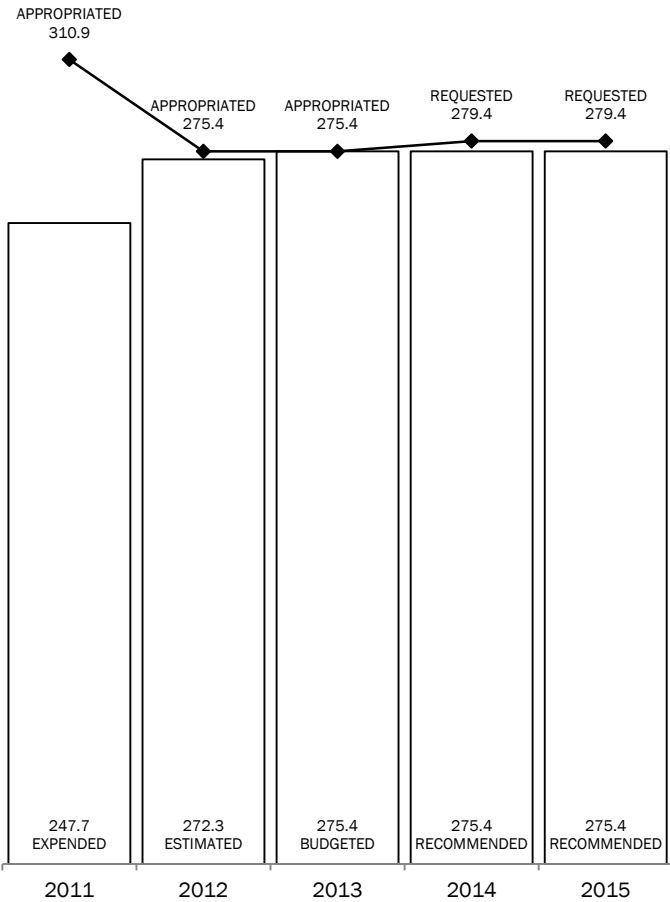
ALL FUNDS



GENERAL REVENUE AND
GENERAL REVENUE-DEDICATED FUNDS



FULL-TIME-EQUIVALENT POSITIONS



Higher Education Coordinating Board
Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
COLLEGE READINESS AND SUCCESS A.1.1	\$5,134,123	\$3,727,042	(\$1,407,081)	(27.4%)	Most of the agency's administrative strategies include several sources of funding (General Revenue, General Revenue-Dedicated, primarily B-On-Time funds, and Other Funds-usually donations or student loan funds). Recommendations include an agency anticipated decrease of \$1,012,045 in donations, primarily from Complete College America. Recommendations also include a decrease of \$300,036 in General Revenue funds. A portion of the Professional Nursing Shortage Reduction Program is used for administrative purposes. These funds are reflected in 2012-13 but not included in the recommended amount in 2014-15. The agency has also restructured several of their administrative strategies.
STATE LOAN PROGRAMS A.1.2	\$10,245,034	\$11,300,000	\$1,054,966	10.3%	Recommendations include an anticipated increase of \$1,054,966 in Student Loan funds, due to moving the HELMS software from Strategy I.1.2, Information Resources to this strategy beginning in fiscal year 2013.
STUDENT GRANTS AND SPECIAL PROGRAMS A.1.3	\$1,850,602	\$1,850,602	\$0	0.0%	
WORKFORCE, ACADEMIC AFFAIRS, & RSCH A.2.1	\$4,593,143	\$3,390,510	(\$1,202,633)	(26.2%)	Recommendations include an anticipated decrease of \$1,277,668 in fees from Common App/Apply Texas. Recommendations include an increase of \$75,035 in General Revenue.
PLANNING/INFORMATION/EVALUATION A.3.1	\$4,867,793	\$4,379,956	(\$487,837)	(10.0%)	Recommendations include an anticipated decrease of \$352,837 in donations, primarily from the Gates Foundation. Recommendations include an decrease of \$135,000 in General Revenue.
HIGHER EDUCATION POLICY INSTITUTE A.3.2	\$640,733	\$846,120	\$205,387	32.1%	Recommendations include an anticipated increase of \$205,387 in donations from the Houston Endowment.
Total, Goal A, COORDINATE HIGHER EDUCATION	\$27,331,428	\$25,494,230	(\$1,837,198)	(6.7%)	
TEXAS GRANT PROGRAM B.1.1	\$579,697,826	\$559,547,824	(\$20,150,002)	(3.5%)	Recommendations match the 2012-13 appropriated levels for the program. Recommendations include an anticipated decrease of \$20,000,000 in donations from the Texas Guaranteed Student Loan Corporation and \$150,000 from the Texas Retailer's Association.

Higher Education Coordinating Board
Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
TEXAS B-ON-TIME PROGRAM B.1.2	\$107,060,726	\$111,965,791	\$4,905,065	4.6%	Recommendations match the 2012-13 appropriated levels for the program. The 2012-13 Base amounts reflect the transfer of \$1,700,000 in general revenue funds from the B-On-Time strategy to Strategy B.1.5 College Work Study and \$328,554 to the administrative strategies in Goal I, Indirect Administration. The 2012-13 Base amounts also reflect the transfer of \$2,876,511 in general revenue-dedicated funds to the administrative strategies in the Goal I, Indirect Administration
TUITION EQUALIZATION GRANTS B.1.3	\$168,845,654	\$168,845,654	\$0	0.0%	
TEXAS EDUCATION OPPORTUNITY GRANT B.1.4	\$23,147,818	\$24,061,600	\$913,782	3.9%	Recommendations match the 2012-13 appropriated levels for the program. The 2012-13 Base amounts reflect transfer of funds from the Texas Education Opportunity Grant strategy to Strategy B.1.5 College Work Study.
COLLEGE WORK STUDY PROGRAM B.1.5	\$17,673,060	\$15,059,278	(\$2,613,782)	(14.8%)	Recommendations match the 2012-13 appropriated levels for the program. The 2012-13 Base amounts reflect the transfer of funds from the Texas Education Opportunity Grant strategy to Strategy B.1.5 College Work Study.
LICENSE PLATE SCHOLARSHIPS B.1.6	\$1,099,000	\$1,165,922	\$66,922	6.1%	Recommendations include an anticipated increase in license plate revenue.
TEACH FOR TEXAS LOAN REPAYMENT B.1.7	\$1,000,000	\$1,000,000	\$0	0.0%	Recommendations match the 2012-13 appropriated levels for the program.
BORDER FACULTY LOAN REPAYMENT PGM B.1.8	\$375,626	\$375,626	\$0	0.0%	Recommendations match the 2012-13 appropriated levels for the program.
OAG LAWYERS LOAN REPAYMENT PROGRAM B.1.9	\$496,072	\$496,072	\$0	0.0%	Recommendations match the 2012-13 appropriated levels for the program.
TOP 10 PERCENT SCHOLARSHIPS B.1.10	\$39,624,892	\$39,624,892	\$0	0.0%	Recommendations match the 2012-13 appropriated levels for the program.
TX ARMED SERVICES SCHOLARSHIP PGM B.1.11	\$7,120,000	\$7,120,000	\$0	0.0%	Recommendations match the 2012-13 appropriated levels for the program.
T-STEM CHALLENGE PROGRAM B.1.12	\$9,497,500	\$6,000,000	(\$3,497,500)	(36.8%)	Recommendations include an anticipated decrease in donations from the Texas Guaranteed Student Loan Corporation.
Total, Goal B, CLOSE THE GAPS - AFFORDABILITY	\$955,638,174	\$935,262,659	(\$20,375,515)	(2.1%)	
N HACKERMAN ADVANCED RESEARCH PGM C.1.1	\$1,000,000	\$1,000,000	\$0	0.0%	Recommendation match the 2012-13 appropriated levels for the program.
TEXAS RESEARCH INCENTIVE PROGRAM C.1.2	\$35,625,000	\$35,625,000	\$0	0.0%	Recommendation match the 2012-13 appropriated levels for the program.
Total, Goal C, CLOSE THE GAPS - RESEARCH	\$36,625,000	\$36,625,000	\$0	0.0%	
FAMILY PRACTICE RESIDENCY PROGRAM D.1.1	\$5,600,000	\$5,600,000	\$0	0.0%	Recommendation match the 2012-13 appropriated levels for the program.
JOINT ADMISSION MEDICAL PROGRAM D.1.2	\$7,006,794	\$7,006,794	\$0	0.0%	Recommendation match the 2012-13 appropriated levels for the program.

**Higher Education Coordinating Board
Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS**

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
PHYSICIAN ED. LOAN REPAY. PROGRAM D.1.3	\$5,683,709	\$33,800,000	\$28,116,291	494.7%	Recommendations include an increase of \$28,200,000 in General-Revenue Dedicated funds, smokeless tobacco tax. Recommendations would cover four years of repayments for two cohorts of 100 physicans. One cohort would receive their first loan repayment in fiscal year 2014 and the second cohort would receive their first loan repayment in fiscal year 2015. See Supplemental Schedule 3A PELRP. The anticipated revenue for 2014-15 (based on 2013 estimated revenue) is \$34.2 million per year. This increase was offset by a \$83,709 in donations in fiscal year 2012 that was not included in 2014-15.
PROF NURSING SHORTAGE REDUCTION PGM D.1.4	\$29,625,000	\$30,000,000	\$375,000	1.3%	The 2012-13 estimated/budgeted amounts include a transfer of funds to Strategy A.1.1, College Readiness and Success.The recommended amounts match the 2012-13 appropriated amounts.
ALZHEIMER'S DISEASE CENTERS	\$5,230,625	\$0	(\$5,230,625)	(100.0%)	Funding for this program was transferred to the University of Texas System and renamed the Darrell K Royal Alzheimer's Initiative.
TRAUMA CARE PROGRAM	\$4,500,000	\$0	(\$4,500,000)	(100.0%)	Recommendations include an anticipated decrease in interagency contracts with the Department of State Health Services. See Rider 52 Contingency for Trauma Fellowships.
Total, Goal D, CLOSE THE GAPS - HEALTH PROGRAMS	\$57,646,128	\$76,406,794	\$18,760,666	32.5%	
BAYLOR COLLEGE OF MEDICINE - UGME E.1.1	\$75,864,812	\$77,296,896	\$1,432,084	1.9%	Formula allocation is tied to decisions on University of Texas Medical Branch at Galveston and the University of Texas Southwestern Medical Center.
BAYLOR COLLEGE OF MEDICINE - GME E.1.2	\$10,353,014	\$10,918,818	\$565,804	5.5%	Formula allocation is tied to GME Health Related Formula.
BAYLOR COLL MED PERM ENDOWMENT FUND E.1.3	\$2,836,851	\$2,850,000	\$13,149	0.5%	
BAYLOR COLL MED PERM HEALTH FUND E.1.4	\$4,150,627	\$4,050,000	(\$100,627)	(2.4%)	
Total, Goal E, BAYLOR COLLEGE OF MEDICINE	\$93,205,304	\$95,115,714	\$1,910,410	2.0%	
DEVELOPMENTAL EDUCATION PROGRAM F.1.1	\$4,000,000	\$4,000,000	\$0	0.0%	
TEACHER EDUCATION F.1.2	\$3,040,706	\$3,040,706	\$0	0.0%	
AFRICAN AMERICAN MUSEUM INTERNSHIP F.1.3	\$133,432	\$133,432	\$0	0.0%	
ABE COMMUNITY COLLEGE GRANTS F.1.4	\$4,000,000	\$4,000,000	\$0	0.0%	

