

Agenda Materials
General Academic Institutions Formula
Advisory Committee (GAIFAC) for the
2020-2021 Biennial Appropriations

October 2017

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Agenda

**Meeting of the General Academic Institution Formula Advisory Committee
Texas Higher Education Coordinating Board
Board Room, First Floor, 1.170
1200 East Anderson Lane, Austin
Thursday, October 19, 2017
1:00 p.m.**

Agenda

- I. Call to Order
- II. Consideration and approval of the minutes from September 20, 2017, meeting
- III. Discussion, review, and consideration of the Commissioner's 2020-2021 Biennium charges
- IV. Planning for subsequent meetings
- V. Adjournment

Prior Meeting's Draft Minutes

**Meeting of the General Academic Institutions Formula Advisory Committee
Texas Higher Education Coordinating Board
Board Room, First Floor
1200 East Anderson Lane, Austin
Wednesday, September 20, 2017
1:00 p.m.**

Minutes

Attendees: Mr. Edward T. Hugetz (Chair), Ms. Kathryn Funk-Baxter (Vice Chair), Ms. Susan Brown, Mr. John Davidson, Dr. Danny Gallant, Mr. Raaj Kurapati, Dr. Karen Murray, Dr. Paula M. Short, Ms. Noel Sloan, Dr. Jerry Strawser, and Ms. Angie W. Wright

Absent: Mr. Bob Brown, Dr. Dana G. Hoyt, Dr. Harrison Keller, and Dr. James Marquart

Staff: Dr. David Gardner, Dr. Julie Eklund, Mr. David Young, Mr. Tom Keaton, and Ms. Jennifer Gonzales

1. The meeting was called to order at 1:02 p.m.
2. The minutes from the meeting on August 31, 2017, were reviewed and amended to show that Mr. Bob Brown, Ms. Susan Brown, Mr. John Davidson, Dr. Danny Gallant, and Dr. Jerry Strawser were in attendance. The minutes were unanimously approved by nomination from Dr. Gallant with a second from Dr. Strawser.
3. The committee discussed, reviewed, and considered the Commissioner's 2020-2021 biennium charges.
 - a. To inform discussion on Charge 1, relating to the funding levels, Dr. Eklund provided a presentation on THECB's strategic plan, *60X30TX*.
 - i. Dr. Hugetz acknowledged the complexity of higher education funding in Texas with its various sources and interdependences. The committee inquired why research was not specifically mentioned in the plan. Dr. Gardner clarified that research, as well as many other institutional initiatives, are critical, even though not specifically mentioned in the plan. *60X30TX* builds upon the foundation set by *Closing the Gaps* which included a research goal and strategies to promote research, many of which were adopted by the state.
 - b. Also related to Charge 1, Dr. Eklund presented an overview of the GAI Expenditure Study and its calculation methodology.
 - i. There was discussion about the variability in the relative weights. After review and further discussion, Dr. Hugetz proposed that a working group be formed to explore what may be causing fluctuations in the weights over time. Volunteers for the workgroup include Mr. Hugetz, Ms. Funk-Baxter, Ms. Brown, Dr. Gallant, Dr. Short, Ms. Sloan, and Dr. Strawser. After an inquiry by Mr. Kurapati, Dr. Hugetz noted that anyone on the FAC could attend the

workgroup meetings, should they choose to do so, even if not officially named to the work group.

