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

September 2017

Table of Contents

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
Wednesday, September 20, 2017
1:00 p.m.

Agenda

I. Call to Order

II. Consideration and approval of the minutes from August 31, 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
Thursday, August 31, 2017
1:24 p.m.

Minutes

Attendees: Mr. Edward T. Hugetz (Chair), Ms. Kathryn Funk-Baxter (Vice Chair), Dr. Dana G. Hoyt, Dr. Harrison Keller, Dr. Karen Murray, Dr. Paula M. Short, Ms. Noel Sloan, and Ms. Angie W. Wright

Absent: Dr. James Marquart, Mr. Raaj Kurapati

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

1. The meeting was called to order at 1:24 p.m.
2. Mr. Hugetz, convening chair called for a nomination for chair. Ms. Susan Brown nominated Mr. Hugetz, Dr. Hoyt seconded the nomination, and the members unanimously voted Mr. Hugetz as committee chair.
3. The chair called for a nomination for vice chair, and Dr. Hoyt nominated Ms. Funk-Baxter. Dr. Gallant seconded the nomination, and the members unanimously voted Ms. Funk-Baxter as committee vice chair.
4. Dr. Eklund provided a brief overview of the funding formulas and fielded questions from members.
5. The chair reviewed the Commissioner's 2020-2021 biennium charges.
    a. Charge 1 – Funding Levels
        i. The chair requested that members review the information provided in the meeting's agenda materials and be prepared to discuss funding levels at the September meeting. The committee requested that staff provide a quick overview of 60X30TX and additional details on the expenditure study.
    b. Charge 2 – Graduation Bonus Formula
        i. The chair requested that members' be prepared to take up this charge at the September meeting. The chair requested that staff provide a summary overview of the graduation bonus.

c. Charge 3 – Funding Competency-Based Courses

    i. The chair requested committee members be prepared to take up this charge during the September meeting and Dr. Eklund agreed to provide additional information on Competency-Based Education (CBE).

6. The committee considered future meeting dates.

    a. The committee will meet on September 20, November 8, December 6, and January 10 (if needed) at 1:00 p.m. The chair requested that staff poll the committee by email for availability of the October meeting, to determine if October 11 or October 19 worked for the majority of committee members, and whether a morning versus afternoon meeting was preferred.

7. The meeting was adjourned at 2:26 p.m. until September 20, 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 *60x30TX* 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	pmshort@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))

Presentations on the goals of *60x30TX* and the annual Expenditure Study are included to inform the committee's discussion of funding level recommendations.

A. 60x30TX Presentation

The ***60x30TX* Texas Higher Education Strategic Plan: 2015-2030** can be found at http://www.thecb.state.tx.us/index.cfm?objectid=5033056A-A8AF-0900-DE0514355F026A7F.

The Higher Education Strategic Planning Committee agendas, materials, and presentations can be viewed at http://www.thecb.state.tx.us/index.cfm?objectid=503FD925-D200-A8E7-25C3B19EEAF7BEA2.

The 12 pages below provide an overview of the *60x30TX* plan, followed by summary table of the *60x30TX* Progress Report as of July 2017. The progress report can be found in its entirety at http://www.thecb.state.tx.us/reports/PDF/9742.PDF?CFID=66127577&CFTOKEN=71367844.

B. Expenditure Study Presentation

Following the *60x30TX* presentation is an overview of the General Academic Institutions Expenditure Study. More detail regarding the expenditure study is available at http://www.thecb.state.tx.us/index.cfm?objectid=50067F8C-D180-18DE-B88C060BCE74E409.