Higher Education Coordinating Board
Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
COLLEGE READINESS AND SUCCESS GRANT	\$2,159,748	\$0	(\$2,159,748)	(100.0%)	Recommendations include an anticipated decrease of \$2,159,748 in donations from Advise Texas.
UTB TSC TRANSITION FUNDING F.1.5	\$0	\$22,916,540	\$22,916,540	100.0%	Recommendations reflect formula funding for the University of Texas at Brownsville and Texas Southmost Community College that has been trusteeed to the agency. This funding will be re-allocated to the two institutions after enrollment data is updated.
Total, Goal F, QUALITY, ACCESS AND SUCCESS	\$13,333,886	\$34,090,678	\$20,756,792	155.7%	
CAREER/TECHNICAL EDUCATION PROGRAMS G.1.1	\$65,784,248	\$48,000,000	(\$17,784,248)	(27.0%)	Recommendations reflect an anticipated decrease in Perkins funds that include Vocational Education Basic Grants and Tech-Prep Education Grants. See Section 3D for allocations between these two grants.
TEACHER QUALITY GRANTS PROGRAMS G.1.2	\$12,454,557	\$5,768,000	(\$6,686,557)	(53.7%)	Recommendations reflect an anticipated decrease in fiscal year 2015 for Improving Teacher Quality State Grants. See Section 3D for more information.
COLLEGE ACCESS CHALLENGE GRANTS G.1.3	\$23,458,156	\$224,000	(\$23,234,156)	(99.0%)	Recommendations reflect an expiration of the College Access Challenge grant in fiscal year 2013. Remaining funding are is tied to John R. Justice Prosecutors and Defenders Incentive Program. See Section 3D.
OTHER FEDERAL GRANTS G.1.4	\$772,000	\$554,000	(\$218,000)	(28.2%)	
Total, Goal G, FEDERAL GRANT PROGRAMS	\$102,468,961	\$54,546,000	(\$47,922,961)	(46.8%)	
EARNINGS - MINORITY HEALTH H.1.1	\$5,402,235	\$2,950,000	(\$2,452,235)	(45.4%)	Recommendations reflect an anticipated decrease in tobacco funds.
EARNINGS - NURSING/ALLIED HEALTH H.1.2	\$6,951,123	\$5,400,000	(\$1,551,123)	(22.3%)	Recommendations reflect an anticipated decrease in tobacco funds.
Total, Goal H, CLOSE GAPS - TOBACCO FUNDS	\$12,353,358	\$8,350,000	(\$4,003,358)	(32.4%)	
CENTRAL ADMINISTRATION I.1.1	\$9,960,337	\$9,010,324	(\$950,013)	(9.5%)	Recommendations include an anticipated decrease of \$412,103 in student loan funds and a decrease of \$277,403 in donations primarily from the Lumina Foundation. Recommendations include an decrease of \$260,507 in General Revenue.

Higher Education Coordinating Board
Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
INFORMATION RESOURCES I.1.2	\$8,503,847	\$7,261,047	(\$1,242,800)	(14.6%)	Recommendations include an anticipated decrease of \$2,121,151 in B-On-Time General Revenue-Dedicated Funds (all General Revenue Dedicated funding for the B-On-Time program has been consolidated in B.1.2). This decrease was offset by an increase in General Revenue funds of \$543,922 tied to increased funding to maintain current obligations for Data Center Services, which was offset by a decrease of \$85,429 in a re-allocation of general revenue, and by an increase of \$419,857 in Student Loan funds.
OTHER SUPPORT SERVICES I.1.3	\$3,830,468	\$2,869,808	(\$960,660)	(25.1%)	Recommendations include a decrease of \$755,360 in B-On-Time General Revenue-Dedicated Funds and an anticipated decrease of \$205,301 in student loan funds (Other Funds).
Total, Goal I, INDIRECT ADMINISTRATION	\$22,294,652	\$19,141,179	(\$3,153,473)	(14.1%)	
Grand Total, All Strategies	\$1,320,896,891	\$1,285,032,254	(\$35,864,637)	(2.7%)	

Higher Education Coordinating Board
Summary of Recommendations - Senate, By Method of Finance -- GENERAL REVENUE FUNDS

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
COLLEGE READINESS AND SUCCESS A.1.1	\$4,027,078	\$3,727,042	(\$300,036)	(7.5%)	Recommendations include a decrease in \$300,036 in General Revenue funds. A portion of the Professional Nursing Shortage Reduction Program is used for administrative purposes. These funds are reflected in 2012-13 but not included in the recommended amount in 2014-15. The agency has also restructured several of their administrative strategies.
STATE LOAN PROGRAMS A.1.2	\$0	\$0	\$0	0.0%	
STUDENT GRANTS AND SPECIAL PROGRAMS A.1.3	\$1,850,602	\$1,850,602	\$0	0.0%	
WORKFORCE, ACADEMIC AFFAIRS, & RSCH A.2.1	\$3,309,475	\$3,384,510	\$75,035	2.3%	Recommendations include an increase of \$75,035 in General Revenue.
PLANNING/INFORMATION/EVALUATION A.3.1	\$4,114,956	\$3,979,956	(\$135,000)	(3.3%)	Recommendations include an decrease of \$135,000 in General Revenue.
HIGHER EDUCATION POLICY INSTITUTE A.3.2	\$0	\$0	\$0	0.0%	
Total, Goal A, COORDINATE HIGHER EDUCATION	\$13,302,111	\$12,942,110	(\$360,001)	(2.7%)	
TEXAS GRANT PROGRAM B.1.1	\$559,537,826	\$559,537,824	(\$2)	(0.0%)	Recommendations match the 2012-13 appropriated levels for the program.
TEXAS B-ON-TIME PROGRAM B.1.2	\$29,379,446	\$31,408,000	\$2,028,554	6.9%	Recommendations match the 2012-13 appropriated levels for the program. The 2012-13 Base amounts reflect the transfer of \$1,700,000 in general revenue funds from the B-On-Time strategy to Strategy B.1.5 College Work Study and \$328,554 to the administrative strategies in Goal I, Indirect Administration.
TUITION EQUALIZATION GRANTS B.1.3	\$168,845,654	\$168,845,654	\$0	0.0%	
TEXAS EDUCATION OPPORTUNITY GRANT B.1.4	\$23,147,818	\$24,061,600	\$913,782	3.9%	Recommendations match the 2012-13 appropriated levels for the program. The 2012-13 Base amounts reflect transfer of funds from the Texas Education Opportunity Grant strategy to Strategy B.1.5 College Work Study.
COLLEGE WORK STUDY PROGRAM B.1.5	\$17,673,060	\$15,059,278	(\$2,613,782)	(14.8%)	Recommendations match the 2012-13 appropriated levels for the program. The 2012-13 Base amounts reflect the transfer of funds from the Texas Education Opportunity Grant strategy to Strategy B.1.5 College Work Study.
LICENSE PLATE SCHOLARSHIPS B.1.6	\$0	\$0	\$0	0.0%	Recommendations include an anticipated increase in license plate revenue.
TEACH FOR TEXAS LOAN REPAYMENT B.1.7	\$1,000,000	\$1,000,000	\$0	0.0%	Recommendations match the 2012-13 appropriated levels for the program.
BORDER FACULTY LOAN REPAYMENT PGM B.1.8	\$375,626	\$375,626	\$0	0.0%	Recommendations match the 2012-13 appropriated levels for the program.
OAG LAWYERS LOAN REPAYMENT PROGRAM B.1.9	\$496,072	\$496,072	\$0	0.0%	Recommendations match the 2012-13 appropriated levels for the program.

Higher Education Coordinating Board
Summary of Recommendations - Senate, By Method of Finance -- GENERAL REVENUE FUNDS

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
TOP 10 PERCENT SCHOLARSHIPS B.1.10	\$39,624,892	\$39,624,892	\$0	0.0%	Recommendations match the 2012-13 appropriated levels for the program.
TX ARMED SERVICES SCHOLARSHIP PGM B.1.11	\$7,120,000	\$7,120,000	\$0	0.0%	Recommendations match the 2012-13 appropriated levels for the program.
T-STEM CHALLENGE PROGRAM B.1.12	\$0	\$0	\$0	0.0%	
Total, Goal B, CLOSE THE GAPS - AFFORDABILITY	\$847,200,394	\$847,528,946	\$328,552	0.0%	
N HACKERMAN ADVANCED RESEARCH PGM C.1.1	\$1,000,000	\$1,000,000	\$0	0.0%	Recommendations match the 2012-13 appropriated levels for the program.
TEXAS RESEARCH INCENTIVE PROGRAM C.1.2	\$35,625,000	\$35,625,000	\$0	0.0%	Recommendations match the 2012-13 appropriated levels for the program.
Total, Goal C, CLOSE THE GAPS - RESEARCH	\$36,625,000	\$36,625,000	\$0	0.0%	
FAMILY PRACTICE RESIDENCY PROGRAM D.1.1	\$5,600,000	\$5,600,000	\$0	0.0%	Recommendations match the 2012-13 appropriated levels for the program.
JOINT ADMISSION MEDICAL PROGRAM D.1.2	\$7,006,794	\$7,006,794	\$0	0.0%	Recommendations match the 2012-13 appropriated levels for the program.
PHYSICIAN ED. LOAN REPAY. PROGRAM D.1.3	\$0	\$0	\$0	0.0%	
PROF NURSING SHORTAGE REDUCTION PGM D.1.4	\$29,625,000	\$30,000,000	\$375,000	1.3%	The 2012-13 estimated/budgeted amounts include a transfer of funds to Strategy A.1.1, College Readiness and Success. The recommended amounts match the 2012-13 appropriated amounts.
ALZHEIMER'S DISEASE CENTERS	\$5,230,625	\$0	(\$5,230,625)	(100.0%)	Funding for this program was transferred to the University of Texas System and renamed the Darrell K Royal Alzheimer's Initiative.
TRAUMA CARE PROGRAM	\$0	\$0	\$0	0.0%	
Total, Goal D, CLOSE THE GAPS - HEALTH PROGRAMS	\$47,462,419	\$42,606,794	(\$4,855,625)	(10.2%)	
BAYLOR COLLEGE OF MEDICINE - UGME E.1.1	\$75,864,812	\$77,296,896	\$1,432,084	1.9%	Formula allocation is tied to decisions on University of Texas Medical Branch at Galveston and the University of Texas Southwestern Medical Center.
BAYLOR COLLEGE OF MEDICINE - GME E.1.2	\$10,353,014	\$10,918,818	\$565,804	5.5%	Formula allocation is tied to GME Health Related Formula.
BAYLOR COLL MED PERM ENDOWMENT FUND E.1.3	\$0	\$0	\$0	0.0%	
BAYLOR COLL MED PERM HEALTH FUND E.1.4	\$0	\$0	\$0	0.0%	
Total, Goal E, BAYLOR COLLEGE OF MEDICINE	\$86,217,826	\$88,215,714	\$1,997,888	2.3%	
DEVELOPMENTAL EDUCATION PROGRAM F.1.1	\$4,000,000	\$4,000,000	\$0	0.0%	Recommendations match the 2012-13 appropriated levels for the program.
TEACHER EDUCATION F.1.2	\$3,040,706	\$3,040,706	\$0	0.0%	Recommendations match the 2012-13 appropriated levels for the program.
AFRICAN AMERICAN MUSEUM INTERNSHIP F.1.3	\$133,432	\$133,432	\$0	0.0%	Recommendations match the 2012-13 appropriated levels for the program.
ABE COMMUNITY COLLEGE GRANTS F.1.4	\$4,000,000	\$4,000,000	\$0	0.0%	Recommendations match the 2012-13 appropriated levels for the program.

