

**TEXAS HIGHER EDUCATION COORDINATING BOARD**

**COMMITTEE ON AFFORDABILITY, ACCOUNTABILITY  
AND PLANNING**

1200 EAST ANDERSON LANE, ROOM 1.170  
AUSTIN, TEXAS  
June 28, 2017  
9 a.m.

*CHAIR*  
*Vacant*

*VICE CHAIR*  
*S. Javaid Anwar*

*Arcilia C. Acosta*  
*Janelle Shepard*  
*Stuart W. Stedman*  
*Andrias R. "Annie" Jones*  
*Student Representative, Ex-Officio*  
*Robert "Bobby" Jenkins, Jr.,*  
*Ex-Officio*

**AGENDA**

*PUBLIC TESTIMONY: The presiding chair shall designate whether public testimony will be taken at the beginning of the meeting, at the time the related item is taken up by the Board after staff has presented the item, or any other time as determined by the presiding chair. For procedures on testifying, please go to <http://www.thecb.state.tx.us/public-testimony>.*

- I. Welcome and Committee Chair's meeting overview
- II. Consideration of approval of the minutes from the March 29, 2017, meeting of the Committee on Affordability, Accountability and Planning
- III. Consideration of approval of the Consent Calendar
- IV. Public Testimony on Agenda Items Relating to the Committee on Affordability, Accountability and Planning
- V. Matters relating to the Committee on Affordability, Accountability and Planning
  - A. Consideration of adopting the Commissioner's recommendation to the Committee relating to the approval of the revised measures for the Texas Higher Education Accountability System
  - B. Consideration of adopting the Commissioner's recommendation to the Committee relating to approval of the *60x30TX* Progress Report
  - C. Presentation on setting regional targets for selected statewide *60x30TX* goals and targets
  - D. Report on facilities projects that were submitted to the Coordinating Board
  - E. Consideration of adopting the Commissioner's recommendation to the Committee relating to approval of the nominated members of the Formula Funding Advisory Committee for the 2020-2021 biennium
  - F. Consideration of adopting the staff recommendation to the Board relating to the approval of the Energy Savings Performance Contract for Prairie View A&M University
  - G. Consideration of adopting the staff recommendation to the Committee relating to the report on the TEXAS Grant Program

Note: Highlighted items in gray are on the Consent Calendar

- H. Consideration of authorizing the continuation of the Financial Aid Advisory Committee
- I. Consideration of adopting the staff recommendation to the Committee for approval of certain members to remain on the Financial Literacy Advisory Committee
- J. Interim report on Financial Literacy Advisory Committee activities
- K. Proposed Rules:
  - (1) Discussion of proposed amendments to Chapter 22, Subchapter B, Sections 22.23, 22.24-22.25 and 22.29 of Coordinating Board rules, concerning Provisions for the Tuition Equalization Grant (TEG) Program, to be heard for adoption by the Board in July
  - (2) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 23, Subchapter B, Section 23.36 of the Board rules, concerning the Teach for Texas Loan Repayment Assistance Program

## VI. Adjournment

*NOTE: The Board will not consider or act upon any item before the Committee on Affordability, Accountability and Planning at this meeting. This meeting is not a regular meeting of the full Board. Because the Board members who attend the committee meeting may create a quorum of the full Board, the meeting of the Committee on Affordability, Accountability and Planning is also being posted as a meeting of the full Board.*

*Texas Penal Code Section 46.035(c) states: "A license holder commits an offense if the license holder intentionally, knowingly, or recklessly carries a handgun under the authority of Subchapter H, Chapter 411, Government Code, regardless of whether the handgun is concealed or carried in a shoulder or belt holster, in the room or rooms where a meeting of a governmental entity is held and if the meeting is an open meeting subject to Chapter 551, Government Code, and the entity provided notice as required by that chapter." Thus, no person can carry a handgun and enter the room or rooms where a meeting of the THECB is held if the meeting is an open meeting subject to Chapter 551, Government Code.*

***Please Note*** that this governmental meeting is, in the opinion of counsel representing THECB, an open meeting subject to Chapter 551, Government Code and THECB is providing notice of this meeting as required by Chapter 551. In addition, ***please note*** that the written communication required by Texas Penal Code Sections 30.06 and 30.07, prohibiting both concealed and open carry of handguns by Government Code Chapter 411 licensees, will be posted at the entrances to this governmental meeting.

Committee on Affordability, Accountability and Planning

AGENDA ITEM I

Welcome and Committee Chair's meeting overview

Mr. S. Javaid Anwar, Vice Chair of the Committee on Affordability, Accountability and Planning, will provide the Committee an overview of the items on the agenda.

Committee on Affordability, Accountability and Planning

AGENDA ITEM II

Consideration of approval of the minutes from the March 29, 2017, meeting of the Committee on Affordability, Accountability and Planning

RECOMMENDATION: Approval

TEXAS HIGHER EDUCATION COORDINATING BOARD

MINUTES

Committee on Affordability, Accountability and Planning

1200 East Anderson Lane, Room 1.170

Austin, Texas

March 29, 2017, 9:00 a.m.