60x30TX
The 15-Year Plan for Texas Higher Education

60×30TX

Texas Higher Education Coordinating Board

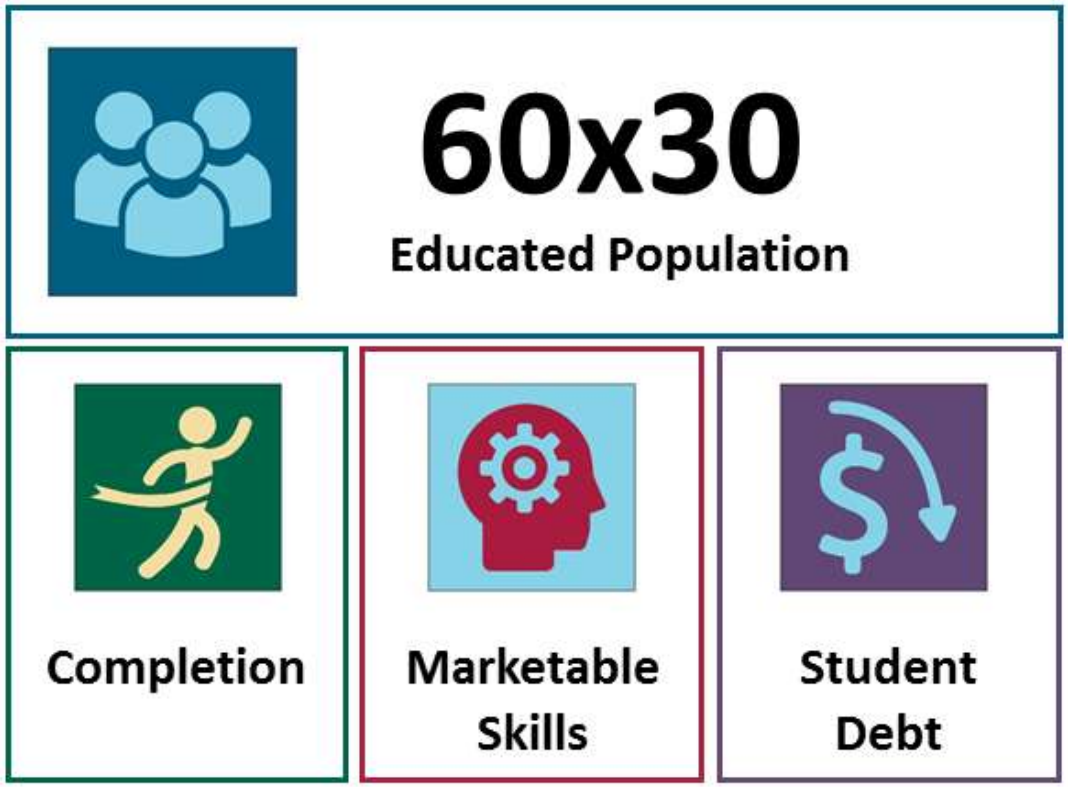
GAI Formula Advisory Committee

September 20, 2017

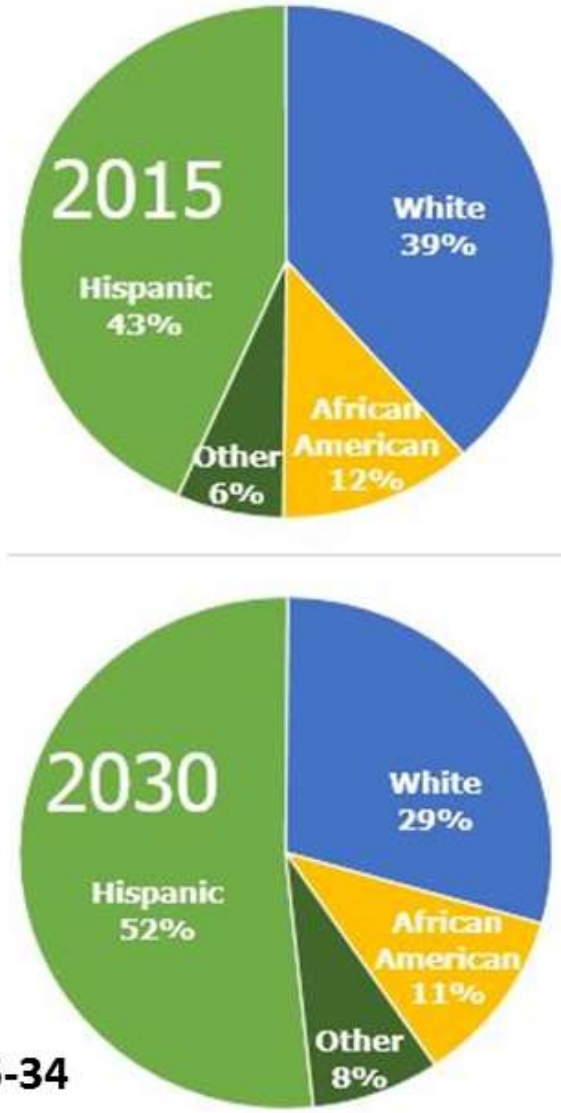
Julie Eklund, PhD

Strategic Planning and Funding Division

60x30TX is a Student-Centered Plan



Educating the state's diverse young-adult population for the workforce of the future will reap public and private benefits



Texas residents, ages 25-34

60x30TX

The Four 60x30TX Goals

THE OVERARCHING GOAL: 60x30: EDUCATED POPULATION

At least 60 percent of Texans ages 25-34 will have a certificate or degree.

- *Supports the economic future of the state*

THE SECOND GOAL: COMPLETION

At least 550,000 students in 2030 will complete a certificate, associate, bachelor's, or master's from an institution of higher education in Texas.

- *Requires large increases among targeted groups*

THE THIRD GOAL: MARKETABLE SKILLS

All graduates from Texas public institutions of higher education will have completed programs with identified marketable skills.

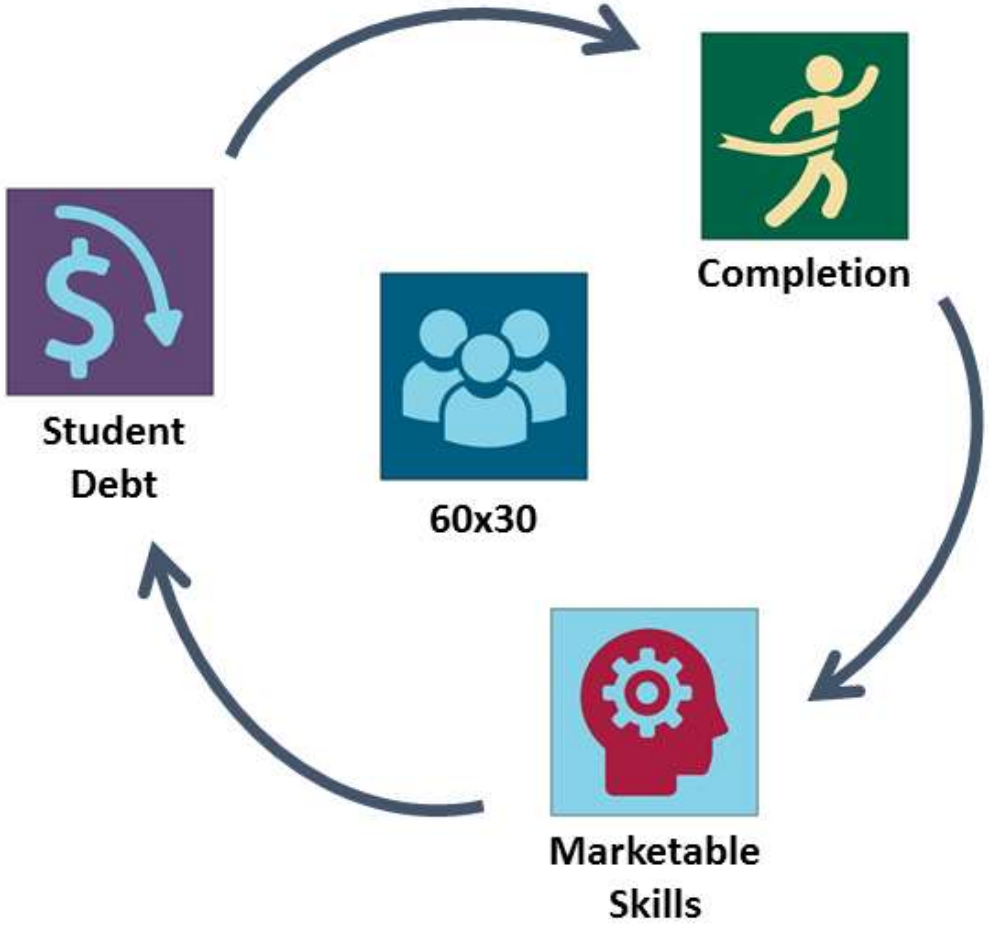
- *Emphasizes the value of higher education in the workforce*

THE FOURTH GOAL: STUDENT DEBT

Undergraduate student loan debt will not exceed 60 percent of first-year wages for graduates of Texas public institutions.