Higher Education Coordinating Board
Summary of Recommendations - Senate, By Method of Finance -- GENERAL REVENUE FUNDS

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
COLLEGE READINESS AND SUCCESS GRANT	\$0	\$0	\$0	0.0%	Recommendations reflect formula funding for the University of Texas at Brownsville and Texas Southmost Community College that has been trusted to the agency. This funding will be re-allocated to the two institutions after enrollment data is updated.
UTB TSC TRANSITION FUNDING F.1.5	\$0	\$22,916,540	\$22,916,540	100.0%	
Total, Goal F, QUALITY, ACCESS AND SUCCESS	\$11,174,138	\$34,090,678	\$22,916,540	205.1%	
CAREER/TECHNICAL EDUCATION PROGRAMS G.1.1	\$0	\$0	\$0	0.0%	
TEACHER QUALITY GRANTS PROGRAMS G.1.2	\$0	\$0	\$0	0.0%	
COLLEGE ACCESS CHALLENGE GRANTS G.1.3	\$0	\$0	\$0	0.0%	
OTHER FEDERAL GRANTS G.1.4	\$0	\$0	\$0	0.0%	
Total, Goal G, FEDERAL GRANT PROGRAMS	\$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, CLOSE GAPS - TOBACCO FUNDS	\$0	\$0	\$0	0.0%	
CENTRAL ADMINISTRATION I.1.1	\$7,267,144	\$7,006,637	(\$260,507)	(3.6%)	Recommendations include an decrease of \$260,507 in General Revenue.
INFORMATION RESOURCES I.1.2	\$2,725,462	\$3,183,956	\$458,494	16.8%	Recommendations include an increase in General Revenue funds of \$543,922 tied to increased funding to maintain current obligations for Data Center Services, which was offset by a decrease of \$85,429 in a re-allocation of general revenue, and by a increase of \$419,857 in Student Loan funds.
OTHER SUPPORT SERVICES I.1.3	\$1,549,924	\$1,549,925	\$1	0.0%	
Total, Goal I, INDIRECT ADMINISTRATION	\$11,542,530	\$11,740,518	\$197,988	1.7%	
Grand Total, All Strategies	\$1,053,524,418	\$1,073,749,760	\$20,225,342	1.9%	

Higher Education Coordinating Board
Summary of Recommendations - Senate, By Method of Finance -- GR DEDICATED

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
COLLEGE READINESS AND SUCCESS A.1.1	\$0	\$0	\$0	0.0%	
STATE LOAN PROGRAMS A.1.2	\$0	\$0	\$0	0.0%	
STUDENT GRANTS AND SPECIAL PROGRAMS A.1.3	\$0	\$0	\$0	0.0%	
WORKFORCE, ACADEMIC AFFAIRS, & RSCH A.2.1	\$0	\$0	\$0	0.0%	
PLANNING/INFORMATION/EVALUATION A.3.1	\$0	\$0	\$0	0.0%	
HIGHER EDUCATION POLICY INSTITUTE A.3.2	\$0	\$0	\$0	0.0%	
Total, Goal A, COORDINATE HIGHER EDUCATION	\$0	\$0	\$0	0.0%	
TEXAS GRANT PROGRAM B.1.1	\$0	\$0	\$0	0.0%	
TEXAS B-ON-TIME PROGRAM B.1.2	\$77,681,280	\$80,557,791	\$2,876,511	3.7%	Recommendations match the 2012-13 appropriated levels for the program. The 2012-13 Base amounts reflect the transfer of general revenue-dedicated funds to the administrative strategies in the Goal I, Indirect Administration.
TUITION EQUALIZATION GRANTS B.1.3	\$0	\$0	\$0	0.0%	
TEXAS EDUCATION OPPORTUNITY GRANT B.1.4	\$0	\$0	\$0	0.0%	
COLLEGE WORK STUDY PROGRAM B.1.5	\$0	\$0	\$0	0.0%	
LICENSE PLATE SCHOLARSHIPS B.1.6	\$1,099,000	\$1,165,922	\$66,922	6.1%	Recommendations include an anticipated increase in license plate revenue.
TEACH FOR TEXAS LOAN REPAYMENT B.1.7	\$0	\$0	\$0	0.0%	
BORDER FACULTY LOAN REPAYMENT PGM B.1.8	\$0	\$0	\$0	0.0%	
OAG LAWYERS LOAN REPAYMENT PROGRAM B.1.9	\$0	\$0	\$0	0.0%	
TOP 10 PERCENT SCHOLARSHIPS B.1.10	\$0	\$0	\$0	0.0%	
TX ARMED SERVICES SCHOLARSHIP PGM B.1.11	\$0	\$0	\$0	0.0%	
T-STEM CHALLENGE PROGRAM B.1.12	\$0	\$0	\$0	0.0%	
Total, Goal B, CLOSE THE GAPS - AFFORDABILITY	\$78,780,280	\$81,723,713	\$2,943,433	3.7%	
N HACKERMAN ADVANCED RESEARCH PGM C.1.1	\$0	\$0	\$0	0.0%	
TEXAS RESEARCH INCENTIVE PROGRAM C.1.2	\$0	\$0	\$0	0.0%	
Total, Goal C, CLOSE THE GAPS - RESEARCH	\$0	\$0	\$0	0.0%	
FAMILY PRACTICE RESIDENCY PROGRAM D.1.1	\$0	\$0	\$0	0.0%	
JOINT ADMISSION MEDICAL PROGRAM D.1.2	\$0	\$0	\$0	0.0%	

Higher Education Coordinating Board
Summary of Recommendations - Senate, By Method of Finance -- GR DEDICATED

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
PHYSICIAN ED. LOAN REPAY. PROGRAM D.1.3	\$5,600,000	\$33,800,000	\$28,200,000	503.6%	Recommendations include an increase of \$28,200,000 in General-Revenue Dedicated funds, smokeless tobacco tax. Recommendations would cover four years of repayments for two cohorts of 100 physicans. One cohort would receive their first loan repayment in fiscal year 2014 and the second cohort would receive their first loan repayment in fiscal year 2015. See Supplemental Schedule 3A PELRP. The anticipated revenue for 2014-15 (based on 2013 estimated revenue) is \$34.2 million per year. This increase was offset by a \$83,709 in donations in fiscal year 2012 that was not included in 2014-15.
PROF NURSING SHORTAGE REDUCTION PGM D.1.4	\$0	\$0	\$0	0.0%	
ALZHEIMER'S DISEASE CENTERS	\$0	\$0	\$0	0.0%	
TRAUMA CARE PROGRAM	\$0	\$0	\$0	0.0%	
Total, Goal D, CLOSE THE GAPS - HEALTH PROGRAMS	\$5,600,000	\$33,800,000	\$28,200,000	503.6%	
BAYLOR COLLEGE OF MEDICINE - UGME E.1.1	\$0	\$0	\$0	0.0%	
BAYLOR COLLEGE OF MEDICINE - GME E.1.2	\$0	\$0	\$0	0.0%	
BAYLOR COLL MED PERM ENDOWMENT FUND E.1.3	\$0	\$0	\$0	0.0%	
BAYLOR COLL MED PERM HEALTH FUND E.1.4	\$0	\$0	\$0	0.0%	
Total, Goal E, BAYLOR COLLEGE OF MEDICINE	\$0	\$0	\$0	0.0%	
DEVELOPMENTAL EDUCATION PROGRAM F.1.1	\$0	\$0	\$0	0.0%	
TEACHER EDUCATION F.1.2	\$0	\$0	\$0	0.0%	
AFRICAN AMERICAN MUSEUM INTERNSHIP F.1.3	\$0	\$0	\$0	0.0%	
ABE COMMUNITY COLLEGE GRANTS F.1.4	\$0	\$0	\$0	0.0%	
COLLEGE READINESS AND SUCCESS GRANT	\$0	\$0	\$0	0.0%	
UTB TSC TRANSITION FUNDING F.1.5	\$0	\$0	\$0	0.0%	
Total, Goal F, QUALITY, ACCESS AND SUCCESS	\$0	\$0	\$0	0.0%	
CAREER/TECHNICAL EDUCATION PROGRAMS G.1.1	\$0	\$0	\$0	0.0%	
TEACHER QUALITY GRANTS PROGRAMS G.1.2	\$0	\$0	\$0	0.0%	
COLLEGE ACCESS CHALLENGE GRANTS G.1.3	\$0	\$0	\$0	0.0%	
OTHER FEDERAL GRANTS G.1.4	\$0	\$0	\$0	0.0%	
Total, Goal G, FEDERAL GRANT PROGRAMS	\$0	\$0	\$0	0.0%	
EARNINGS - MINORITY HEALTH H.1.1	\$0	\$0	\$0	0.0%	

Higher Education Coordinating Board
Summary of Recommendations - Senate, By Method of Finance -- GR DEDICATED

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
EARNINGS - NURSING/ALLIED HEALTH H.1.2	\$0	\$0	\$0	0.0%	
Total, Goal H, CLOSE GAPS - TOBACCO FUNDS	\$0	\$0	\$0	0.0%	
CENTRAL ADMINISTRATION I.1.1	\$0	\$0	\$0	0.0%	
INFORMATION RESOURCES I.1.2	\$2,121,151	\$0	(\$2,121,151)	(100.0%)	Recommendations include a decrease of \$2,121,151 in B-On-Time General Revenue-Dedicated Funds (all General Revenue Dedicated funding for the B-On-Time program has been consolidated in B.1.2.).
OTHER SUPPORT SERVICES I.1.3	\$755,360	\$0	(\$755,360)	(100.0%)	Recommendations include a decrease of \$755,360 in B-On-Time General Revenue-Dedicated Funds (all General Revenue Dedicated funding for the B-On-Time program has been consolidated in B.1.2.).
Total, Goal I, INDIRECT ADMINISTRATION	\$2,876,511	\$0	(\$2,876,511)	(100.0%)	
Grand Total, All Strategies	\$87,256,791	\$115,523,713	\$28,266,922	32.4%	