- c. Related to Charge 2, Mr. David Young presented on the Graduation Bonus formula.
 - i. Dr. Gallant asked if the committee could consider student's first generation designation as part of the graduation bonus measure. Dr. Eklund shared that this is a challenge because this data is self-reported, the field is optional (so some students choose not to report), and many report it as "Unknown". Mr. Young noted that the two criteria used for the graduation bonus as it is currently envisioned do cover approximately 96% of the at-risk population, as defined by the federal government.
 - d. Review of Charge 3, regarding competency-based education (CBE), began with a presentation by Dr. Eklund.
 - i. Dr. Eklund commented on the growth of CBE in Texas, the current methodology of funding these programs, challenges of funding non-course based programs, and funding considerations.
 - ii. Ms. Brown asked if there were any Texas pilot institutions considering non-course-based CBE (not linked to SCH). Dr. Eklund said Dr. Jennifer Nailos, a Program Director in the Academic Quality and Workforce division, could provide more information at the October meeting.
 - iii. The committee asked about any additional data the Board had on CBE completions. Dr. Eklund volunteered to share information we have from TAMU-Commerce but noted that the program is not growing as fast as the institution had projected.
4. The committee discussed action items for the October meeting:
- a. The committee would like for staff to provide data on the percentage split between Utilities and Operations and Maintenance (O&M) funding.
 - b. Staff will send out proposed dates for a remote, WebEx meeting for the Expenditure Study working group to meet before the October 19th meeting.
 - c. Mr. Hugetz suggested that the committee consider the inclusion of the graduation bonus as part of the formula funding level recommendation. The committee should be prepared to discuss this item further in October.
 - d. The chair requested that staff prepare funding level projections based on growth and inflation for the October meeting.
5. A motion for adjournment was made by Ms. Brown, seconded by Dr. Gallant, and the committee unanimously approved. The meeting adjourned at 2:55 p.m. until October 19th, 2017 at 1:00 p.m.

Commissioner's Charges

The GAIFAC, conducted in an open and public forum, is charged with proposing a set of formulas that provide the appropriate funding levels and financial incentives necessary to best achieve the four major goals of *60x307X* plan. A preliminary written report of its activities and recommendations is due to the Commissioner by December 7, 2017, and a final written report by February 2, 2018. The GAIFAC's specific charges are to:

1. Study and make recommendations for the appropriate funding levels for the operations support and space support formulas and the percent split between the "utilities" and "operations and maintenance" (O&M) components of the space support formula. (TEC, Section 61.059 (b))
2. Study and make recommendations for the appropriate funding level for, and for the refinement of, the graduation bonus formula. (TEC, Section 61.0593)
3. Study and make recommendations on the treatment of competency-based courses in formula allocations.

General Academic Institutions Formula Advisory Committee for the 2020-2021 Biennium

Name	Institution	Contacts
Ms. Kathryn Funk-Baxter (2022) Vice President for Business Affairs	The University of Texas at San Antonio, One UTSA Circle, San Antonio TX 78249	kathryn.funk-baxter@utsa.edu 210-458-4201
Mr. Bob Brown (2022) VP for Finance & Administration	University of North Texas 1501 W. Chestnut St., Suite 206 Denton, Texas 76201	bob.brown@unt.edu 940-565-2055
Ms. Susan Brown (2018) Assistant VP for Strategic Analysis & Institutional Reporting	The University of Texas - Rio Grande Valley, 1201 West University Dr. Edinburg, TX 78539	susan.brown@utrgv.edu 956-665-2383
Mr. John Davidson (2022) Associate VP – Budget, Planning & Analysis	The University of Texas at Arlington 219 West Main St. Arlington, TX 76019	john.davidson@uta.edu 817-272-5499
Dr. Danny Gallant (2022) VP for Finance & Administration	Stephen F. Austin State University P.O. Box 6108, SFA Station Nacogdoches, TX 75962	dgallant@sfasu.edu 936-468-2203
Dr. Dana G. Hoyt (2018) President	Sam Houston State University Box 2027 Huntsville, TX 77341	dlg013@shsu.edu 936-294-1013
Mr. Edward T. Hugetz (2018) Interim Senior VP for Academic Affairs & Provost	University of Houston-Downtown 1 Main Street Houston, TX 77002	hugetze@uhd.edu 713-221-5005
Dr. Harrison Keller (2020) Vice Provost for Higher Ed Policy & Research	The University of Texas at Austin 1 University Station G1000 Austin, TX 78712	harrison.keller@austin.utexas.edu 512-232-8277
Mr. Raaj Kurapati (2022) VP for Finance & CFO	Texas A&M University-Kingsville 700 University Blvd. MSC 144 Kingsville, TX 78363	raajkumar.kurapati@tamuk.edu 361-593-2419
Dr. James Marquart (2020) Provost and Vice President Academic Affairs	Lamar University PO Box 10002 Beaumont, TX 77710	James.marquart@lamar.edu 409-880-8398
Dr. Karen Murray (2020) Executive Vice President of Academic Affairs & Provost	Tarleton State University 1333 West Washington Stephenville, TX 76402	kmurray@tarleton.edu 254-968-9992
Dr. Paula M. Short (2018) Senior Vice President for Academic Affairs & Provost	University of Houston 4302 University Dr., Room 204 S2019 Houston, TX 77204	pshort@uh.edu 832-842-0550
Ms. Noel Sloan (2020) Chief Financial Officer & Vice President of Administration & Finance	Texas Tech University 2500 Broadway Lubbock, TX 79409	noel.a.sloan@ttu.edu 806-834-1625
Dr. Jerry R. Strawser (2020) Executive VP of Finance & Administration & CFO	Texas A&M University 1181 TAMU College Station, TX 77843	jstrawser@tamu.edu 917-862-7777
Ms. Angie W. Wright (2020) Vice President for Finance & Administration	Angelo State University 2601 West Ave N San Angelo, TX 76903	angie.wright@angelo.edu 325-942-2017