- *Helps students graduate with manageable debt*

Goals are Interdependent



Overall, Texas is doing well on its *60x30TX* Goals and Targets . . .

Goal	Target	First-Year Baseline (2015)*	2016 Progress*
60x30	60x30 (Educated Population)	40.3%	41.0%
Completion	Overall	311,340	321,410
	Hispanic	96,657	103,889
	African American	38,964	38,813
	Male	131,037	135,849
	Economically Disadvantaged	114,176	119,490
	TX High School Graduates Enrolling in TX Higher Education	52.7%	51.9%
Marketable Skills	Working or Enrolled Within One Year	78.9%	78.8%
Student Debt	Student Loan Debt to First Year Wage Percentage	60%	60%
	Excess SCH Attempted	20	18
	Percent of Undergraduates Completing with Debt	49.2%	48.2%

60x30TX

* Baseline uses 2015 data when possible and 2016 progress uses 2016 data when possible; otherwise most recent data available are used.

6

Completion

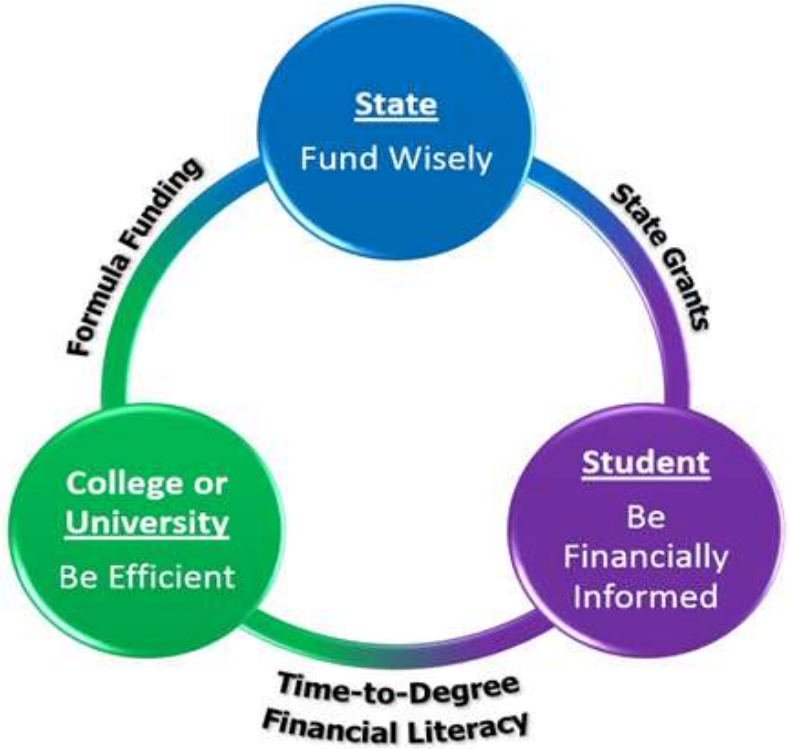
COMPLETION

By 2030, at least 550,000 students in that year will complete a certificate, associate, bachelor's, or master's from an institution of higher education in Texas.

- **If reached, Texas will award a total of 6.4 million certificates or degrees during the 15 years of this plan.**

STUDENT DEBT

A balanced triangle



STUDENT DEBT

Strategies to achieve this goal

- **Finance higher education to balance appropriations, tuition and fees, and financial aid**
- **Build financial literacy**

Where can I find more information on *60x30TX?*

60x30TX.com is a consumer-friendly site that provides "snapshot" data

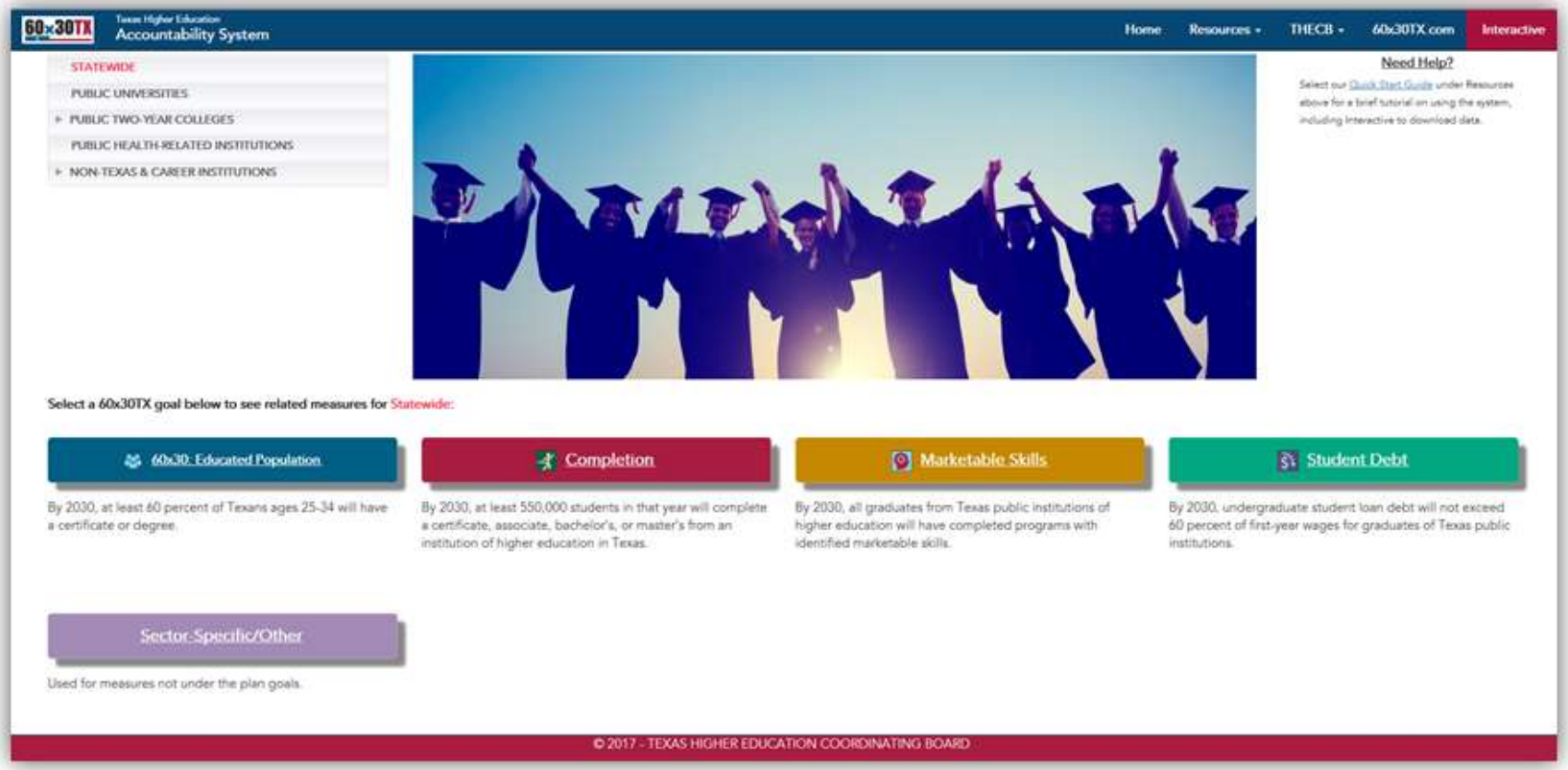
- Hot topics
- Infographics
- Interactive statewide, regional and institutional data
- Resources, media announcements, events
- Videos
- Ability to do "deeper dives" into accountability system