DRAFT Minutes

The Texas Higher Education Coordinating Board Committee on Affordability, Accountability and Planning convened at 9:00 a.m. on *March 29, 2017*, with the following members present: David Teuscher, Chair, presiding; S. Javid Anwar, Vice Chair; Arcilia C. Acosta; Janelle Shepard; Stuart Stedman; and Robert "Bobby" Jenkins, Jr., Ex-Officio. Haley R. DeLaGarza was not in attendance

The meeting is available at the following link: <http://www.thecb.state.tx.us/apps/Events/>

AGENDA ITEM	ACTION
I. Welcome and Committee Chair's meeting overview	Dr. David Teuscher called the meeting to order and advised that the meeting was being broadcast over the internet.
II. Consideration of approval of the minutes from the December 14, 2016, Committee meeting	On motion by Mr. S. Javid Anwar, seconded by Ms. Janelle Shepard, the Committee approved this item.
III. Consideration of approval of the Consent Calendar	Dr. David Teuscher stated that the following items are on the Consent Calendar for consideration: Agenda Item V-F, approval of the nominated member of the Financial Literacy Advisory Committee and proposed rules V-G (2), (3), (4), (6), (7), (8) & (9). Items 5-G (4) and 5-G (7) did not receive comments during the comment period.  The Committee approved this item and it was adopted.
IV. Public Testimony on Agenda Items Relating to the Committee on Affordability, Accountability and Planning	Dr. David Teuscher stated there was no public testimony.

V. Matters relating to the Committee on Affordability, Accountability and Planning

A. Consideration of adopting the Commissioner's recommendation to the Committee relating to the annual report about the financial condition of the state's community college districts (*H.B. 1, 84th Texas Legislature, Regular Session, Rider 13, III-211*)

B. Report on facilities projects that were submitted to the Coordinating Board

C. Update on the Coordinating Board's legislative and budget priorities for the 85th Texas Legislature

D. Report on data highlight: Out-of-State Enrollment Patterns

E. Discussion of Transfer Data and Policy

F. Consideration of adopting the staff recommendation to the Committee for approval of the nominated members of the Financial Literacy Advisory Committee

Mr. Thomas Keaton, Director of Funding and Resource Planning, Strategic Planning and Funding, responded to questions about this item.

On motion by Ms. Janelle Shepard, seconded by Mr. S. Javid Anwar, the Committee approved this item.

Dr. Julie Eklund, Assistant Commissioner of Strategic Planning and Funding, was available for questions.

No action required on this item.

Ms. Linda Battles, Deputy Commissioner for Agency Operations and Communications/COO, provided an update on the Board's legislative budget priorities. Mr. John Wyatt was scheduled to provide an update on legislative activities but was unable to attend. Mr. David Young, Senior Director, Funding, Strategic Planning and Funding, provided an update on higher education formula funding.

No action required on this item.

Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding, provided a presentation.

No action required on this item.

Dr. Rex Peebles, Assistant Commissioner for Academic Quality and Workforce; Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding; and Mr. Jerel Booker, Assistant Commissioner for College Readiness and Success, provided a presentation.

No action required on this item.

This item was on the Consent Calendar.

G. Proposed Rules:

- (1) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 17, Subchapter B, Section 17.12 of the Board rules, concerning the Delegation of Approval Authority
- (2) Consideration of adopting the Commissioner's recommendation to the Committee relating to moving Chapter 21, Subchapters C, D, E, F, K, M, N, V, CC, JJ, and RR of the Board rules to Chapter 22, Grant and Scholarship Programs, new Subchapters C, E, F, G, I, Q, W, X, Y, Z, and AA
- (3) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 21, Subchapter C, Section 21.62 of the Board rules, concerning the Hinson-Hazlewood College Student Loan Program
- (4) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 21, Subchapter M, Section 21.403 of the Board rules, concerning the Texas College Work-Study Program
- (5) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, adding new Subchapter A, Section 22.1 and 22.2 of the Board rules, concerning the General Provisions
- (6) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter B, Section 22.23 of the Board rules, concerning the Provisions for the Tuition Equalization Grant Program

Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding, was available to answer questions.

On motion by Ms. Janelle Shepard, seconded by Mr. S. Javaid Anwar, the Committee approved this item.

This item was on the Consent Calendar.

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This item was on the Consent Calendar.

Ms. Lesa Moller, Senior Director, Student Financial Aid Programs, was available to answer questions.

On motion by S. Javaid Anwar, seconded by Ms. Arcilia Acosta, the Committee approved this item.

This item was on the Consent Calendar.

<p>(7) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter B, Sections 22.22 and 22.24 of the Board rules, concerning the Provisions for the Tuition Equalization Grant Program</p> <p>(8) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter L, Section 22.227 of the Board rules, concerning the Toward EXcellence, Access, and Success (TEXAS) Grant Program</p> <p>(9) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter M, Section 22.255 of the Board rules, concerning the Texas Educational Opportunity Grant Program</p>	<p>This item was on the Consent Calendar.</p> <p>This item was on the Consent Calendar.</p> <p>This item was on the Consent Calendar.</p>
<p>VI. Adjournment</p>	<p>The meeting adjourned at 11:12 a.m.</p>

Committee on Affordability, Accountability and Planning

AGENDA ITEM III

Consideration of approval of the Consent Calendar

RECOMMENDATION: Approval

Background Information:

In order to save institutions time and travel costs to attend the Committee on Affordability, Accountability and Planning meetings in Austin, the Committee made the decision to establish a Consent Calendar for items that are noncontroversial. Any item can be removed from the Consent Calendar by a Committee member.