Higher Education Coordinating Board
Summary of Recommendations - Senate, By Method of Finance -- FEDERAL FUNDS

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
COLLEGE READINESS AND SUCCESS A.1.1	\$0	\$0	\$0	0.0%	
STATE LOAN PROGRAMS A.1.2	\$0	\$0	\$0	0.0%	
STUDENT GRANTS AND SPECIAL PROGRAMS A.1.3	\$0	\$0	\$0	0.0%	
WORKFORCE, ACADEMIC AFFAIRS, & RSCH A.2.1	\$0	\$0	\$0	0.0%	
PLANNING/INFORMATION/EVALUATION A.3.1	\$0	\$0	\$0	0.0%	
HIGHER EDUCATION POLICY INSTITUTE A.3.2	\$0	\$0	\$0	0.0%	
Total, Goal A, COORDINATE HIGHER EDUCATION	\$0	\$0	\$0	0.0%	
TEXAS GRANT PROGRAM B.1.1	\$0	\$0	\$0	0.0%	
TEXAS B-ON-TIME PROGRAM B.1.2	\$0	\$0	\$0	0.0%	
TUITION EQUALIZATION GRANTS B.1.3	\$0	\$0	\$0	0.0%	
TEXAS EDUCATION OPPORTUNITY GRANT B.1.4	\$0	\$0	\$0	0.0%	
COLLEGE WORK STUDY PROGRAM B.1.5	\$0	\$0	\$0	0.0%	
LICENSE PLATE SCHOLARSHIPS B.1.6	\$0	\$0	\$0	0.0%	
TEACH FOR TEXAS LOAN REPAYMENT B.1.7	\$0	\$0	\$0	0.0%	
BORDER FACULTY LOAN REPAYMENT PGM B.1.8	\$0	\$0	\$0	0.0%	
OAG LAWYERS LOAN REPAYMENT PROGRAM B.1.9	\$0	\$0	\$0	0.0%	
TOP 10 PERCENT SCHOLARSHIPS B.1.10	\$0	\$0	\$0	0.0%	
TX ARMED SERVICES SCHOLARSHIP PGM B.1.11	\$0	\$0	\$0	0.0%	
T-STEM CHALLENGE PROGRAM B.1.12	\$0	\$0	\$0	0.0%	
Total, Goal B, CLOSE THE GAPS - AFFORDABILITY	\$0	\$0	\$0	0.0%	
N HACKERMAN ADVANCED RESEARCH PGM C.1.1	\$0	\$0	\$0	0.0%	
TEXAS RESEARCH INCENTIVE PROGRAM C.1.2	\$0	\$0	\$0	0.0%	
Total, Goal C, CLOSE THE GAPS - RESEARCH	\$0	\$0	\$0	0.0%	
FAMILY PRACTICE RESIDENCY PROGRAM D.1.1	\$0	\$0	\$0	0.0%	
JOINT ADMISSION MEDICAL PROGRAM D.1.2	\$0	\$0	\$0	0.0%	
PHYSICIAN ED. LOAN REPAY. PROGRAM D.1.3	\$0	\$0	\$0	0.0%	
PROF NURSING SHORTAGE REDUCTION PGM D.1.4	\$0	\$0	\$0	0.0%	
ALZHEIMER'S DISEASE CENTERS	\$0	\$0	\$0	0.0%	
TRAUMA CARE PROGRAM	\$0	\$0	\$0	0.0%	
Total, Goal D, CLOSE THE GAPS - HEALTH PROGRAMS	\$0	\$0	\$0	0.0%	

Higher Education Coordinating Board
Summary of Recommendations - Senate, By Method of Finance -- FEDERAL FUNDS

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
BAYLOR COLLEGE OF MEDICINE - UGME E.1.1	\$0	\$0	\$0	0.0%	
BAYLOR COLLEGE OF MEDICINE - GME E.1.2	\$0	\$0	\$0	0.0%	
BAYLOR COLL MED PERM ENDOWMENT FUND E.1.3	\$0	\$0	\$0	0.0%	
BAYLOR COLL MED PERM HEALTH FUND E.1.4	\$0	\$0	\$0	0.0%	
Total, Goal E, BAYLOR COLLEGE OF MEDICINE	\$0	\$0	\$0	0.0%	
DEVELOPMENTAL EDUCATION PROGRAM F.1.1	\$0	\$0	\$0	0.0%	
TEACHER EDUCATION F.1.2	\$0	\$0	\$0	0.0%	
AFRICAN AMERICAN MUSEUM INTERNSHIP F.1.3	\$0	\$0	\$0	0.0%	
ABE COMMUNITY COLLEGE GRANTS F.1.4	\$0	\$0	\$0	0.0%	
COLLEGE READINESS AND SUCCESS GRANT	\$0	\$0	\$0	0.0%	
UTB TSC TRANSITION FUNDING F.1.5	\$0	\$0	\$0	0.0%	
Total, Goal F, QUALITY, ACCESS AND SUCCESS	\$0	\$0	\$0	0.0%	
CAREER/TECHNICAL EDUCATION PROGRAMS G.1.1	\$65,784,248	\$48,000,000	(\$17,784,248)	(27.0%)	Recommendations reflect an anticipated decrease in Perkins funds that include Vocational Education Basic Grants and Tech-Prep Education Grants. See Section 3D for allocations between these two grants.
TEACHER QUALITY GRANTS PROGRAMS G.1.2	\$12,454,557	\$5,768,000	(\$6,686,557)	(53.7%)	Recommendations reflect an anticipated decrease in fiscal year 2015 for Improving Teacher Quality State Grants. See Section 3D for more information.
COLLEGE ACCESS CHALLENGE GRANTS G.1.3	\$23,458,156	\$224,000	(\$23,234,156)	(99.0%)	Recommendations reflect an expiration of the College Access Challenge grant in fiscal year 2013. Remaining funding are is tied to John R. Justice Prosecutors and Defenders Incentive Program. See Section 3D.
OTHER FEDERAL GRANTS G.1.4	\$772,000	\$554,000	(\$218,000)	(28.2%)	
Total, Goal G, FEDERAL GRANT PROGRAMS	\$102,468,961	\$54,546,000	(\$47,922,961)	(46.8%)	
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, CLOSE GAPS - TOBACCO FUNDS	\$0	\$0	\$0	0.0%	
CENTRAL ADMINISTRATION I.1.1	\$0	\$0	\$0	0.0%	
INFORMATION RESOURCES I.1.2	\$0	\$0	\$0	0.0%	

Higher Education Coordinating Board
Summary of Recommendations - Senate, By Method of Finance -- FEDERAL FUNDS

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
OTHER SUPPORT SERVICES I.1.3	\$0	\$0	\$0	0.0%	
Total, Goal I, INDIRECT ADMINISTRATION	\$0	\$0	\$0	0.0%	
Grand Total, All Strategies	\$102,468,961	\$54,546,000	(\$47,922,961)	(46.8%)	

Higher Education Coordinating Board
Summary of Recommendations - Senate, By Method of Finance -- OTHER FUNDS

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
COLLEGE READINESS AND SUCCESS A.1.1	\$1,107,045	\$0	(\$1,107,045)	(100.0%)	Recommendations include an agency anticipated decrease of \$1,012,045 in donations, primarily from Complete College America. Remaining difference is tied to interagency contracts included in 2012-13.
STATE LOAN PROGRAMS A.1.2	\$10,245,034	\$11,300,000	\$1,054,966	10.3%	Recommendations include an anticipated increase of \$1,054,966 in Student Loan funds, due to moving the HELMS software from Strategy I.1.2, Information Resources to this strategy beginning in fiscal year 2013.
STUDENT GRANTS AND SPECIAL PROGRAMS A.1.3	\$0	\$0	\$0	0.0%	
WORKFORCE, ACADEMIC AFFAIRS, & RSCH A.2.1	\$1,283,668	\$6,000	(\$1,277,668)	(99.5%)	Recommendations include an anticipated decrease of \$1,277,668 in fees from Common App/Apply Texas.
PLANNING/INFORMATION/EVALUATION A.3.1	\$752,837	\$400,000	(\$352,837)	(46.9%)	Recommendations include an anticipated decrease of \$352,837 in donations, primarily from the Gates Foundation.
HIGHER EDUCATION POLICY INSTITUTE A.3.2	\$640,733	\$846,120	\$205,387	32.1%	Recommendations include an anticipated increase of \$205,387 in donations from the Houston Endowment.
Total, Goal A, COORDINATE HIGHER EDUCATION	\$14,029,317	\$12,552,120	(\$1,477,197)	(10.5%)	
TEXAS GRANT PROGRAM B.1.1	\$20,160,000	\$10,000	(\$20,150,000)	(100.0%)	Recommendations include an anticipated decrease of \$20,000,000 in donations from the Texas Guaranteed Student Loan Corporation and \$150,000 from the Texas Retailer's Association.
TEXAS B-ON-TIME PROGRAM B.1.2	\$0	\$0	\$0	0.0%	
TUITION EQUALIZATION GRANTS B.1.3	\$0	\$0	\$0	0.0%	
TEXAS EDUCATION OPPORTUNITY GRANT B.1.4	\$0	\$0	\$0	0.0%	
COLLEGE WORK STUDY PROGRAM B.1.5	\$0	\$0	\$0	0.0%	
LICENSE PLATE SCHOLARSHIPS B.1.6	\$0	\$0	\$0	0.0%	
TEACH FOR TEXAS LOAN REPAYMENT B.1.7	\$0	\$0	\$0	0.0%	
BORDER FACULTY LOAN REPAYMENT PGM B.1.8	\$0	\$0	\$0	0.0%	
OAG LAWYERS LOAN REPAYMENT PROGRAM B.1.9	\$0	\$0	\$0	0.0%	
TOP 10 PERCENT SCHOLARSHIPS B.1.10	\$0	\$0	\$0	0.0%	
TX ARMED SERVICES SCHOLARSHIP PGM B.1.11	\$0	\$0	\$0	0.0%	
T-STEM CHALLENGE PROGRAM B.1.12	\$9,497,500	\$6,000,000	(\$3,497,500)	(36.8%)	Recommendations include an anticipated decrease in donations from the Texas Guaranteed Student Loan Corporation.