60x30TX Website

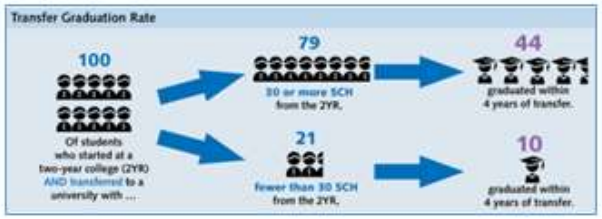
www.60x30TX.com

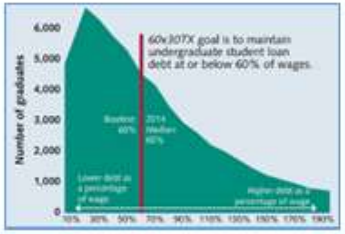
Accountability System

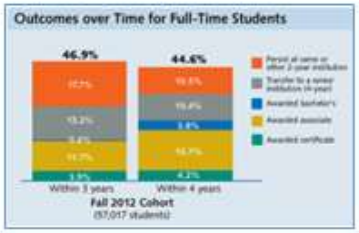
www.txhigheredaccountability.org



And if websites aren't your preference, remember the. . .  Almanac!







Questions?

General Academic Institutions Expenditure (Cost) Study

60×30TX

Texas Higher Education Coordinating Board

Presented by Julie Eklund, PhD.

General Academic Institutions Formula Advisory Committee

September 20, 2017

Relative Weight Matrix

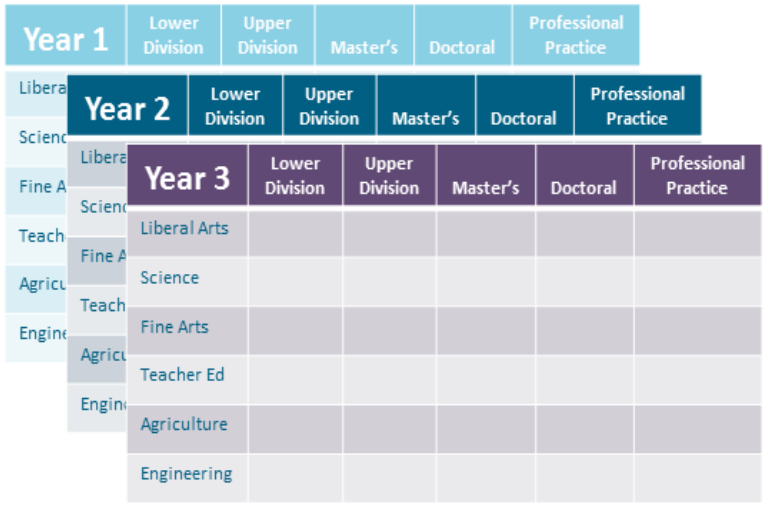
Formula funding is allocated by weighted semester credit hours.

SCH X Weight X Rate = Formula

Doctoral Pharmacy Example:
3 X 32.17 X $55.82 =$5,387.19

Discipline	Lower Division	Upper Division	Master's	Doctoral	Professional Practice
Liberal Arts	1.00	1.73	4.01	10.90	
Science	1.64	2.81	7.04	20.70	
Fine Arts	1.46	2.51	6.07	7.48	
Teacher Ed	1.53	2.07	2.39	6.91	
Agriculture	2.08	2.58	6.54	11.80	
Engineering	2.15	3.22	5.50	17.15	
Home Economics	1.11	1.76	2.79	9.09	
Law					4.77
Social Services	1.57	1.89	2.47	19.33	
Library Science	1.44	1.54	3.35	14.64	
Veterinary Medicine					23.30
Vocational Training	1.16	2.74			
Physical Training	1.46	1.26			
Health Services	1.02	1.55	2.54	10.19	2.50
Pharmacy	2.46	4.73	28.55	32.17	4.23
Business Admin	1.16	1.83	3.26	24.70	
Optometry					7.65
Teacher Ed Practice	1.91	2.18			
Technology	2.08	2.32	3.42	14.79	
Nursing	1.49	2.04	3.00	9.57	
Developmental Ed	1.00				

Overview



Year 3	Lower Division	Upper Division	Master's	Doctoral	Professional Practice
Liberal Arts					
Science					
Fine Arts					
Teacher Ed					
Agriculture					
Engineering					

- Three-year average expenses and semester credit hours
- Allocate annual expenses to cells
- Sum all the institutions' allocated expenses by cell for three years
- Sum all institutions' hours by cell for three years
- For each cell, divide expense by hours
- Divide each cell by the "lower division liberal arts" rate

Expenditures Included in the Matrix

- Functional Cost Categories
  - Instruction and Research
  - Academic Support
  - Student Services
  - Institutional Support
  - Excluded
    - Public Service
    - Operations and Maintenance of Plant
    - Scholarships and Fellowships
    - Auxiliary Enterprises
    - Capital Outlay from Current Fund Sources
    - Other Expenses