AGENDA ITEM III

Consent Calendar

V. Matters relating to the Committee on Affordability, Accountability and Planning

G. Consideration of adopting the staff recommendation to the committee relating to the report on the TEXAS Grant Program

K. Proposed Rules:

(2) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 23, Subchapter B, Section 23.36 of the Board rules, concerning the Teach for Texas Loan Repayment Assistance Program

Committee on Affordability, Accountability and Planning

AGENDA ITEM IV

Public Testimony on Agenda Items Relating to the Committee on Affordability, Accountability and Planning

RECOMMENDATION:           No action required

Background Information:

PUBLIC TESTIMONY: The presiding chair shall designate whether public testimony will be taken at the beginning of the meeting, at the time the related item is taken up by the Board after staff has presented the item, or at any other time as determined by the presiding chair.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-A

Consideration of adopting the Commissioner's recommendation to the Committee relating to the approval of the revised measures for the Texas Higher Education Accountability System

RECOMMENDATION: Approval

Background:

On January 22, 2004, Governor Perry issued Executive Order RP 31 requiring the Coordinating Board and each institution and system work together to provide "the information necessary to determine the effectiveness and quality of the education students receive at individual institutions" also to provide "...the basis to evaluate the institutions' use of state resources."

With the adoption of the *60x30TX* state plan for higher education and the aging of the current accountability system user interface and underlying infrastructure, the Strategic Planning and Funding Division worked with the Information Solutions and Services Division to redesign the accountability system interface. A soft launch of the new system in February and March of 2017 led to suggestions for additional enhancements which will be put into place later this year. A demonstration of the updated system was presented to the board at its April 20, 2017, meeting.

Concurrent to the launch of the new web application, the accountability system measures have been modified to ensure their alignment with the *60x30TX* plan and to allow for emphasis on institutional and state progress towards plan goals and targets. Institutional input has been an important component of the update process, with several opportunities provided for comments and feedback. The commissioner's recommendation for accountability system measures includes measures for the public Community, State, and Technical Colleges, Public Universities, and Public Health-Related Institutions. Recommendations for revised measures for career, for profit, and non-Texas institutions with a presence in Texas will be presented in Fall 2017.

Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding, will provide a presentation on the process to update the measures and present the commissioner's recommendation for final measures.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-B

Consideration of adopting the Commissioner's recommendation to the Committee relating to approval of the 60x30TX Progress Report

RECOMMENDATION:           Approval

Background Information:

Biennially, as required by Texas Education Code, Section 61.051 (a-3), the Texas Higher Education Coordinating Board must prepare a report that assesses the state's progress in meeting the goals established in the state's long-range master plan, *60x30TX*. The report must recommend legislative action, including statutory or funding changes, to assist the state in meeting plan goals and is required to include updates on implementation strategies provided for in the long-range master plan under Subsection (a-1). To monitor progress towards the goals and keep a timely focus on areas that may need additional attention, the agency prepares the progress report on an annual basis for presentation to the Board at its summer meeting.

The second progress report includes an overview of the process to develop the *60x30TX* plan, methodologies for calculating plan metrics, information about plan baseline data, and progress to date on the goals and targets in the plan. It also provides information about media coverage and other activities to promote the plan and progress toward implementing statewide strategies to help achieve the plan goals. An update on the results of recommendations prepared for the 85th Texas Legislature in support of the *60x30TX* plan goals is also included in the report, along with a brief summary of other adopted legislation that is likely to impact plan goals and efforts.

Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding, and Mr. John Wyatt, Director of External Relations, will present an overview of the report and be available to answer questions.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-C

Presentation on setting regional targets for selected statewide *60x30TX* goals and targets

RECOMMENDATION: No action required

Background Information:

Four statewide goals and several affiliated targets are identified in the long-term strategic plan for Texas higher education, *60x30TX*. Regions and institutions have asked for guidance about the contributions they can make to help achieve the state's ambitious objectives.

Coordinating Board staff propose that the agency identify attainment and completion goals and targets by region. Institutional actions and outcomes—particularly those for two-year colleges and for doctoral, comprehensive, and master's institutions—are embedded in their regional context, including factors like high school feeder patterns, transfer networks, and local labor markets. As a result, regions are a very appropriate unit of analysis for agency target-setting. More granular target-setting can be done more effectively by institutions in cooperation with other institutions and stakeholders in their region who are knowledgeable about local context.

Dr. Jenna Cullinane Hege, Deputy Assistant Commissioner, Strategic Planning and Funding, will provide a brief presentation and be available for questions. The presentation will include a proposed strategy and timeline for developing regional and institutional targets.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-D

Report on facilities projects that were submitted to the Coordinating Board

RECOMMENDATION: No action required

Background Information:

Senate Bill 215, 83rd Texas Legislature, Regular Session shifted the authority to approve capital projects from the Texas Higher Education Coordinating Board (THECB) to the Boards of Regents. However, it requires that institutions continue to report projects to the Board and that THECB staff continue to review facilities projects. Additional information is provided for projects that do not meet one or more standards. The Board must submit a report to the governor, lieutenant governor, speaker of the house, and Legislative Budget Board on all projects that do not meet standards.

Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding, is available to answer questions.