Higher Education Coordinating Board
Summary of Recommendations - Senate, By Method of Finance -- OTHER FUNDS

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
Total, Goal B, CLOSE THE GAPS - AFFORDABILITY	\$29,657,500	\$6,010,000	(\$23,647,500)	(79.7%)	
N HACKERMAN ADVANCED RESEARCH PGM C.1.1	\$0	\$0	\$0	0.0%	
TEXAS RESEARCH INCENTIVE PROGRAM C.1.2	\$0	\$0	\$0	0.0%	
Total, Goal C, CLOSE THE GAPS - RESEARCH	\$0	\$0	\$0	0.0%	
FAMILY PRACTICE RESIDENCY PROGRAM D.1.1	\$0	\$0	\$0	0.0%	
JOINT ADMISSION MEDICAL PROGRAM D.1.2	\$0	\$0	\$0	0.0%	
PHYSICIAN ED. LOAN REPAY. PROGRAM D.1.3	\$83,709	\$0	(\$83,709)	(100.0%)	Recommendations include an anticipated decrease in donations.
PROF NURSING SHORTAGE REDUCTION PGM D.1.4	\$0	\$0	\$0	0.0%	
ALZHEIMER'S DISEASE CENTERS	\$0	\$0	\$0	0.0%	
TRAUMA CARE PROGRAM	\$4,500,000	\$0	(\$4,500,000)	(100.0%)	Recommendations include an anticipated decrease in interagency contracts with the Department of State Health Services. See Rider 53 Contingency Rider.
Total, Goal D, CLOSE THE GAPS - HEALTH PROGRAMS	\$4,583,709	\$0	(\$4,583,709)	(100.0%)	
BAYLOR COLLEGE OF MEDICINE - UGME E.1.1	\$0	\$0	\$0	0.0%	
BAYLOR COLLEGE OF MEDICINE - GME E.1.2	\$0	\$0	\$0	0.0%	
BAYLOR COLL MED PERM ENDOWMENT FUND E.1.3	\$2,836,851	\$2,850,000	\$13,149	0.5%	
BAYLOR COLL MED PERM HEALTH FUND E.1.4	\$4,150,627	\$4,050,000	(\$100,627)	(2.4%)	Recommendations reflect an anticipated decrease in tobacco funds.
Total, Goal E, BAYLOR COLLEGE OF MEDICINE	\$6,987,478	\$6,900,000	(\$87,478)	(1.3%)	Recommendations reflect an anticipated decrease in tobacco funds.
DEVELOPMENTAL EDUCATION PROGRAM F.1.1	\$0	\$0	\$0	0.0%	
TEACHER EDUCATION F.1.2	\$0	\$0	\$0	0.0%	
AFRICAN AMERICAN MUSEUM INTERNSHIP F.1.3	\$0	\$0	\$0	0.0%	
ABE COMMUNITY COLLEGE GRANTS F.1.4	\$0	\$0	\$0	0.0%	
COLLEGE READINESS AND SUCCESS GRANT	\$2,159,748	\$0	(\$2,159,748)	(100.0%)	Recommendations include an anticipated decrease of \$2,159,748 in donations from Advise Texas.
UTB TSC TRANSITION FUNDING F.1.5	\$0	\$0	\$0	0.0%	
Total, Goal F, QUALITY, ACCESS AND SUCCESS	\$2,159,748	\$0	(\$2,159,748)	(100.0%)	
CAREER/TECHNICAL EDUCATION PROGRAMS G.1.1	\$0	\$0	\$0	0.0%	
TEACHER QUALITY GRANTS PROGRAMS G.1.2	\$0	\$0	\$0	0.0%	
COLLEGE ACCESS CHALLENGE GRANTS G.1.3	\$0	\$0	\$0	0.0%	

Higher Education Coordinating Board
Summary of Recommendations - Senate, By Method of Finance -- OTHER FUNDS

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
OTHER FEDERAL GRANTS G.1.4	\$0	\$0	\$0	0.0%	
Total, Goal G, FEDERAL GRANT PROGRAMS	\$0	\$0	\$0	0.0%	
EARNINGS - MINORITY HEALTH H.1.1	\$5,402,235	\$2,950,000	(\$2,452,235)	(45.4%)	Recommendations reflect an anticipated decrease in tobacco funds.
EARNINGS - NURSING/ALLIED HEALTH H.1.2	\$6,951,123	\$5,400,000	(\$1,551,123)	(22.3%)	Recommendations reflect an anticipated decrease in tobacco funds.
Total, Goal H, CLOSE GAPS - TOBACCO FUNDS	\$12,353,358	\$8,350,000	(\$4,003,358)	(32.4%)	
CENTRAL ADMINISTRATION I.1.1	\$2,693,193	\$2,003,687	(\$689,506)	(25.6%)	Recommendations include an anticipated decrease of \$412,103 in student loan funds and a decrease of \$277,403 in donations primarily from the Lumina Foundation.
INFORMATION RESOURCES I.1.2	\$3,657,234	\$4,077,091	\$419,857	11.5%	Recommendations include an anticipated increase in Student Loan funds.
OTHER SUPPORT SERVICES I.1.3	\$1,525,184	\$1,319,883	(\$205,301)	(13.5%)	Recommendations include an anticipated decrease in Student Loan funds.
Total, Goal I, INDIRECT ADMINISTRATION	\$7,875,611	\$7,400,661	(\$474,950)	(6.0%)	Recommendations include an anticipated decrease in Student Loan funds.
Grand Total, All Strategies	\$77,646,721	\$41,212,781	(\$36,433,940)	(46.9%)	

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Higher Education Coordinating Board Selected Fiscal and Policy Issues

Below is a list of selected fiscal and policy issues broken out by Goal for strategies where the recommended general revenue funding amount was \$1 million or over. See Supplemental Schedule 3A for a comparison of the 2012-13 estimated budgeted levels, the Higher Education Coordinating Board requested 2014-15 amounts and the 2014-15 recommended amounts for all the strategies listed below. Information concerning the remaining programs, including administrative strategies, is also included below.

1. **Financial Aid Programs (Goal B).** The overarching policy was to maintain financial aid programs at the 2012-13 appropriated levels. Differences between the 2012-13 appropriated amounts and the 2012-13 estimated/budgeted amounts are due to the agency transferring funding between programs and administrative strategies. See Table 3A, Comparison of Higher Education Coordinating Board Programs Over \$1 million in Funding.

Financial Aid Programs

- TEXAS Grants Recommended funding level is \$559.5 million.
- B-On-Time General Revenue-Recommended funding level is \$31.4 million.
- B-On-Time –General Revenue-Dedicated Recommended funding level is \$80.6 million in designated tuition set-asides. Institutions are required to set-aside 20% of designated tuition above \$46 per SCH for financial assistance. The B-On-Time program is supported by 5% of this 20% set aside.
- Tuition Equalization Grants-Recommended funding level is \$168.8 million.
- Texas Educational Opportunity Grants Recommended funding level is \$24.0 million.
- College Work Study-Recommended funding level is \$15.1 million.
- Teach for Texas Loan Repayment Program-Recommended funding level is \$1.0 million.
- Top Ten Percent Scholarships-Recommended funding level is \$39.6 million.
- Texas Armed Forces Scholarships-Recommended funding level is \$7.1 million.

2. **Research Programs (Goal C).** Funding for research programs has been maintained at 2012-13 appropriation levels.

- *Advanced Research Program* Recommended funding level is \$1 million, which is a competitive grant program for public and private institutions.
- *Texas Research Incentive Program* Recommended funding level is \$35.6. Emerging research universities are eligible for this funding.

3. **Health Programs (Goal D).** The overarching policy was to maintain programs funded by general revenue at 2012-13 appropriated levels with the exception of the Alzheimer's Disease Centers which has been transferred to the University of Texas System and renamed the Darrell K Royal Alzheimer's Initiative. The Physician Education Loan Repayment program, which is

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supported by a tax on smokeless tobacco, was increased by approximately \$28.2 million to cover two cohorts of 100 participants. See Table 3A Comparison of Higher Education Coordinating Board's Programs over \$1 million and Schedule 3A Physician Education Loan Repayment Program.

- *Family Practice Residency Program*. Recommended funding level is \$5.6 million.
- *Joint Admission Medical Program*. Recommended funding level is \$7.0 million
- *Professional Nursing Shortage Reduction Program*. Recommended funding is \$30.0 million.
- *Alzheimer's Disease Centers*. Program has been transferred to the University of Texas System.
- *Physician Education Loan Repayment Program*. Recommended funding level is \$33.8 million, an increase of \$28.2 million. The funding covers a cohort of 100 that would receive their first loan repayment in fiscal year 2014 and a second cohort of 100 that would receive their first loan repayment in fiscal year 2015. The funding amounts for both cohorts would cover four years. Appropriation authority to cover four years of service is per Article IX, Section 4.03(b) which states, "Funds appropriated by this Act for grants to be made by a state agency for a particular fiscal year may be distributed in subsequent fiscal years so long as the grant has been awarded and treated as a binding encumbrance by the grantor agency prior to the end of the appropriation year of the funds appropriated for grant purposes. The agency has indicated that the reduced funding in 2012-13 has made physicians of wary of signing up for the program, which is a four year commitment. See Section 3 Supplemental Physician Education Loan Repayment schedule regarding this funding.

4. **Baylor College of Medicine (Goal E)**. The recommended funding amounts for Baylor College of Medicine, are tied to the Health Related Formulas.

- *Baylor College of Medicine-UGME*- Recommended funding is \$77.3 million, an increase of \$1.4 million.
- *Baylor College of Medicine -GME*-Recommended funding is \$10.9 million, an increase of \$0.6 million.

5. **Funding for Quality and Access Programs (Goal F)**. The policy was to continue 2012-13 appropriated funding levels. A new strategy tied to formula funding for the University of Texas at Brownsville and Texas Southmost Community College has been included in the agency's bill pattern.

- *Developmental Education Programs*. Recommended funding is \$4 million.
- *Centers for Teacher Education*. Recommended funding level is \$3 million.
- *ABE Community College Grants*. Recommended funding level is \$4 million.
- *UTB TSC Transition Funding*. Recommended funding level is \$22.9 million. A portion of the University of Texas at Brownsville and Texas Southmost Community College formula funding has been trustee to the agency. The formula funding will be allocated to the institutions based on updated semester credit and contact data. See Schedule 3G UT-B/TSC Policy Overview concerning this transition.

6. The recommended funding amounts maintained the 2012-13 appropriated funding levels for other trustee programs in strategies funded with general revenue. See Table 3A, Comparison of Higher Education Coordinating Board Programs Over \$1 million in

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Funding.

- *Border Faculty Loan Repayment Program*. Recommended funding is \$375,626.
- *OAG Lawyer's Loan Repayment Program*. Recommended funding level is \$496,072.
- *African American Internship Program*. Recommended funding level is \$133,432.