- Fund Groups - All Funds
  - Educational and General
  - Designated
  - Restricted Expendable
  - Unexpended Plant Funds
  - Excluded
    - Auxiliary Enterprises
    - Loan Funds
    - Annuity, Life and Endowment, and Similar
    - Retirement of Indebtedness
    - Investment in Plant

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Cost Drivers used to allocate expenses to cells

Cost Drivers	Source
Headcount	Student Report (CBM001)
Semester Credit Hours (SCH)	Course Report (CBM004)
Teaching Salaries	
- Faculty Teaching Salaries	Faculty Report (CBM008)
- Teaching Assistant Salaries	Institution Survey

Allocate Direct Expenses into Matrix Cells

Allocate

- Instruction and Research

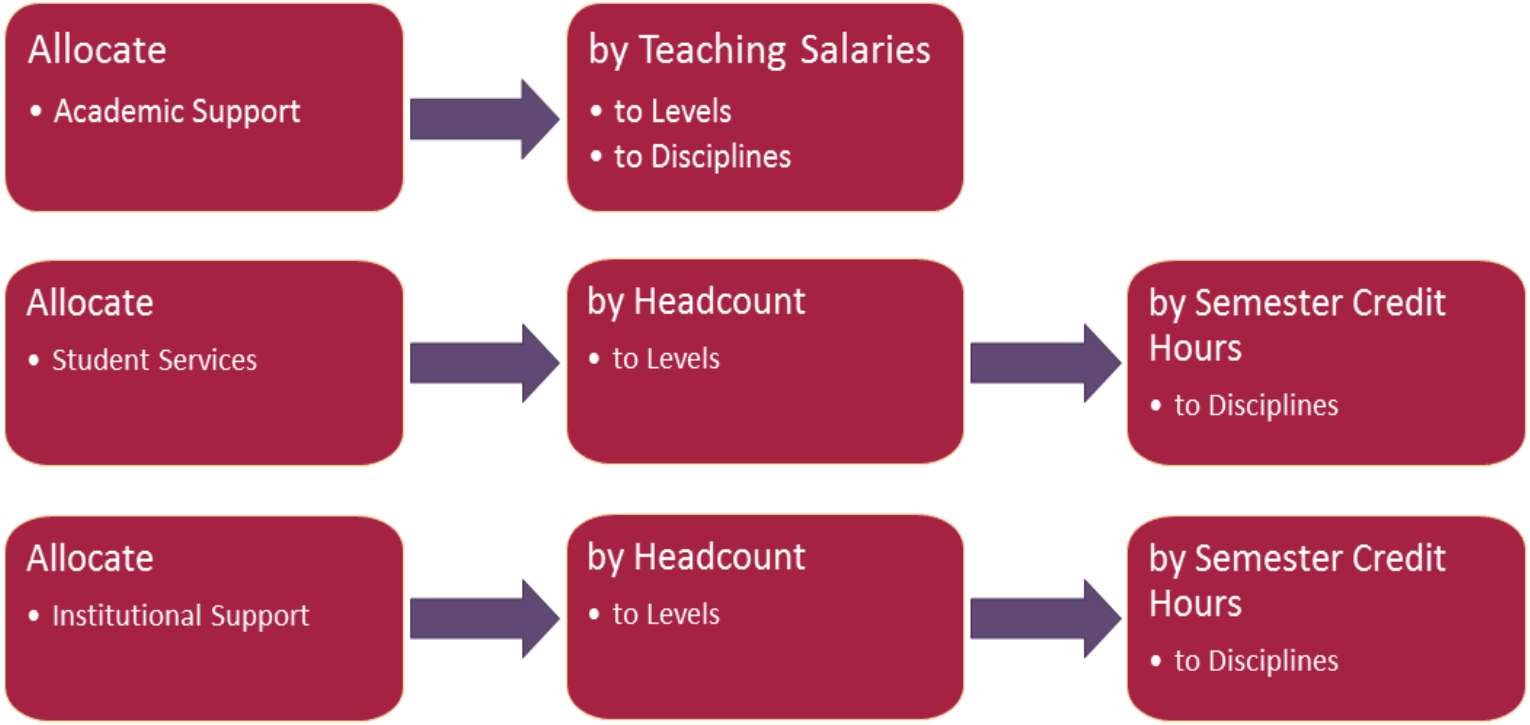
  Instruction + Research - Teaching Salaries = Departmental Operating Expense