**Reviewed Projects**

Institution Project Name	Project Cost	Space Usage	Space Need	Cost	Building Efficiency
University of Houston (TRB) <i>Construct Health and Biomedical Sciences Building 2</i>	\$145,800,000	Yes	Yes	Yes	Yes
Texas A&M University at Galveston (TRB) <i>Resubmit Construct Academic Building Complex</i>	\$104,230,000	Yes	Yes	Yes	Yes
Sam Houston State University (TRB) <i>Construct Biology Laboratory Building</i>	\$65,000,000	Yes	Yes	Yes	Yes
Texas A&M University-Corpus Christi (TRB) <i>Construct Life Sciences Research and Engineering Complex Phase I</i>	\$60,000,000	Yes	Yes	Yes	Yes
Texas A&M University-Commerce (TRB) <i>Construct Nursing and Health Sciences Building</i>	\$54,000,000	No	Yes	Yes	Yes
West Texas A&M University (TRB) <i>Construct Agriculture Sciences Complex</i>	\$49,036,000	No	No	Yes	Yes
Midwestern State University (TRB Phase 1) <i>Construct Health Sciences and Human Services Building Project</i>	\$41,660,271	No	Yes	Yes	Yes
Texas A&M University-Central Texas (TRB) <i>Construct Multipurpose Building 3</i>	\$36,000,000	Yes	No	Yes	Yes
Texas A&M University <i>Renovate the Commissary</i>	\$33,155,000	Yes	Yes	Yes	No <sup>1</sup>
Prairie View A&M University <i>Renovate Energy Consumption Reduction Project</i>	\$15,302,030	N/A	Yes	N/A	N/A
Lamar State College-Port Arthur (TRB) <i>Construct Industrial Technology Center</i>	\$12,818,000	No	Yes	Yes	Yes
Midwestern State University (TRB Phase 3) <i>Renovate Moffett Library Revitalization Project</i>	\$7,479,087	NA <sup>2</sup>	Yes	Yes	Yes
Midwestern State University (TRB Phase 2) <i>Renovate Fire Marshal TAS-ADA Upgrades to Three Buildings</i>	\$5,586,513	NA <sup>2</sup>	Yes	Yes	Yes
Midwestern State University (TRB Phase 4) <i>Renovate Bridwell Hall</i>	\$3,673,553	NA <sup>2</sup>	Yes	Yes	Yes

<sup>1</sup> This project contains Net Assignable Square Feet (NASF) of unfinished space to be completed as needed by the institution. Once the NASF is complete these projects will meet the building efficiency standard.

<sup>2</sup> The standard for Space Usage Efficiency is not applicable to renovation projects.

Project Type	Space Usage	Space Need	Cost	Building Efficiency
<b>New Construction and Addition</b>	Space Usage Efficiency (SUE) score of: <ul style="list-style-type: none"> <li>• 75 points in the classroom score for classroom type facilities</li> <li>• 75 points in the class laboratory score for lab type facilities</li> <li>• 150 points overall for all others</li> </ul>	Does not create nor add to a surplus as predicted in the space projection model	Does not exceed the annually published cost standard	The ratio of net assignable square feet (NASF) to gross square feet (GSF) shall not exceed: <ul style="list-style-type: none"> <li>• Classroom and general – 0.60</li> <li>• Office – 0.65</li> <li>• Clinical, diagnostic support labs, and technical research – 0.50</li> </ul> For parking structures: <ul style="list-style-type: none"> <li>• Automobile – 400 SF per space</li> <li>• Boathouses – 500 SF per space</li> <li>• Airplanes – 3,000 SF per space</li> </ul>
<b>Repair and Renovation (including repairs and renovations as part of a real property purchase)</b>	Not applicable	Does not create nor add to a surplus as predicted in the space projection model	Does not exceed the annually published cost standard	Does not reduce existing ratio of NASF to GSF more than ten percent
<b>Real Property Purchases</b>	Not applicable	Does not create nor add to a surplus as predicted in the space projection model	Should not exceed the higher of two appraisals. If the cost exceeds this amount, institution must demonstrate the need to purchase at the higher price	Not applicable

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-E

Consideration of adopting the Commissioner's recommendation to the Committee relating to approval of the nominated members of the Formula Funding Advisory Committee for the 2020-2021 biennium

RECOMMENDATION: Approval

Background Information:

Texas Education Code, Section 61.059(b) requires the Coordinating Board to "devise, establish, and periodically review and revise formulas for the use of the governor and the Legislative Budget Board in making appropriations recommendations to the legislature for all institutions of higher education, including the funding of postsecondary vocational-technical programs. As a specific element of the periodic review, the board shall study and recommend changes in the funding formulas based on the role and mission statements of institutions of higher education. In carrying out its duties under this section, the board shall employ an ongoing process of committee review and expert testimony and analysis."

To assist in this process, there are three advisory committees established each summer of odd-numbered years to prepare recommendations to the Board. Texas Education Code, Section 61.059(b-1) requires: 1) the commissioner of higher education to solicit recommendations for the committee's membership from the chancellor of each university system and from the president of each institution of higher education that is not a component of a university system; and 2) the Board to appoint representatives of a cross-section of institutions representing each of the institutional groupings under the Board's accountability system.

The proposed list of committee members is provided.

Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding, will be available to answer questions.

Texas Education Code, Section 61.059(b) requires the Coordinating Board to “devise, establish, and periodically review and revise formulas for the use of the governor and the Legislative Budget Board in making appropriations recommendations to the legislature for all institutions of higher education, including the funding of postsecondary vocational-technical programs.”