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

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

Utility and Operations and Maintenance Split

Year	O&M Funding	Utility Funding	Biennium	GAIFAC Recommendation
2008	42.6%	57.4%	2010-2011	The 2010-2011 GAIFAC had an Infrastructure Study Committee that distributed surveys to the institutions to collect utility information. The actual costs of utilities for FY 2007 in comparison to the total expended for infrastructure support represented 57.4%, which therefore, guided the committee to recommend that the utility adjustment be based upon 57.4% of the amount to be appropriated.
2009	N/A	N/A		Not annually collected at this point in time.
2010	48.0%	52.0%	2012-2013	The 2012-2013 GAIFAC had an Infrastructure Study Committee that conducted a Utilities Survey of FY 2009 data on utilities and O&M expenditures for physical plant to determine the recommended split. The committee recommended that the Infrastructure rate be based on the FY 2010 Utility survey. The GAIFAC Infrastructure Committee’s survey of the institutions’ FY 2009 data suggested a split of 48 percent O&M and 52 percent utilities.
2011	N/A	N/A		Not annually collected at this point in time.
2012	52.5%	47.5%	2014-2015	The recommendation was to split the Infrastructure rate using FY 2012 utility rates. <u>This recommendation required the LBB to augment its biennial data collection to include total O&M expenditures.</u> In the event that this was not possible, the GAIFAC recommended a 50 percent O&M and 50 percent utilities split based on the FY 2011 utility rate survey the GAIFAC conducted. Update: Since FY 2012, the split has been based on institutional survey data reported through Sources & Uses. The split has been determined by dividing the total utility cost by the Operations & Maintenance Plant total (utility cost + non-utility cost).
2013	55.9%	44.1%		
2014	56.5%	43.5%	2016-2017	Split the rate between “utilities” and “operations and maintenance” components using FY 2014 utility rates, update the utility rate adjustment factors using the FY 2014 utilities expenditures, and allocate the Infrastructure formula using the fall 2014 space model predicted square feet.
2015	56.5%	43.5%		
2016	58.9%	41.1%	2018-2019	Split the rate between “utilities” and “operations and maintenance” components using FY 2016 utility rates, update the utility rate adjustment factors using the FY 2016 utilities expenditures, and allocate the space support formula using the fall 2016 space model predicted square feet.
	Based on GAIFAC Infrastructure Committee's biennial survey results of utility cost			
	Based on annual survey results collected in Sources & Uses that include both utility and total O&M expenditures			

Funding Levels

The data below are used to inform recommendations related to growth in enrollment and inflation.