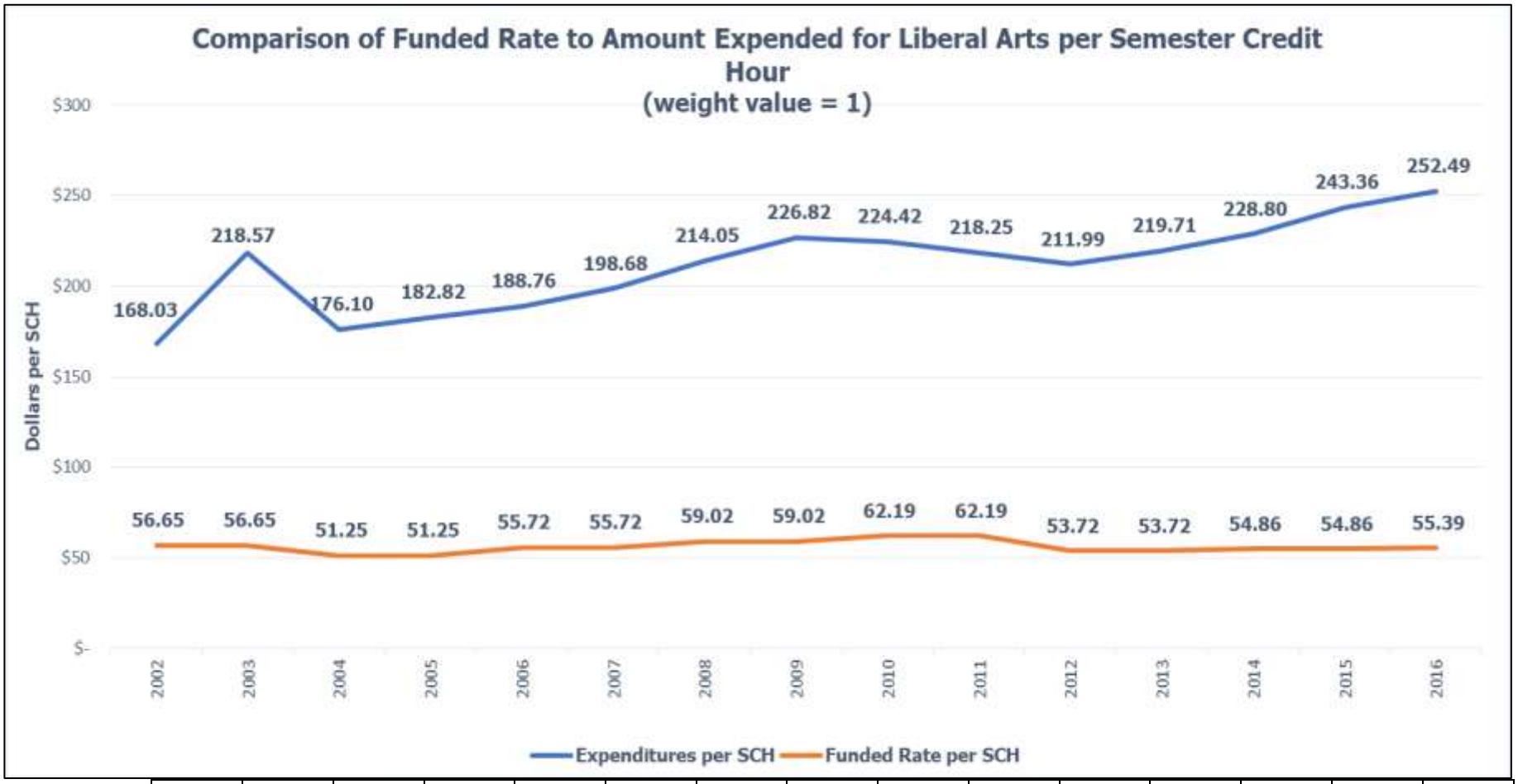
DOE	Lower Division	Upper Division	Master's	Doctoral	Professional Practice
Liberal Arts					
Science					
Fine Arts					
~~					
~~					
Technology					
Nursing					

- Combine "Instruction and Research"
- Subtract Teaching Salaries
- 2 options to divide remaining expense into cells
- Option 1: Institutions can **specify** the Departmental Operating Expense (DOE) for each **discipline and level** in the matrix
- Option 2: Institutions can **specify** the Departmental Operating Expense (DOE) of each discipline and **allocate** to levels

60x30TX

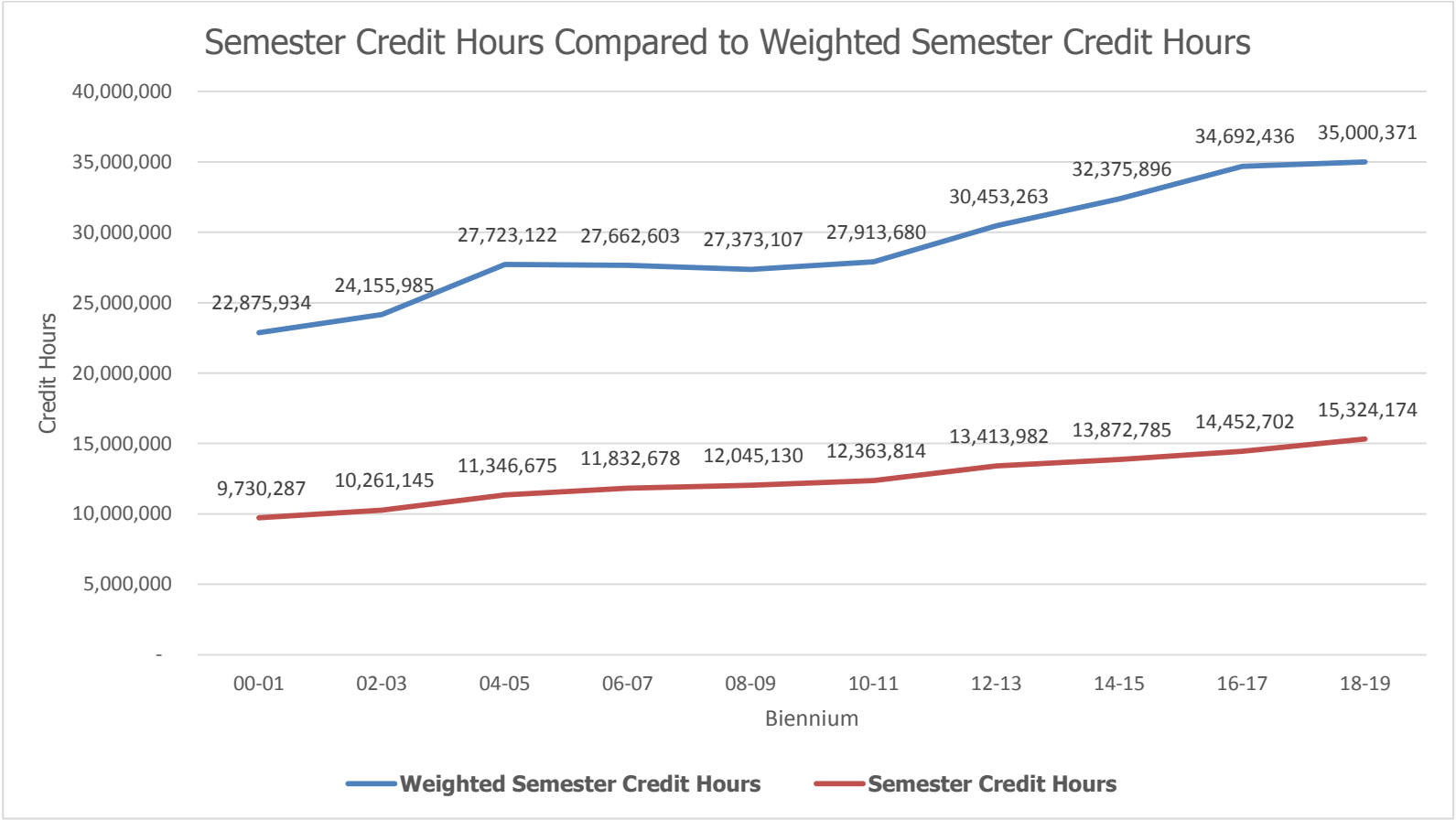
Allocate Indirect Expenses Into Matrix Cells