To assist in this process, there are three advisory committees established each summer of odd-numbered years to prepare recommendations to the Board. On April 17, 2017, a request for nominations was sent to all Chancellors and Presidents of the public higher education institutions as required by Texas Education Code, Section 61.059(b-1). Nominations have been received and will be presented to the Board to appoint representatives of a cross-section of institutions representing each of the institutional groupings under the Board's accountability system. Nominees are appointed for a 3 biennium term. The nominees appointed this year will serve until the recommendations of the 2024-2025 biennium are presented to the Board in April, 2022. If an appointee leaves the institution or requests to be removed from the committee, a replacement will be nominated to serve the remaining term.

**Community and Technical College Formula Advisory Committee**

One nominee recommended for appointment to the advisory committee with term ending in 2018 is Mr. Richard Cervantes, Vice President, Business and Finance, Blinn College. Six nominees recommended for appointment to the advisory committee with term ending in 2022 are: Mr. Patrick Lee, Math Professor and Department Chair at Palo Alto College, Alamo Colleges District; Mr. Jim Yeonopolus, Chancellor, Central Texas College; Dr. Robert Riza, President, Clarendon College; Dr. Cesar Maldonado, Chancellor, Houston Community College; Mr. Chet Lewis, Vice Chancellor, Fiscal Affairs, San Jacinto College; and Dr. Van Miller, Vice President for Administrative Services and Chief Financial Officer, Temple College.

Name/Title	Institution	Accountability Group	Term Ends
<b>Continuing Members</b>			
Dr. Brad Johnson, President	Northeast Texas Community College	Small	2018
Ms. Mary Wickland, Vice President for Finance	Lamar State College - Port Arthur	Lamar & TSTC	2020
Mr. Michael Reeser, Chancellor	Texas State Technical College System	Lamar & TSTC	2020
Dr. Pamela Anglin, President	Paris Junior College	Medium	2020
Dr. Jeremy McMillen, President	Grayson College	Medium	2020
Dr. Phil Rhodes, Vice President – Research, Effectiveness, and Information Technology	McLennan Community College	Medium	2020

**General Academic Instructors Formula Advisory Committee**

One nominee recommended for appointment to the advisory committee with term ending in 2018 is Ms. Susan Brown, The University of Texas Rio Grande Valley, Assistant Vice President for Strategic Analysis and Institutional Reporting. One nominee recommended for appointment to the advisory committee with term ending in 2020 is Dr. Jerry R. Strawser, Texas A&M University, Executive Vice President of Finance and Administration and Chief Financial Officer. Five nominees recommended for appointment to the advisory committee with term ending in 2022 are: Mr. John Davidson, The University of Texas at Arlington, Associate Vice President – Budget, Planning and Analysis; Ms. Kathryn Funk Baxter, Vice President for Business Affairs, The University of Texas at San Antonio; Mr. Raaj Kurapati, Vice President for Finance and Chief Financial Officer, Texas A&M University – Kingsville; Mr. Bob Brown, Vice President for Finance and Administration, University of North Texas; and Mr. Danny Gallant, Vice President for Finance and Administration, Stephen F. Austin State University.

<b>Name/ Title</b>	<b>Institution</b>	<b>Accountability Group</b>	<b>Term</b>
<b>Continuing Members</b>			
Dr. Dana G. Hoyt, President	Sam Houston State University	Doctoral	2018
Dr. Paula M. Short, Senior Vice President for Academic Affairs and Provost	University of Houston	Emerging Research	2018
Mr. Edward T. Hugetz, Interim Senior Vice President for Academic Affairs and Provost	University of Houston – Downtown	Master’s	2018
Dr. Harrison Keller, Deputy to the President for Strategy and Policy	The University of Texas at Austin	Research	2020
Dr. James Marquart, Provost and Vice President Academic Affairs	Lamar University	Comprehensive	2020
Dr. Karen Murray, Executive Vice President of Academic Affairs and Provost	Tarleton State University	Comprehensive	2020
Ms. Noel Sloan, Chief Financial Officer and Vice President of Administration and Finance	Texas Tech University	Emerging Research	2020
Ms. Angie W. Wright, Vice President for Finance and Administration	Angelo State University	Master’s	2020

### Health Related Institution Formula Advisory Committee

The following individuals are recommended for the formula advisory committee. The Health-Related Institutions have nominated them to serve for this biennium.

<b>Name/Title</b>	<b>Institution</b>
Ms. Penny Harkey, Vice President and Chief Financial Officer	Texas Tech University Health Sciences Center
Ms. Lauren Sheer, Assistant Vice President for Legislative Affairs	The University of Texas Medical Branch at Galveston
Mr. Kevin Dillon, Executive Vice President, Chief Operating & Financial Officer	The University of Texas Health Science Center at Houston
Mr. Ben Melson, Senior Vice President and Chief Financial Officer	The University of Texas M. D. Anderson Cancer Center
Ms. Andrea Marks, Vice President for Business Affairs & Chief Financial Officer	The University of Texas Health Science Center at San Antonio
Mr. Joseph Woelkers, Executive Vice President and Chief Operating Officer	The University of Texas Health Center at Tyler
Dr. Barry C. Nelson, Vice President for Finance and Administration	Texas A&M University System Health Science Center
Ms. Angelica Marin-Hill, Vice President for Government Affairs and Policy	The University of Texas Southwestern Medical Center
Mr. Gregory Anderson, Executive Vice President for Finance	University of North Texas Health Science Center at Fort Worth
Dr. Richard Lange, President	Texas Tech University Health Sciences Center at El Paso
Mr. Rick Anderson, Executive Vice President for Finance and Administration	The University of Texas Rio Grande Valley Medical School
Mr. Dwain Morris, Chief Administrative Officer	The University of Texas at Austin Dell Medical School

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-F

Consideration of adopting the staff recommendation to the Board relating to the approval of the Energy Savings Performance Contract for Prairie View A&M University

RECOMMENDATION: Approval

Background Information:

Prairie View A&M University requested approval for an Energy Consumption Reduction Project with a total project cost of \$15,302,030 and a contract term of 18 years. This project meets all standards pertaining to Energy Savings Performance Contracts.