7. For the administrative strategies under Goal A and Goal I, the recommended funding amount matched the agency's requested amount in general revenue with the exception of Strategy I.1.2 Information Resources. An additional \$543,922 has been included in this strategy to maintain current obligations based on data center services financial analysis done by Department of Information Resources (DIR). B-On-Time General Revenue-Dedicated funds that have been used for administrative purposes have been consolidated in Strategy B.1.2 B-On-Time.

8. The remaining General-Revenue Dedicated funding is tied to the License Plate Programs. The recommended funding amounts, \$1.2 million, are based on actual 2012 revenue. The estimates for the various license plate programs are consolidated in Strategy B.1.6. License Plate Scholarships.

9. Unexpended balances amounts from fiscal year 2013 into fiscal year 2014 for General Revenue and General-Revenue-Dedicated accounts were not included in recommendations. Unexpended Balances Estimates for the B-On-Time Program (\$102.4 million) and the Physician Education Loan Repayment Program (\$83.2 million), have been included in Section 6, Items not Included in Recommendations.

Comparison of Higher Education Coordinating Board's Programs Over \$1 million in Funding

	3A Supplemental						
				2014-15 Requested by Higher Education Coordinating Board		Difference of Recommended to 2012-13 Est/Bud	
	HIGHER EDUCATION COORDINATING BOARD	2012-13 Appropriated	2012-13 Estimated/Budgeted		2014-15 Recommended		Explanation
Strategy	Goal B Close the Gaps by Improving Affordability						
B.1.1	TEXAS Grants-General Revenue	\$559.5	\$559.5	\$580.8	\$559.5	\$0.0	Recommended funding matches 2012-13 appropriation levels.
B.1.2	B-On-Time Program-General Revenue	\$31.4	\$29.4	\$0.0	\$31.4	\$2.0	In 2012-13, agency transferred funding to B.1.5 College Work Study and administrative strategies in Goal I.
B.1.2	B-On-Time Program-General Revenue-Dedicated. The total for 2012-13 Est/Budget is \$80.6 million as is 2014-15 Recommendations.	\$80.6	\$77.7	\$78.2	\$80.6	\$2.9	In 2012-13, agency transferred funding to administrative strategies in Goal I.
B.1.3	Tuition Equalization Grants	\$168.8	\$168.8	\$168.8	\$168.8	\$0.0	
B.1.4	Texas Educational Opportunity Grants	\$24.1	\$23.2	\$65.3	\$24.1	\$0.9	In 2012-13, agency transferred funding to B.1.5 College Work Study.
B.1.5	Texas College Work Study	\$15.1	\$17.7	\$15.1	\$15.1	-\$2.6	Recommended funding matches 2012-13 appropriation levels. In 2012- 13, agency transferred funding from B.1.2 B-On-Time and B.1.4 Texas Educational Opportunity Grants to program.
B.1.7	Teach for Texas Loan Repayment Program	\$1.0	\$1.0	\$1.0	\$1.0	\$0.0	
B.1.10	Top Ten Percent Scholarships	\$39.6	\$39.6	\$8.5	\$39.6	\$0.0	
B.1.11	Texas Armed Forces Scholarships	\$7.1	\$7.1	\$7.1	\$7.1	\$0.0	
	Goal C Close the Gaps by Providing Trusteed Funds for Research						
C.1.1	Advanced Research Program	\$1.0	\$1.0	\$1.0	\$1.0	\$0.0	
C.1.2	Texas Research Incentive Program	\$35.6	\$35.6	\$35.6	\$35.6	\$0.0	
	Goal D Close the Gaps by Providing Trusteed Funds for Health Care Education						
D.1.1	Family Practice Residency	\$5.6	\$5.6	\$9.6	\$5.6	\$0.0	
D.1.2	Joint Admission Medical Program	\$7.0	\$7.0	\$4.0	\$7.0	\$0.0	
D.1.3	Physician Education Loan Repayment Program- General Revenue Dedicated.	\$5.6	\$5.6	\$5.6	\$33.8	\$28.2	Recommendations cover two cohorts of 100 participants, one being paid for their first year of service in fiscal year 2014, the other being paid for their first year of service in fiscal year 2015, for all four years (per the contract agreement). Based on August 2012 HECB report, program has been effective in retaining physicians in Texas Health Professional Shortage Areas.
D.1.4	Professional Nursing Shortage Reduction Program	\$30.0	\$29.6	\$30.0	\$30.0	\$0.4	In 2012-13, agency transferred \$0.4 million to administrative strategies.
D.1.5	Alzheimer's Disease Centers	\$5.2	\$5.2	\$4.2	\$0.0	-\$5.2	Program has been transferred to the University of Texas System
	Goal E Baylor College of Medicine						
E.1.1	Baylor College of Medicine-UGME	\$75.9	\$75.9	\$0.0	\$77.3	\$1.4	Allocation tied to HRI formulas. Agency did not request funding per LBB request.
E.1.2	Baylor College of Medicine-GME	\$10.4	\$10.4	\$0.0	\$10.9	\$0.5	Allocation tied to HRI formulas. Agency did not request funding per LBB request.
	Goal F Close the Gaps by Providing Trusteed Funds to Improve Quality/Delivery						
F.1.1	Developmental Education Programs	\$4.0	\$4.0	\$4.0	\$4.0	\$0.0	
F.1.2	Centers for Teacher Education	\$3.0	\$3.0	\$1.5	\$3.0	\$0.0	
F.1.4	ABE Community College Grants	\$4.0	\$4.0	\$4.0	\$4.0	\$0.0	
	College Readiness Grants-General Revenue	\$0.0	\$0.0	\$1.5	\$0.0	\$0.0	This program was not funded in 2012-13 so did not recommend funding in 2014-15.
F.1.5	UT-B TSC Transition Funding	\$0.0	\$0.0	\$1.5	\$22.9	\$22.9	
	Total Over 2012-13 Amounts*					\$51.4	

*Totals include major funding decisions over \$1 million in General Revenue.

Physician Education Loan Repayment Program

Sec 3A Supplemental-Recommended Funding Schedule for Physician Education Loan Repayment Program.

	2014	2014	2015	2015	2016	2016	2017	2017	2018	
	Fourth Year	First Year	First Year	Second Year	Second Year	Third Year	Third Year	Fourth Year	Fourth Year	
Cohorts										
41	\$1,800,000									
40		\$1,000,000		\$1,400,000		\$1,800,000		\$2,200,000		
60		\$1,500,000		\$2,100,000		\$2,700,000		\$3,300,000		
56			\$1,400,000		\$1,960,000		\$2,520,000		\$3,080,000	
44			\$1,100,000		\$1,540,000		\$1,980,000		\$2,420,000	
Totals each fiscal year:		\$4,300,000		\$6,000,000		\$8,000,000		\$10,000,000	\$5,500,000	
									Total:	\$33,800,000
									Base Request	\$5,600,000
									Over Base	\$28,200,000

Section 3B

Higher Education Coordinating Board
FTE Highlights

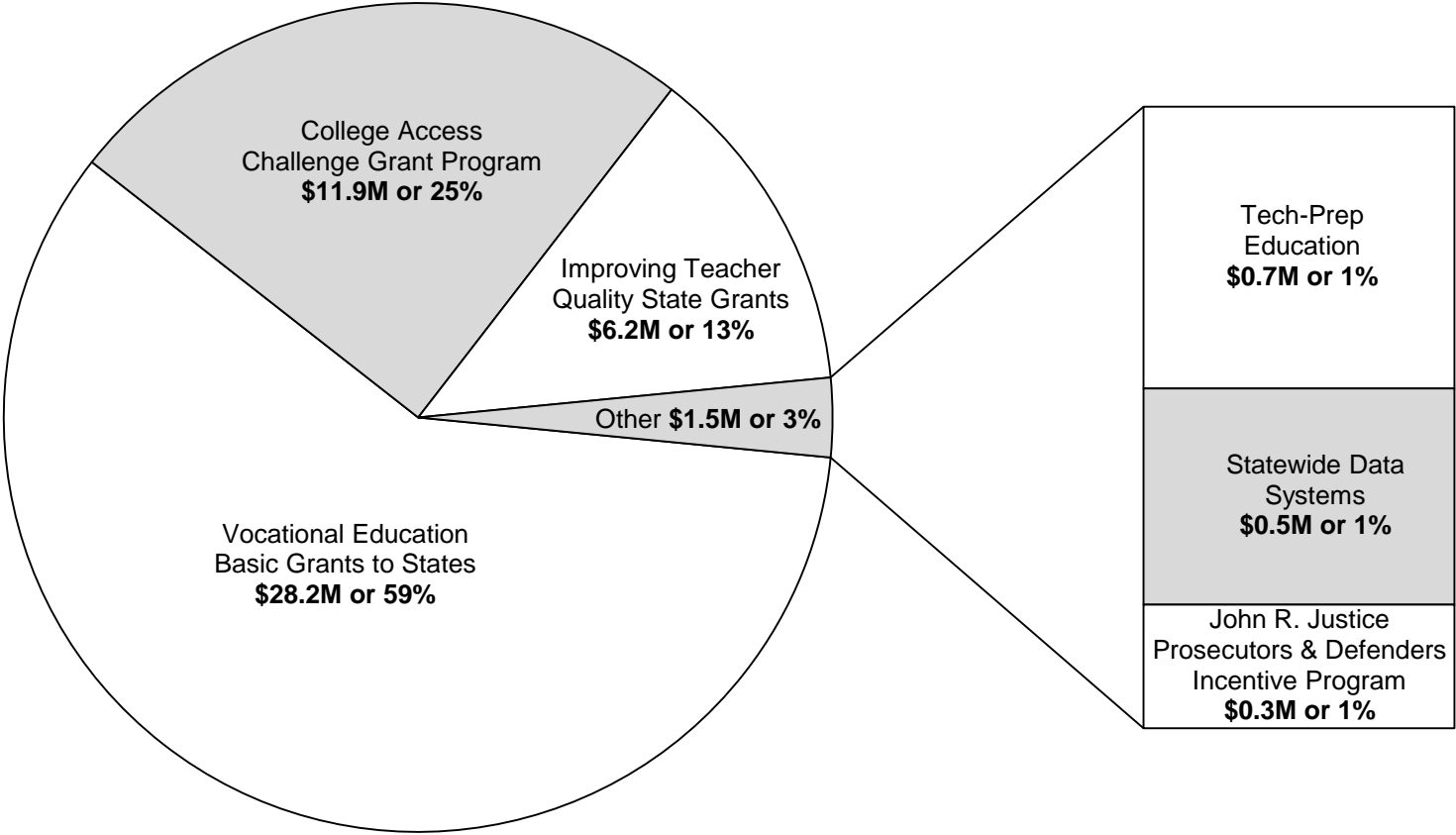
Full-Time-Equivalent Positions	Expended 2011	Estimated 2012	Budgeted 2013	Recommended 2014	Recommended 2015
Cap	310.9	275.4	275.4	275.4	275.4
Actual/Budgeted	276.1	275.4	275.4	NA	NA
Schedule of Exempt Positions (Cap)					
Commissioner of Higher Education	\$186,300	\$186,300	\$186,300	\$186,300	\$186,300

Section 3C

Higher Education Coordinating Board
Performance Measure Highlights

		Expended 2011	Estimated 2012	Budgeted 2013	Recommended 2014	Recommended 2015
•	Number of Students Receiving Texas Grants	72,091	74,962	72,549	77,615	81,950
	LBB Recommendations total \$559.5 million. The 2012-13 General Revenue funding for the TEXAS Grants program was \$559.5 million (the agency also received \$20.0 million in donations from the Texas Guaranteed Student Loan Corporation).					