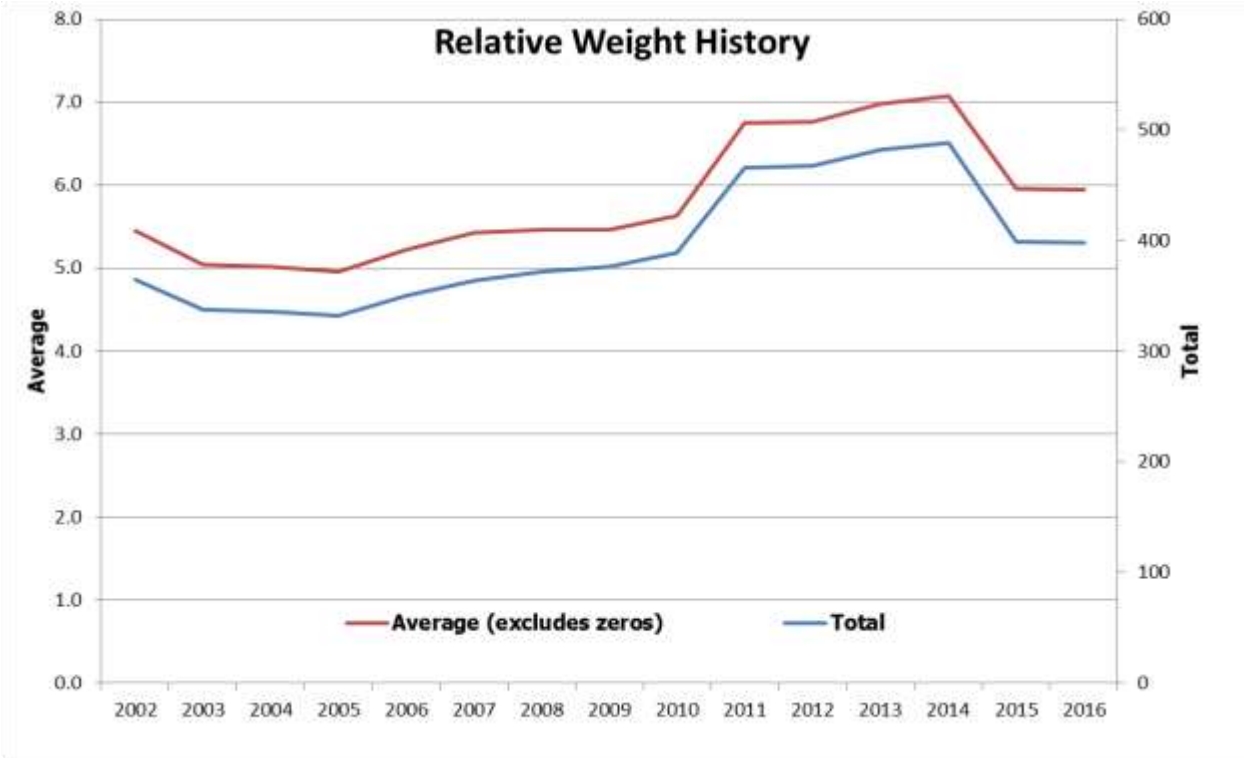
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenditures per SCH[1]	168.03	218.57	176.10	182.82	188.76	198.68	214.05	226.82	224.42	218.25	211.99	219.71	228.80	243.36	252.49
Funded Rate per SCH[2]	56.65	56.65	51.25	51.25	55.72	55.72	59.02	59.02	62.19	62.19	53.72	53.72	54.86	54.86	55.39
Difference	111.38	161.92	124.85	131.57	133.04	142.96	155.03	167.80	162.23	156.06	158.27	165.99	173.94	188.50	197.10

Sources:
1 - Expenditure Study Years 2002 - 2016, www.thecb.state.tx.us/index.cfm?objectid=50067F8C-D180-18DE-B88C060BCE74E409
2 - Overview of Formula Funding, www.thecb.state.tx.us/index.cfm?objectid=503AE0CA-E26B-77E7-989C9C76FB7AC934



Biennium	00-01	02-03	04-05	06-07	08-09	10-11	12-13	14-15	16-17	18-19
Weighted Semester Credit Hours	22,875,934	24,155,985	27,723,122	27,662,603	27,373,107	27,913,680	30,453,263	32,375,896	34,692,436	35,000,371
Semester Credit Hours	9,730,287	10,261,145	11,346,675	11,832,678	12,045,130	12,363,814	13,413,982	13,872,785	14,452,702	15,324,174
Percent Difference	135%	135%	144%	134%	127%	126%	127%	133%	140%	128%