The Texas Higher Education Coordinating Board (THECB) is responsible for reviewing capital development projects and improved real property purchases but does not have approval authority for those projects. The THECB is, however, responsible for approving Energy Savings Performance Contracts. Recent changes to Board rules delegates the approval authority for these contracts to either the Assistant Commissioner for Strategic Planning and Funding, the Committee on Affordability, Accountability, and Planning, or the full Board based on the parameters specified in Board rule 17.12. Given the cost and the term of this project, the Committee is the approval authority.

Dr. Corey S. Bradford, Senior Vice President for Business Affairs, Prairie View A&M University, will give a brief project presentation and be available to answer questions pertaining to the project.

Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding, will be available to answer questions regarding the review process.

**PROJECT BRIEFING SHEET**

Institution: Prairie View A&M University  
 Project: **Renovate Energy Consumption Reduction Project**  
 6300 Ocean Drive, Prairie View, TX 77446  
 Project Number: 003630-17-001  
 Project Cost: **\$15,302,030**  
 Source of Funds: Bonds: (Energy Savings, Energy Savings - \$14,534,013)  
 Cash: (Designated Tuition - \$768,017)

**Project Description:**

Prairie View A&M University (PVAMU) selected Ameresco, an Energy Service Company, as its energy savings performance contractor. Ameresco was engaged to perform detailed utility assessment reports and then design and construct recommended energy cost reduction measures in approximately 33 buildings on the PVAMU campus. The measures recommended in the report will allow PVAMU to substantially reduce the number of kilowatt hours consumed, increase operating efficiency, modernize aged equipment and processes, and reduce the emissions of greenhouse gases. This project will upgrade 33 campus facilities to improve facility operating efficiency through central plant and building automation system improvements.

This project will be funded by a low-interest loan made available through the Texas Bond Review Board's (BRB) state allocation of the Qualified Energy Conservation Bonds (QECB) program.

Measurement and verification fees over the 18-year term of the contract are included in the cost; however, this cost can be cancelled anytime with 30-day written notification at the option of PVAMU. The implementation of this project is projected to save 8,774,446 kWh/yr electricity, 5,104 MCF/yr natural gas. The project's total design/construction cost has a projected first-year utility savings of \$740,212.

<b>Standards</b>	<u>Standard</u>	<u>Project Detail</u>	<u>Meets, Doesn't Meet, or NA</u>
Project Listed on the MP1?	YES	18 of 29	NA
Classroom Space Usage Efficiency	75 or >	66	NA
Class Lab Space Usage Efficiency	75 or >	58	NA
Overall Space Usage Efficiency	150 or >	124	NA
Space Need	Deficit	(30,170)	Meets
Cost: Repair & Renovation, Infrastructure	NA	NA	NA
Building Efficiency:	NA	NA	NA
Deferred Maintenance	0.05 or <	0.005	NA
Critical Deferred Maintenance	\$0	0	NA

<b>Approval Action:</b>	<b>Date of Approval</b>	<b>Signature</b>
Committee	June 28, 2017 <sup>1</sup>	
Conditions		
Project History		

<sup>1</sup> See matrix on the following page.

**Delegation Matrix for Energy Savings Performance Contracts  
(as outlined in Board Rule 17.12)**

		Payback Period		
		10 years or less	Greater than 10 to 15 years	Greater than 15 to 20 years <sup>1</sup>
Cost	\$10 million or less	Asst. Commissioner for Strategic Planning and Funding	Asst. Commissioner for Strategic Planning and Funding	Committee on Affordability, Accountability and Planning
	Greater than \$10 million to \$20 million	Asst. Commissioner for Strategic Planning and Funding	Committee on Affordability, Accountability and Planning	<b>Committee on Affordability, Accountability and Planning</b>
	Greater than \$20 million	Committee on Affordability, Accountability and Planning	Committee on Affordability, Accountability and Planning	Board of the THECB

Note 1 – ESPC may not exceed 20 years (TEC 51.927).

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-G

Consideration of adopting the staff recommendation to the Committee relating to the report on the TEXAS Grant Program

RECOMMENDATION: Approval

Background Information:

The Texas Legislature established the Toward Excellence, Access and Success (TEXAS) Grant Program in 1999 (Texas Education Code, Section 56.301) to provide funds to academically prepared high school graduates with financial need assistance to pursue a higher education.

Texas Education Code, Section 56.311(c-1) requires the Texas Higher Education Coordinating Board to submit by September 1 of each year a report regarding the operation of the TEXAS Grant Program to the governor, lieutenant governor, speaker of the house, and the Senate Higher Education Committee members. The report includes from the three preceding state fiscal years information regarding:

- allocations of TEXAS grants by eligible institution, disaggregated by initial and subsequent awards;
- the number of TEXAS grants awarded to students, disaggregated by race, ethnicity, and expected family contribution; and
- the persistence, retention, and graduation rates of students receiving TEXAS grants.

A draft of the TEXAS Grant report will be provided under separate cover.