Higher Education Coordinating Board
Summary of Federal Funds (Estimated 2012)
TOTAL = \$47.8M



Section 3D

Higher Education Coordinating Board
Summary of Federal Funds (Estimated 2012)
TOTAL = \$47.8M

CFDA	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015	Rec 2014	Rec 2015	Est 2012 % total
John R. Justice Prosecutors & Defenders Incentive Program	\$0.7	\$0.3	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	0.6%
Vocational Education Basic Grants to States	\$28.0	\$28.2	\$28.4	\$20.0	\$20.0	\$20.0	\$20.0	59.0%
State Student Incentives Grants	\$4.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Byrd Honors Scholarships	\$4.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Tech-Prep Education	\$8.1	\$0.7	\$8.5	\$4.0	\$4.0	\$4.0	\$4.0	1.4%
Improving Teacher Quality State Grants	\$5.1	\$6.2	\$6.2	\$5.5	\$0.3	\$5.5	\$0.3	13.0%
Statewide Data Systems	\$0.6	\$0.5	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3	1.1%
College Access Challenge Grant Program	\$11.6	\$11.9	\$11.1	\$0.0	\$0.0	\$0.0	\$0.0	24.9%
Stabilization - Government Services - Stimulus	\$41.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
TOTAL:	\$103.6	\$47.8	\$54.6	\$29.9	\$24.7	\$29.9	\$24.7	

Note: Amounts shown may sum greater/less than actual total due to rounding.

Section 3D

Higher Education Coordinating Board Significant Federal Funds Changes					
CFDA No.	Program Name	2012-13 Base	2014-15 Recommended	Recommended Over/(Under) Base	Comments (Optional)
16.816.000	John R. Justice Prosecutors & Defenders Incentive Program	\$405,174	\$224,000	(\$181,174)	
84.048.000	Vocational Education Basic Grants to States	\$56,650,352	\$40,000,000	(\$16,650,352)	
84.243.000	Tech-Prep Education	\$9,133,896	\$8,000,000	(\$1,133,896)	
84.367.000	Improving Teacher Quality State Grants	\$12,454,557	\$5,768,000	(\$6,686,557)	
84.372.000	Statewide Data Systems	\$772,000	\$554,000	(\$218,000)	
84.378.000	College Access Challenge Grant Program	\$23,052,982	\$0	(\$23,052,982)	

**TEXAS GRANT, TUITION EQUALIZATION GRANTS AND B-ON-TIME PROGRAM
2012–13 BIENNIUM**

CRITERIA	TEXAS GRANTS	B-ON-TIME	TUITION EQUALIZATION GRANTS
Eligible Institutions	Public institutions	Public, private or independent institutions	Private or independent institutions
Type of Financial Aid and Use	Grant can be used to pay any usual and customary cost of attendance	Loan can be used to pay any usual and customary cost of attendance.	Grant can be used to pay any cost and customary cost of attendance.
Course Load	Three-fourths of a Full Course Load	Full course load (12 semester hours)	Three-fourths of a Full course load
Financial Need	Must show financial need	Must show financial need if funding is insufficient to meet demand	Must show financial need
Loan Forgiveness	NA	Yes, if 3.0 GPA on a 4.0 scale and graduate within 4 to 5 years depending on degree program with no more than 6 credit hours over degree requirements	NA
Funding Estimated/ Budgeted	General Revenue-\$559.4 million. Donations-\$20.2 million.	General Revenue -\$29.4 million. General Revenue-Dedicated-\$77.7 million.	General Revenue-\$168.8 million
Grant/Loan Amount	Average statewide amount of tuition and required fees a resident student enrolled full-time in a baccalaureate degree program would be charged at a general-academic teaching institution.	Average statewide amount of tuition and required fees a resident student enrolled full-time in an undergraduate degree program would be charged at a general-academic teaching institution.	Based on financial need but not to exceed a grant amount greater than 50% of the average state appropriation in the biennium preceding the biennium in which the grant is made for a full-time student or the equivalent at public senior colleges and universities, as determined by the board, or not to exceed 150% of this calculated amount, if the student establishes exceptional need.

Source: Texas Higher Education Coordinating Board.

Section 3F

Higher Education Coordinating Board TEXAS Grants, B-On-Time, Outcome-Based Funding

1) Higher Education Coordinating Board Proposals:

1. Proposed Model for Texas Grants.

- A. Leverage TEXAS Grant awards with federal and other grant aid to cover statewide average tuition and fees, and books (academic costs), taking into account Pell and family contribution.
- B. Eligibility would be limited to 8 regular semesters within 5 years.
- C. Require 12 semester credit hours rather than current 9 semester credit hours.
- D. Eliminate statutory requirement that institutions provide non-loan funds to make up difference between a student's TEXAS Grant award and tuition and fees.
- E. Texas Grant dollars at community colleges would be shifted to the Texas Educational Opportunity Grant program.
- F. Create pathway for students transferring from community colleges.

2. Proposed Model for B-On-Time Program.

- A. Redefine the B-On-Time loan amount as being “up to” the statewide average tuition and fees, rather than setting the award amounts at average tuition and fees.
- B. Amend the B-On-Time allocation so that institution's funding would be proportional to their share of the statewide tuition set set-asides collected.
- C. Remove community colleges from the B-on-Time program and shift funding for community college students, who are currently in the B-On-Time Program to the Texas Educational Opportunity Grant Program for the coming biennium.
- D. Amend current guidelines to institutions regarding prioritizing renewal awards and give the institutions flexibility in making awards.

Section 3F

E. Amend current guidelines to institutions to encourage stacking, when appropriate, both a TEXAS Grant and B-On-Time loan to a student.

3. **Outcome Based Formula Funding-Community Colleges and Lamar State Colleges.** Fund 10% of base funding on 3-year average performance on Student Success Points. Implement beginning in Fiscal Year 2014. Points would be tied to the following:

A. Completion of developmental education in math, reading, and writing. (one point each).

B. Completion of first college level math course (one point).

C. Completion of first 15 college credits, and first 30 college credits. (one point each).

D. Completion of an associate degree, certificate, or bachelor's degree (where offered). (2 points each; 2.25 for STEM credentials).

E. Transfer to a general academic institution after having completed 15 hours of coursework. (one point).

F. Successful completion of an Adult Basic Education (ABE) or English as a Second Language (ESL) sequence. (Implementation pending new data collection).

4. **Outcome Base Formula Funding.** General Academics-Fund outcomes using 10% of undergraduate instructions and operations funding. Allocate funds using a 3-year rolling average on seven defined metrics. Assign a double weight to the Critical Workforce Needs metric. Implement beginning in Fiscal Year 2014. Metrics include the following:

A. Degrees awarded in fields identified as critical workforce needs.

B. Total Bachelor's Degrees awarded at the institution.

C. Points awarded for students who complete their 30th, 60th and 90th hour at the institution.

D. Degrees awarded times the institution's six-year graduation rate.

E. Bachelor's Degrees awarded per 100 full time student equivalents (FTSE).

Section 3F

F. Degrees awarded to students who meet federal criteria for being at high risk of dropping out.

G. Bachelor's Degrees awarded adjusted for instructional costs.

5. **Returned Value Formula Funding-Texas State Technical Colleges (TSTC).** Fund 100% of Instruction and Administration formula funding on the 5 year average of returned value to the state. Implement beginning in Fiscal Year 2014. Returned value is calculated by using the average salary of TSTC students above minimum wage adjusted by a multiplier to calculate the direct and indirect value added to the state.

Section 3G

The University of Texas at Brownsville (UTB) and Texas Southmost College (TSC) Selected Policy Overview

Background: Since June 1991, Texas Southmost College (TSC) and The University of Texas at Brownsville (UTB) have partnered as one institution known as UTB-TSC. The partnership dedicated most of TSC's tax revenues and facilities to UTB-TSC and required UTB to provide academic and support services, including management of most faculty and staff. During 2010-2011, the two institutions agreed to end the partnership and the 82nd Legislature passed SB 1909, which directed both TSC and UTB to separate the partnership by August 31, 2015 unless required for accreditation. The current status of the separation is:

- The institutions have established a virtual enrollment beginning in summer of 2012. Virtual enrollment means that students self identify which institution they would like to attend.
- The institutions are targeting complete operational separation by fall of fiscal year 2014. Students will be enrolled at a specific institution based on the two separate schools offering different degree programs, enrollment standards and tuition rates, and having separate enrollment processes.
- Each institution must achieve separate accreditation by fall of 2015.

Issue #1: Formula Funding. The base period used for the Instruction and Operations (I&O) Formula for UTB and for the Instruction and Administration (I&A) Formula for TSC consists of semester credit hours (SCHs) and contact hours (CHs), respectively, for Summer 2012, Fall 2012, and Spring 2013. During the base period, the allocation for lower level undergraduate courses between the two institutions will be distributed based on the virtual enrollment. Both UTB and TSC agree that this allocation of SCHs and CHs might not accurately reflect what the actual enrollment of these students will be when institutions are separate.

- LBB Proposal: To ensure an accurate allocation of funding for lower level undergraduate hours in fiscal years 2014-15, the LBB proposes to trustee funding for the lower level undergraduate hours at the Coordinating Board to then be re-allocated to the two institutions after data is updated in fall of 2013.

Issue #2. Higher Education Group Insurance (HEGI) Funding. HEGI funding is allocated to institutions based on enrollment in the group insurance plan as of December 1, 2012. Currently, almost all of the employees at UTB-TSC work for UTB and are contracted to TSC as needed. UTB is implementing a reduction in force for fiscal year 2013 and it is possible that TSC will increase their workforce. In the past, HEGI has funded these contract employees at the JUCO rates, but provided the contributions to the University of Texas (UT) System on these employees' behalf for their enrollment in UT System's group insurance plan. TSC belongs to the Employees Retirement System (ERS) Group Benefits Program (GBP) and any new employees will be enrolled at ERS.

- LBB Proposal: To provide HEGI appropriations based on actual workforce levels in fiscal years 2014-15, LBB proposes to withhold HEGI contributions for the two institutions to UT System and ERS until institutions submit new enrollment levels as of December 1, 2013, when a re-allocation between the two will be calculated.