Operations Support Growth Rate

Fall	Fall Headcount ¹	Annual Percent Change	Fall Full-Time Student Equivalents (FSTE) ^{2,3}	Annual Percent Change
2000	414,626		321,284	
2001	430,770	3.89%	335,469	4.42%
2002	455,719	5.79%	354,855	5.78%
2003	472,818	3.75%	369,905	4.24%
2004	482,123	1.97%	377,818	2.14%
2005	484,999	0.60%	384,306	1.72%
2006	491,140	1.27%	388,395	1.06%
2007	497,195	1.23%	393,257	1.25%
2008	509,136	2.40%	400,536	1.85%
2009	532,226	4.54%	415,376	3.71%
2010	557,550	4.76%	434,218	4.54%
2011	568,938	2.04%	443,881	2.23%
2012	576,693	1.36%	453,988	2.28%
2013	584,785	1.40%	461,614	1.68%
2014	603,598	3.22%	475,889	3.09%
2015	619,175	2.58%	487,085	2.35%
2016	636,750	2.84%	501,024	2.86%
2017	644,456	1.21%	507,087	1.21%
2018	653,265	1.37%	514,018	1.37%
2019	661,435	1.25%	520,447	1.25%
2020	670,481	1.37%	527,565	1.37%
FTSE Projected Biennial Percent Change: Fall 2016 to 2018				2.6%

Space Support Growth Rate

Fall	Fall Predicted Square Feet (PSF) (Millions)	Annual Percent Change
2000	42.73	
2001	44.60	4.38%
2002	48.14	7.92%
2003	49.65	3.14%
2004	49.95	0.60%
2005	51.03	2.17%
2006	52.22	2.33%
2007	53.54	2.52%
2008	54.78	2.33%
2009	58.17	6.18%
2010	61.00	4.86%
2011	62.05	1.71%
2012	61.75	-0.48%
2013	63.43	2.73%
2014	64.65	1.93%
2015	66.89	3.47%
2016	68.61	2.56%
2017	70.22	2.35%
2018	72.02	2.56%
2019	73.90	2.61%
2020	75.56	2.24%
PSF Projected Biennial Percent Chg: Fall 2016 to 2018		5.0%

Inflation Rate

Year	Annual Average CPI-U ⁶
2001	177.100
2002	179.900
2003	184.000
2004	188.900
2005	195.300
2006	201.600
2007	207.342
2008	215.303
2009	214.537
2010	218.056
2011	224.939
2012	229.594
2013	232.957
2014	236.736
2015	237.017
2016	240.007
2017	245.208
2018	247.450
2019	250.045
2020	252.900
2021	255.908
Biennial Projected Average CPI-U	254.4
Biennial Projected Change in Average CPI-U	1.7%

Notes:

1. Institutional Targets - Accountability System. Projected fall headcount based on Enrollment Forecast Report.

2. Accountability System - University Enrollment FTE.

3. Projected FTSE based on percent change in projected headcount from previous year.

4. Space Projection Model. Projected on a five-year linear regression.

5. Fiscal Year 2017 (fall 2016 values) and earlier are actual. Later values are projected as indicated.

6. Annual Average Consumer Price Index data from Series Id: CUUR0000SA0, Non-Seasonally Adjusted U.S. City Average, All items, Base Period: 1982-84=100

<ftp://ftp.bls.gov/pub/special.requests/cpi/cpia.txt> 'Last Updated: 2017-08-01

**General Academic Institution Formula Funding Level Recommendation
(does not include Texas State Technical College or Lamar State College Space Support)**

Operations Support and Teaching Experience Supplement (in millions)	
Inflation	
2018-2019 Appropriated Rate	\$ 55.82
Anticipated Inflation Rate	1.7%
Recommended Funding Rate (with inflation)	\$ 56.79
Growth	
2018-2019 Weighted Semester Credit Hours	35,854,955
Anticipated Growth Rate	2.6%
2020-2021 Projected Growth in Weighted Semester Credit Hours	36,784,850
2018-2019 Appropriation	\$ 4,003
2020-2021 Recommendation with Inflation and Growth	\$ 4,178
Recommended Increase	\$ 175
Percent Increase	4.4%

Space Support (in millions)	
2018-2019 Appropriations	\$ 732
2018-2019 Total Appropriated Rate (O&M + Utility)	\$ 5.27
2018-2019 O&M Appropriated Rate	\$ 3.10
2018-2019 Utility Appropriated Rate	\$ 2.17
2018-2019 O&M Percentage	58.87%
2018-2019 Utility Percentage	41.13%
2018-2019 Predicted Square Feet	67,434,245
2018-2019 Adjusted Utility Square Feet	71,164,062
Inflation	1.7%
2020-2021 Recommended Total Funding Rate (with inflation)	\$ 5.36
2020-2021 Recommended O&M Funding Rate (with inflation)	\$ 3.16
2020-2021 Recommended Utility Funding Rate (with inflation)	\$ 2.21
Growth in Predicted Square feet	5.0%
2020-2021 Projected Predicted Square Feet	70,791,197
2020-2021 Projected Adjusted Utility Square Feet	74,706,688
Recommendation	
2020-2021 O&M Recommendation	\$ 447
2020-2021 Utility Recommendation	\$ 329
2020-2021 Recommendation with Inflation and Growth	\$ 776
Recommended Increase	\$ 45
Percent Increase	6.1%