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Services, will be available to answer questions about this report.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-H

Consideration of authorizing the continuation of the Financial Aid Advisory Committee

RECOMMENDATION: Approval

Background Information:

Official advisory committees of state agencies must meet various requirements concerning composition, operation and documentation as established in Government Code, Title 10, Chapter 2110, and incorporated into Board Rule 1.6 concerning Advisory Committees.

All committees must have an automatic abolishment date which is no later than four years from the committee's creation/reauthorization date. The automatic abolishment date previously established by the Coordinating Board for the Financial Aid Advisory Committee (FAAC) is October 31, 2017.

Staff has reviewed the purpose and necessity of the Board currently authorized FAAC and recommends that the Board authorize the continuation of the FAAC.

The reauthorized FAAC will have an automatic abolishment date of October 31, 2021.

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, will be available to answer questions.

**Financial Aid Advisory Committee**

- Authorization: Texas Education Code (TEC), Section 61.0776
- Division: Student Financial Aid Programs/Financial Services
- Purpose: To provide the Board with advice and recommendations regarding the development, implementation, and evaluation of state financial aid programs for college students, and assist staff in the development of training materials for use by the Center for Financial Aid Information.
- To provide insight on state financial aid program policies and procedures (e.g., eligibility, allocations, disbursement processes, etc); review the collection, use, and reporting of data; and identify areas of research for consideration.
- Reporting: Committee submits recommendations to the Board on no less than an annual basis.

Texas Education Code 61.0776(b) requires that the agency create an advisory committee to assist in developing information provided by the Center for Financial Aid Information (the statutory name for the College for All Texans website and the Texas Financial Aid Information Center toll-free number). The advisory committee supports both the participants and the agency in additional ways:

- The opportunity to share information helps both the agency and the institution gain a better understanding of complex concerns and make better decisions.
- Discussion regarding legislative proposals and other ideas provides the opportunity to help inform the agency in ways that that can create a greater opportunity for success.
- Current financial aid practitioners share thoughts on what does and doesn't work across the institutional sectors based on actual day-to-day experiences, which helps the agency improve its administrative procedures.
- FAAC discussions help address administrative inefficiencies and identify key services, leading to ideas and suggestions on how to improve efficiency and success.
- FAAC members serve as student advocates to promote a better understanding of how statutes and regulations impact students.
- FAAC meetings provide an opportunity to influence research and reporting.
- Additionally, the FAAC annual reports outline specific accomplishments that have occurred each year.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-I

Consideration of adopting the staff recommendation to the Committee for approval of certain members to remain on the Financial Literacy Advisory Committee

RECOMMENDATION:           Approval

Background Information:

Coordinating Board staff is requesting that two members of the Financial Literacy Advisory Committee (FLAC) be allowed to remain on the committee after three consecutive absences. Board staff will seek confirmation of this request at the July 2017 Board meeting.

In accordance with Texas Education Code, Section 61.026 and Texas Government Code, Section 2110.0012, FLAC was created to provide the Board advice and recommendations regarding better ways to advise students and parents on financial aid options and the impact of those options on students' finances before, during, and after their college careers.

Currently, two members have experienced three consecutive absences, and though both are interested in continuing their work on the committee, Chapter 1, Subchapter A, Section 1.6(h) of the Board rules indicates that approval of the majority of the Board is required to allow a member of the advisory committee to remain on the committee if the member misses three consecutive regularly scheduled meetings.

The Financial Literacy Advisory Committee is scheduled to conclude its efforts in November 2017. Based on the short period left in which the committee will be completing its tasks, appointing individuals to fill the remainder of the term would not be in the best interests of the work being completed. Kenneth Gay, who has provided the committee with the perspective of a K-12 administrator, experienced his third absence due to military training orders. Kevin Cruser, who has provided the committee with the perspective of an institution's Governmental Relations Office, experienced his third absence due to activities related to the 85th Texas Legislature. The committee's co-chairs are in support of these individuals continuing on the committee.

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, will be available for questions.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-J

Interim report on Financial Literacy Advisory Committee activities

RECOMMENDATION: No action required

Background Information:

The Financial Literacy Advisory Committee (FLAC) was created to provide the Coordinating Board with advice and recommendations as to ways to better advise students and parents on financial aid options and the impact of those options on student finances before, during, and after their college careers, and soliciting input from stakeholders across the state.

The membership of the FLAC consists of leaders from across community-based organizations, business and finance, K-12 education, and higher education administration. Student representatives also serve as non-voting members. The Coordinating Board appoints members of the advisory committee.

The committee's co-chairs, Laura Ewing and Jared Pickens, will provide an update giving a general overview of the work that the committee has accomplished so far.

Laura Ewing, Jared Pickens, and Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, will be available to answer questions.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-K (1)

Discussion of proposed amendments to Chapter 22, Subchapter B, Sections 22.23, 22.24-22.25 and 22.29 of Coordinating Board rules, concerning Provisions for the Tuition Equalization Grant (TEG) Program, to be heard for adoption by the Board in July

RECOMMENDATION: No action required

Background Information:

The amendments to Section 22.23 incorporate into existing rules changes and provisions enacted by Senate Bill 331, 85th Texas Legislature, Regular Session. Specifically, the amendments would allow the Texas Higher Education Coordinating Board to renew twice, rather than once, the two-year temporary approval for an independent or private institution of higher education to participate in the Tuition Equalization Grant Program.