Informational: Benefits Issues for Employees Subject to a Reduction in Force. Employees that are part of UTB's reduction in force that are then rehired by TSC may face the below issues with their benefits. These issues can be remedied in statute for the affected employees.

- Retirement: Individuals enrolled in the Teachers Retirement System or Optional Retirement Program that remove their retirement contributions will be subject to a ninety-day delay if they are rehired by TSC.
- Insurance: Individuals who do not utilize COBRA or are not within the UT system group insurance plan at the time of rehire by TSC will be subject to a ninety-day delay in insurance coverage at ERS.
- Retiree Health Insurance: Employees are normally required to be enrolled in the same insurance plan for ten years to be eligible for employer contributions towards insurance premiums upon retirement. Some employees may be affected if they meet requirements for retirement, but do not have the full ten years of service at either UT System or under an ERS institution. However, affected employees with a combined ten years of service would be eligible for TRS-Care.

Section 4

**Texas Higher Education Coordinating Board (THECB)
Performance Review and Policy Report Highlights**

Reports & Recommendations	Report Page	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Included in Introduced Bill	Action Required During Session
Improve Online Distance Education at Community Colleges by Using Cooperative Contracts and Open Educational Resources						
1. Include a rider that directs the THECB, in consultation with the Virtual College of Texas, to study and recommend policies regarding the use and availability of open educational resources in Texas.	438				Rider 53	
Maximize the Capacity of Nursing Education Programs to Reduce the Shortage of Nurses in Texas						
1.Amend statute to allow funds in the Physicians Education Loan Repayment Program Account 5144 to be used to fund the graduate nurse loan repayment program and include a contingency rider to appropriate funds to the THECB to operate the program.		(\$1,092,000)		GR-D		Amend Statute Adopt Contingency Rider

Section 5

Texas Higher Education Coordinating Board Rider Highlights

Rider Changes

2. Capital Budget. Updated to reflect increased funding tied to maintaining current obligations.
5. Student Loan Program. Rider modified to update statutory authority.
9. Cost Recovery for Common Application Form. Rider modified to clarify how funds are collected.
11. Tuition Equalization Grant. Rider modified to clarify eligibility requirements and delete reporting requirement.
17. Tobacco Funds - Estimated Appropriations and Unexpended Balances. Rider modified to authorize unexpended balance authority from 2013 into 2014 for Permanent Fund for Minority Health and Research (Fund 825) and Permanent Funds for Nursing, Allied Health and Other Health Related Programs (Fund 824).
20. Student Financial Aid Programs. Rider deleted. Each financial program (Texas College Work Study, Texas Educational Opportunity Grants, Tuition Equalization Grants, Texas Grants and B-On-Time Program) have their own strategy and accompanying rider.
21. Texas Collegiate License Plate Scholarships. Rider updated to reflect estimated revenue in 2014 and 2015.
22. Appropriations Transfers. Rider modified to allow institutions to transfer the lesser of 10 percent or \$20,000 (changed from \$10,000) between Texas College Work-Study Program, TEXAS Grant Program, Texas Educational Opportunity Grant Program and Tuition Equalization Grant Program.
23. “College for Texans” Campaign License Plates. Rider updated to reflect estimated revenue in 2014 and 2015.
26. Tobacco Funds - Baylor College of Medicine - Permanent Health Fund. Rider name updated to reflect specific tobacco fund and eliminate reference to general revenue which Baylor College of Medicine has never received. Similar changes to Rider 29, Tobacco Funds-Permanent Endowment Fund.
27. Texas College Work Study Program and Toward Excellence, Access and Success (TEXAS) Grant Program. Rider updated to reflect Texas Grants and College Work Study are stand alone strategies.

Section 5

- 28. Align Adult Basic Education and Postsecondary Education. Rider modified to capture data collected by federally funded ABE programs on transitions to work. Reporting date moved from January to May to ensure data collected by TEA for the previous academic year is certified by the U.S. Department of Education and included in the report.
- 32. Top Ten Percent Scholarships. Rider incorrectly references that the funding is for renewal students only.
- 34. Professional Nursing Shortage Reduction Program. Currently the rider specifies that any unearned funds must be returned to the agency by August 31st. This has been changed to the date specified by Board rule. Under Board rule any award funds remaining unspent at the end of the four fiscal years after the first year of the award must be returned to the Coordinating Board within 60 days. Another rule specifies that any advance awards that remain unearned by the date specified in the program announcement (each of the three programs have different program announcements) shall be refunded to the Coordinating Board within 5 calendar days.
- 36. ABE Community College Grants. Rider modified to clarify funds will be used for ABE students transitioning from community and federal-funded ABE programs into postsecondary education and/or training programs.
- 39. Research Programs. Rider modified to delete reference that \$750,000 may be expended to support the development, implementation and administration of summer research efforts to provide Texas high school math and science teachers an experience in a research lab supported by a research grant awarded under the program. The agency indicates that the funding has not been used for this purpose in the last six years.
- 42. Border Faculty Loan Repayment Program. Currently the rider allows the agency to transfer funds from B.1.8 , Student Financial Aid Programs to the Border Faculty Loan Repayment Program. The financial aid programs in B.1.8 have their own separate strategy so the reference to B.1.8 has been deleted. The rider has been updated to give agency unexpended balance authority from 2014 into 2015.
- 45. Developmental Education. Rider modified to elaborate on how funding is used such as scaling of certain strategies designed to improve developmental education outcomes and providing professional development opportunities for faculty and staff to improve advising, access and acceleration of underprepared students. The agency would also collaborate with public institutions of higher education on the development of student profiles that identify student populations best served by particular strategies such as non-course based remediation, paired courses and modular offerings.

New Riders

- 46. Toward Excellence, Access, and Success (TEXAS) Grant Program. New rider for program.
- 47. B-On Time Program. New rider for program. The rider incorrectly references that the funding is for renewal students only.

Section 5

- 48. Tuition Equalization Grant Program. New rider for program.
- 59. Texas Educational Opportunity Grant (TEOG) Program. New rider for program.
- 50. College Work Study (CWS) Program. New rider for program.
- 51. Full-Time Equivalents Funded by Private Grants. The new rider would exempt FTEs supported by private grant sources from the FTE cap.
- 52. Contingency Rider for Trauma Facility and EMS Account 5144., Senate Bill 7, First Called Session established the Emergency and Trauma Care Education Partnership Program. The Department of State Health Services was appropriated \$2,250,000 per year in Account 5144 for the program. Although the department has appropriation authority over the account, authority to administer the program was given to the Higher Education Coordinating Board. As a result the Department transferred the funding to the Higher Education Coordinating Board via an MOU. The contingency rider would allow the Higher Education Coordinating Board access to the Account .
- 53. Open Educational Resources. Out of funds appropriated above, the Higher Education Coordinating Board, in consultation with the Virtual College of Texas, shall study and recommend policies regarding the availability and use of open educational resources in Texas.
- 54. Contingent Appropriations, Formula Funding for The University of Texas at Brownsville and Texas Southmost College. Rider provides details on the responsibilities of the two institutions, Higher Education Coordinating Board and Legislative Budget Board regarding the contingent appropriation.

Rider Deletions

- 33. Dual Credit. Data necessary to conduct study will not be available until 2016.
- 34. Funding for Non-Semester Length Developmental Education. The reporting element of the rider has been subsumed into Rider 52, Developmental Education.
- 41. Intent Concerning Developmental Education Interventions. Rider deleted because intent of the rider was for institutions to have non-semester length interventions in place by September 1, 2012. To ensure that institutions offer these types of interventions, the agency has included a requirement in its ruled based on legislative authority provided by House Bill 1244, 82nd Legislature, effective beginning with the 2012-13 academic year.

Section 5

- 42. Texas State Technical College “Returned Value” Funding Model. The rider is no longer needed. The results will be presented to the Legislature in the 83rd Session.
- 51. Texas Cancer Registry. Rider no longer necessary. Funding for the Cancer Registry is provided directly to the Department of State Health Services.
- 53. System Administration for Community Colleges. Study has been completed.

Section 6

Higher Education Coordinating Board
Items not Included in Recommendations

In Agency Priority Order	2014-15 Biennial Total	
	GR & GR-Dedicated	All Funds
1. TEXAS Grants	\$ 163,753,104	\$ 163,753,104
2. Teach for Texas Loan Repayment Program	\$ 9,000,000	\$ 9,000,000
3. Graduate Medical Education Expansion Effort	\$ 11,500,000	\$ 11,500,000
4. Texas Science Technology Engineering and Math Program	\$ 3,500,000	\$ 3,500,000
5. Family Practice Residency Program	\$ 14,000,000	\$ 14,000,000
6. Norman Hackerman Advance Research Program	\$ 8,000,000	\$ 8,000,000
7. Engineering Recruitment Program	\$ 500,000	\$ 500,000
8. Emergency and Trauma Care Education Partnership Program-See Contingency Rider #53.	\$ 4,500,000	\$ 4,500,000
9. Centralized Compliance Monitoring Function	\$ 645,736	\$ 645,736
10. Acquisition of Information Technology Resources	\$ 1,150,000	\$ 1,150,000
Total, Items Not Included in the Recommendations	<u>\$ 216,548,840</u>	<u>\$ 216,548,840</u>

Unexpended Balance Authority in Riders

The agency requested unexpended balance authority for the following riders:

- #32 Top Ten Percent Scholarship Program
- #39 Physician Education Loan Repayment Program-see below for estimates.
- #42 Teach for Texas Loan Repayment Program

Section 6

Higher Education Coordinating Board Items not Included in Recommendations

In Agency Priority Order

#43 Border Faculty Loan Repayment Program

#45 OAG Lawyer's Loan Repayment Program

#47 TEXAS Grant Program

#48 B-On-Time Program-see below for estimates on GR-D tuition set asides.

Unexpended Balance Estimates

B-On-Time-General Revenue-Dedicated. The estimated unexpended balances from fiscal year 2013 into fiscal year 2014 is approximately \$102.3.0 million. Based on 2013 estimated revenue, the tuition set asides in 2014 and 2015, is \$58.4 million per year. Recommendations are \$40.3 million per year.

2014-15 Biennial Total			
GR & GR-Dedicated		All Funds	
\$	102,367,000	\$	102,367,000
\$	83,244,000	\$	83,244,000
\$	185,611,000	\$	185,611,000

Physician Education Loan Repayment Program. The estimated unexpended balances from fiscal year 2013 into fiscal year 2014 is approximately \$83.2 million. Based on 2013 estimated revenue amounts, the smokeless tobacco tax in 2014 and 2015, is \$34.2 million per year. Recommendations are \$4.3 million in fiscal year 2014 and \$29.5 million in fiscal year 2015.

Total, Unexpended Balances Not Included in the Recommendations

Other Rider Requests Not Recommended

New-College Readiness Grants-The agency requested a rider tied to the transfer of funds from Strategy F.1.3 Centers for Teacher Education. Since these funds were not transferred, the rider was not recommended.