Small Institution Supplement (in millions)	
2018-2019 Small Institution Supplement	\$ 16.7
2020-2021 Recommendation with 2.6% Headcount Growth	\$ 16
Recommended Increase	\$ (0.6)
Percent Increase	-3.9%

Total Formula Funding (in millions)		
2018-2019		
Operations Support with Teaching Experience Supplement	\$	4,003
Space Support	\$	732
Small Institution Supplement	\$	17
Total	\$	4,752
2020-2021		
Operations Support with Teaching Experience Supplement	\$	4,178
Space Support	\$	776
Small Institution Supplement	\$	16
Total	\$	4,971
Recommended Increase	\$	219
Percent Increase		4.6%

Charge 2 – Study and make recommendations for the appropriate funding level for, and for the refinement of, the graduation bonus formula. (TEC, Section 61.0593)

TEC, Section 61.0593 requires the THECB to consider incorporating undergraduate success measures into its formula funding recommendation to the legislature.

The 2016 GAIFAC recommended a new Graduation Bonus formula that included only two important metrics: 1) undergraduate degrees awarded to students who are not at risk, and 2) undergraduate degrees awarded to at-risk students. At risk-students are defined for this purpose as students who are eligible for a Pell grant and/or who had below average SAT/ACT scores.

THECB recommended that the student outcomes be funded at \$500 for each bachelor's degree awarded to a student who was not at-risk and \$1,000 for each bachelor's degree awarded to an at-risk student.

The table below provides information on the three-year averages of non-at-risk and at-risk degrees awarded by institutions between 2014 and 2016.

In 2016, the recommendation of the GAIFAC was to prioritize fully funding the Operations Support formula first in order to support basic operations. The Board stated, "it is important that outcomes-based funding be firmly institutionalized, whether it be inside or outside the Instruction and Operations formula, so that universities invest in long-term approaches to increasing student completion."

General Academic Institutions Board Recommendation - Formula Funding - 2018-2019

Graduation Bonus - Three-year average (2014 through 2016) of undergraduate degrees and undergraduate degrees of at-risk students (Pell recipient and below national average SAT/ACT)