Specifically, the amendments to Sections 22.24-22.25 and 22.29 strike references to non-resident students (eligible to pay in-state tuition) who are National Merit finalists, because these students are no longer eligible to receive awards through the Tuition Equalization Grant Program. These amendments would incorporate into existing rules new provisions enacted by General Appropriations Act, SB 1, 85th Texas Legislature, Article III.

It is not possible to have a 30-day comment period before the June meeting of the Committee on Affordability, Accountability and Planning, and the adoption of these rule changes is necessary in advance of the start of the fall semester.

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, will be available to answer questions.

## CHAPTER 22. STUDENT FINANCIAL AID PROGRAMS

## SUBCHAPTER B. PROVISIONS FOR THE TUITION EQUALIZATION GRANT PROGRAM

## Section

- 22.21. Authority and Purpose.
- 22.22. Definitions.
- 22.23. Institutions.
- 22.24. Provisions that Apply Only to 2006 Revised TEG Program Students.
- 22.25. Provisions that Apply Only to Original TEG Program Students.
- 22.26. Award Amounts and Uses.
- 22.27. Adjustments to Awards.
- 22.28. Late Disbursements.
- 22.29. Allocation and Reallocation of Funds.
- 22.30. Authority to Transfer Funds.
- 22.31. Dissemination of Information and Rules.
- 22.32. Reporting.
- 22.21 - 22.22. No Changes.
- 22.23. Institutions
- (a) Eligibility.
- (1) - (4) No Changes.
- (5) The Board may grant temporary approval to participate in the TEG program to an institution described under paragraph (4) of this subsection for a period of two years. The Board may renew that approval for a given institution twice ~~[once]~~ for a period of two years.
- (b) - (c) No Changes.
- 22.24. Provisions that Apply Only to 2006 Revised TEG Program Students
- (a) Eligible Students. To receive an award through the TEG Program, a 2006 Revised TEG Program student must:
- (1) - (3) No Changes.
- (4) be a resident of Texas as determined based on data collected using the Residency Core Questions and in keeping with Chapter 21, Subchapter B of this title (relating to Determination of Resident Status) ~~[, unless such student is a National Merit scholarship finalist and has received a scholarship in the amount required to be eligible to pay Texas resident tuition under the Texas Education Code §54.213(a)];~~
- (5) - (9) No Changes.

(b) – (e) No Changes.

22.25. Provisions that Apply Only to Original TEG Program Students

(a) Eligible Students. To receive an award through the TEG Program, an Original TEG Program student must:

(1) – (3) No Changes.

(4) be a resident of Texas as determined based on data collected using the Residency Core Questions and in keeping with Chapter 21, Subchapter B of this title (relating to Determination of Resident Status) [~~unless such student is a National Merit scholarship finalist and has received a scholarship in the amount required to be eligible to pay Texas resident tuition under the Texas Education Code §54.213(a)~~];

(5) – (9) No Changes.

(b) – (c) No Changes.

22.26 – 22.28. No Changes.

22.29. Allocation and Reallocation of Funds

(a) No Changes.

(b) Allocations for Fiscal Year 2020 and later. Allocations for the TEG Program are to be determined on an annual basis as follows:

(1) All eligible institutions will be invited to participate; those choosing not to participate will be left out of the calculations for the relevant year.

(2) The allocation base for each institution choosing to participate will be its three-year average share of the total statewide amount of the Total TEG Need, subject to the limits in Texas Education Code, §61.227(c) and (e), based on the students who met the following criteria:

(A) - (C) No Changes.

(D) Classified as a Resident of Texas [~~unless such student is a National Merit scholarship finalist and has received a scholarship in the amount required to be eligible to pay Texas resident tuition under the Texas Education Code §54.213(a)~~];

(E) - (H) No Changes.

(3) - (8) No Changes.

- (c) - (d) No Changes.
- 22.30 - 22.32. No Changes.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-K (2)

Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 23, Subchapter B, Section 23.36 of the Board rules, concerning the Teach for Texas Loan Repayment Assistance Program

RECOMMENDATION: Approval

Background Information:

The proposed amendment to Section 23.36 (2) adds language permitting the Commissioner to delegate responsibility for determining the annual loan repayment amount and aligns the description for determining the amount with the description used for other loan repayment programs.

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Programs, will be available to answer questions.

Date approved by the Commissioner for publication in the *Texas Register*: April 26, 2017

Date published in the *Texas Register*: May 12, 2017

The 30-day comment period with the *Texas Register* will end on June 12, 2017.

If comments are received, comments with staff responses will be presented as supplemental agenda material.

CHAPTER 23 EDUCATION LOAN REPAYMENT PROGRAMS

SUBCHAPTER B TEACH FOR TEXAS LOAN REPAYMENT ASSISTANCE PROGRAM

Section

23.31. Authority and Purpose.

23.32. Definitions.

23.33. Eligible Teacher.

23.34. Priorities of Application Acceptance and Ranking of Applications.

23.35. Eligible Lender and Eligible Education Loan.

23.36. Repayment of Education Loans.

23.31. - 23.35 No Changes.

23.36. Repayment of Education Loans.

Eligible education loans shall be repaid under the following conditions:

(1) the annual repayment(s) shall be in one disbursement made payable to the holder(s) of the loan(s) or co-payable to the teacher and the holder(s) of the loan(s);

(2) the Commissioner of Higher Education or his or her designee shall determine the maximum annual repayment amount in each fiscal year, taking into consideration the amount of available funding and the number of eligible applicants; and

(3) the teacher shall not receive loan repayment assistance for more than five years.