Institution	Biennial Graduation Bonus (GB)	Graduation Bonus Points	Three-Yr Average		FY 2016		FY 2015		FY 2014	
			Non At-Risk Degrees	At-Risk Degrees	Non At-Risk Degrees	At-Risk Degrees	Non At-Risk Degrees	At-Risk Degrees	Non At-Risk Degrees	At-Risk Degrees
UT-Arlington	\$ 11,429,000	11,429	2,657	4,386	2,813	4,544	2,617	4,500	2,541	4,114
UT-Austin	13,046,667	13,047	5,461	3,793	5,854	3,948	5,301	3,627	5,227	3,804
UT-Dallas	4,629,333	4,629	1,281	1,674	1,345	1,703	1,339	1,683	1,158	1,637
UT-El Paso	6,104,000	6,104	463	2,820	480	2,866	485	2,811	425	2,784
UT-Rio Grande Valley	7,573,333	7,573	424	3,575	417	3,585	445	3,705	410	3,434
UT-Permian Basin	1,193,000	1,193	189	502	211	521	201	519	155	466
UT-San Antonio	8,083,667	8,084	1,130	3,477	1,197	3,433	1,157	3,502	1,037	3,495
UT-Tyler	2,070,000	2,070	370	850	422	934	366	855	322	761
TAMU	13,773,000	13,773	5,445	4,164	5,555	4,324	5,600	4,040	5,180	4,128
TAMU-Galveston	570,333	570	150	210	184	218	154	212	113	200
Prairie View	2,043,667	2,044	114	965	103	957	135	1,020	105	917
Tarleton	3,730,667	3,731	559	1,586	604	1,769	563	1,521	509	1,468
TAMU-Central	935,000	935	120	407	115	468	110	386	136	368
TAMU-CC	2,636,667	2,637	371	1,133	382	1,205	346	1,106	384	1,088
TAMU-Kingsville	1,788,667	1,789	131	829	144	833	120	810	128	844
TAMU-San Antonio	1,751,667	1,752	161	795	176	860	178	826	129	700
TAMI	1,947,000	1,947	70	939	82	988	58	926	69	902
WTAMU	2,475,333	2,475	447	1,014	464	1,016	430	1,022	446	1,005
TAMU-Commerce	2,665,667	2,666	392	1,137	447	1,227	377	1,099	353	1,084
TAMU-TeXarkana	591,333	591	96	248	83	252	106	240	99	251
UH	10,940,000	10,940	1,965	4,488	2,150	4,587	1,868	4,389	1,876	4,487
UH-Clear Lake	2,189,333	2,189	375	907	367	927	379	918	378	877
UH-Downtown	4,288,333	4,288	588	1,850	582	2,064	566	1,775	615	1,712
UH-Victoria	1,080,667	1,081	213	434	186	442	224	425	228	435
Midwestern	1,681,000	1,681	342	670	329	688	333	657	363	664
UNT	10,388,000	10,388	2,167	4,111	2,337	4,201	2,083	4,111	2,080	4,020
UNT-Dallas	784,000	784	65	360	64	423	66	325	64	331
SFA	3,636,333	3,636	534	1,551	541	1,565	539	1,568	523	1,520
TSU	1,671,000	1,671	141	765	152	800	150	760	121	735
TTU	8,404,333	8,404	2,001	3,202	1,994	3,185	1,963	3,303	2,046	3,117
Angelo	1,660,000	1,660	308	676	317	593	313	698	294	737
TWU	3,627,333	3,627	534	1,547	568	1,593	522	1,515	512	1,532
Lamar	2,640,000	2,640	435	1,102	425	1,167	433	1,092	448	1,048
Sam Houston	5,878,333	5,878	908	2,485	916	2,571	933	2,505	874	2,380
TXST	10,522,333	10,522	1,946	4,288	1,906	4,577	1,960	4,270	1,971	4,018
Sul Ross	329,333	329	30	150	22	153	26	147	42	149
Sul Ross-Rio Grande	289,000	289	15	137	21	151	15	152	9	108
Total	\$159,047,333	159,047	32,595	63,226	33,955	65,338	32,461	63,020	31,370	61,320
Rate	\$ 500.00				-	-	-	-	-	-

¹UT-Rio Grande Valley values for FY2014 combined degrees from previous institutions of UT-Pan American and UT-Brownsville.

Source: CBM009, CBM00N, CBM00B, FAD

*matches unduplicated baccalaureate graduates to FAD and CBM00B for prior 10 years.

Students flagged as receiving pell, did not receive pell but had a EFC less than the pell threshold, or SAT/ACT score below the national average at any time in the prior 10 years. At-risk total only counts students once in any of the 3 categories for an unduplicated total.

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

Competency Based Education Data

Institution	Total Enrolled Fall 14 - Summer 17	Received Pell FY15-FY16	Percent of Pell Enrolled	Average Age
TAMU Commerce	707	178	25.2%	37
South Texas College	814	460	56.5%	32
Statewide	1,521	638	41.9%	35

Institution	Earned Award FY15-FY16		
	Bachelor	Associate	Certificate
TAMU Commerce	123	90	11
South Texas College	85	258	8
Statewide	208	348	19

Source: CBM00S where instruction mode="7". For enrollment, the record when the student was first flagged was selected.

Pell received between FY15 and FY16. Data not available for FY17 as of 9/26/2017

Highest Award earned between FY15 and FY16. Data not available for FY17 as of 9/26/2017

Competency-Based Education



Texas Higher Education
Coordinating Board

Formula Advisory Committee Meetings
October 2017
Jennifer Nailos, EdD
Academic Quality and Workforce Division



1

CBE ≠ TAB

- Several Texas Affordable Baccalaureate (TAB) programs incorporate Competency-Based Education as a delivery-mode
- Not all TAB programs are fully CBE
- Not all CBE programs are TAB

What is CBE?

Competency-Based Education (CBE) allows students to progress towards completion, often at their own pace, as they demonstrate mastery – measured through authentic assessment – of a defined set of knowledge and skills.

CBE programs may be organized around traditional course-based units, but this is not required. A majority of the curriculum must include regular and substantive interaction with faculty.

Elements of CBE

- Credit is awarded upon mastery of skill, not time spent in classroom
- Learning is self-paced
- Learning outcomes, skills, and content requirements are clearly defined
- Prior learning experiences and existing knowledge of students is recognized
- Assessments are linked to learning outcomes, skills, and content requirements
- Course-loads are based on the student's abilities and time
- *Note: Competency-based education can include an entire degree program or elements within a program.*

Example CBE Programs

- National
 - Western Governor's University
 - University of Maryland University College
 - University of Wisconsin
- Texas
 - Austin Community College
 - South Texas College
 - Texas A&M University-Commerce

Types of Enrollment Period

Flexible Entry

- Clear start and end dates for academic terms/periods
- Unlimited number of courses

Term-Based

- Clear start and end dates for academic terms/periods
- Set number of courses

Self-Paced

- Time is variable according to individual student schedule
- Unlimited number of courses

Types of Enrollment Period: Flexible Entry

	FALL SEMESTER				WINTER	SPRING SEMESTER				SUMMER SEMESTER			
Course 1													
Course 2													
Course 3													
Course 4													
Course 5													
Course 6													
Course 7													
Course 8													
Course 9													
Course 10													
Course 11													
Course 12													

- Once a course is completed, a student may enroll in additional courses during the academic term.

Types of Enrollment Period: Term-Based

	FALL SEMESTER	WINTER	SPRING SEMESTER	SUMMER SEMESTER
Course 1				
Course 2				
Course 3				
Course 4				
Course 5				
Course 6				
Course 7				
Course 8				
Course 9				
Course 10				
Course 11				
Course 12				

- Students may accelerate during an academic term but cannot add additional courses. Enrollment follows established term schedules.

Types of Enrollment Period: Self-Paced

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
Course 1												
Course 2												
Course 3												
Course 4												
Course 5												
Course 6												
Course 7												
Course 8												
Course 9												
Course 10												
Course 11												
Course 12												

- Once a course is completed, a student may enroll in additional courses. Time is variable by individual student.

Texas Landscape Updates

- Development of additional CBE programs
- Types of CBE programs
- Data collection and analysis at the institutions
- Reporting programs to THECB

National Landscape

- Information from Other States
- Accreditation, Federal, and Financial Aid requirements
- Experimental Sites

National Landscape: Information from Other States

- Developing policies and funding structures
- Piloting programs
- Continuing education arms of institutions
- Align with SCH for funding purposes
- National organization – Competency-Based Education Network (C-BEN) developing Quality Standards, guiding documents, and national norms

National Landscape: Accreditation, Federal Policy, and Financial Aid Requirements

- Accreditation
 - Regular and substantive faculty and student interaction
- Federal policy
 - Reauthorization of the Higher Education Act
- Financial Aid requirements: Title IV Funding
 - Establishing credit hour equivalencies
 - Regular and substantive faculty and student interaction
 - Prohibitions on paying Title IV aid for credit earned through Prior Learning Assessments (PLA)
 - Satisfactory academic progress
 - Accrediting agency review

National Landscape: Experimental Sites

- Expansion of Competency-Based Education (CBE) Experiment
 1. Split Disbursement
 2. Satisfactory Academic Progress Only
 3. Subscription Period Disbursement
- Prior Learning Assessment (PLA), Competency-Based Education (CBE), Limited Direct Assessment (LDA) and Federal Work Study (FWS) for Near-Peer Counseling Experiments

Funding Implications of CBE

- Reporting and monitoring processes may need to distinguish types of CBE programs
- Types of CBE programs will influence:
 - Course, program, and institutional alignment with Federal Financial Aid guidelines
 - State Formula Funding eligibility

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

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