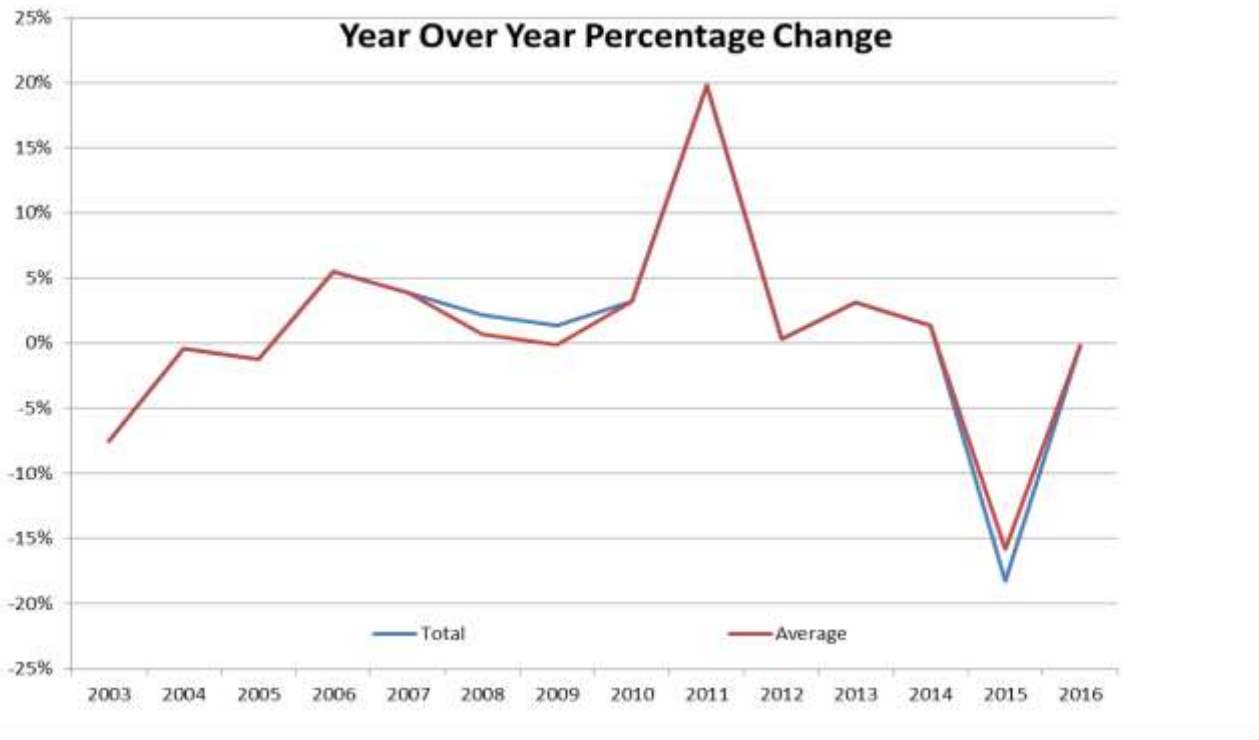
*Operations Support Only (excludes Teaching Supplement)



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total	365	337	336	332	350	364	372	377	389	465	467	482	488	399	398
Average (excludes zeros)	5.4	5.0	5.0	5.0	5.2	5.4	5.5	5.5	5.6	6.7	6.8	7.0	7.1	6.0	5.9
Standard Deviation (excl. 0's)	5.4	4.9	5.1	5.1	5.5	5.9	6.1	6.2	6.6	9.6	9.3	9.7	9.9	7.0	7.1

Relative Weights	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Undergraduate Lower Level															
Liberal Arts	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Science	1.89	1.76	1.73	1.68	1.71	1.71	1.71	1.74	1.75	1.76	1.78	1.79	1.78	1.69	1.64
Fine Arts	1.43	1.38	1.37	1.36	1.38	1.38	1.39	1.40	1.42	1.43	1.45	1.45	1.47	1.47	1.46
Teacher Education	1.50	1.40	1.36	1.31	1.35	1.38	1.42	1.41	1.41	1.45	1.53	1.60	1.63	1.60	1.53
Agriculture	2.10	1.95	1.95	1.91	1.97	1.90	1.87	1.88	2.03	2.09	2.08	2.04	2.07	2.10	2.08
Engineering	1.80	1.69	1.80	1.95	2.27	2.36	2.41	2.41	2.42	2.43	2.46	2.45	2.38	2.25	2.15
Home Economics	1.13	1.10	1.06	1.04	1.04	1.07	1.06	1.04	1.03	1.02	1.03	1.05	1.10	1.13	1.11
Social Service	2.57	2.56	2.42	2.19	1.96	1.91	1.94	1.90	1.88	1.70	1.77	1.60	1.68	1.52	1.57
Library Science	1.08	1.18	1.14	1.16	1.04	1.01	1.14	1.33	1.44	1.50	1.52	1.57	1.49	1.49	1.44
Vocational Training	4.16	3.54	2.63	2.03	2.06	1.84	1.66	1.44	1.42	1.37	1.46	1.46	1.45	1.26	1.16
Physical Training	1.34	1.28	1.29	1.26	1.26	1.25	1.29	1.35	1.38	1.36	1.37	1.40	1.51	1.51	1.46
Health Services	1.37	1.29	1.29	1.29	1.31	1.31	1.24	1.23	1.19	1.14	1.09	1.07	1.07	1.05	1.02
Pharmacy	1.09	1.03	0.97	0.92	0.82	0.73	0.71	1.27	1.48	1.60	1.45	1.63	1.86	2.04	2.46
Business Administration	1.05	1.05	1.07	1.09	1.12	1.12	1.11	1.09	1.11	1.13	1.17	1.18	1.19	1.18	1.16
Teacher Education-Practical	1.10	1.10	1.02	0.95	0.95	1.13	1.30	1.43	1.60	1.83	2.00	2.19	2.28	2.23	1.91
Technology	1.95	1.83	1.76	1.76	1.81	1.88	1.90	1.96	2.10	2.27	2.35	2.32	2.26	2.18	2.08
Nursing	2.31	2.20	2.12	1.99	1.98	1.91	1.95	1.96	2.03	1.92	1.88	1.81	1.72	1.59	1.49
Undergraduate Upper Level															
Liberal Arts	1.83	1.83	1.79	1.75	1.72	1.72	1.72	1.70	1.69	1.69	1.71	1.74	1.76	1.76	1.73
Science	3.16	3.01	2.93	2.86	2.92	2.97	2.97	2.95	2.93	2.95	3.02	3.04	3.02	2.90	2.81
Fine Arts	2.42	2.35	2.33	2.31	2.32	2.32	2.32	2.31	2.33	2.37	2.43	2.48	2.52	2.52	2.51
Teacher Education	1.99	1.94	1.87	1.78	1.74	1.73	1.74	1.73	1.74	1.79	1.89	1.99	2.08	2.10	2.07
Agriculture	2.66	2.56	2.59	2.59	2.68	2.64	2.52	2.46	2.54	2.65	2.66	2.65	2.75	2.70	2.58

Relative Weights	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Undergraduate Upper Level															
Engineering	3.09	2.96	3.04	3.21	3.56	3.77	3.87	3.82	3.70	3.59	3.58	3.58	3.52	3.37	3.22
Home Economics	1.96	1.89	1.84	1.77	1.74	1.74	1.70	1.68	1.66	1.64	1.65	1.66	1.75	1.77	1.76
Social Service	2.90	3.39	3.05	2.78	2.17	2.05	2.05	2.03	2.09	2.04	2.16	2.01	2.05	1.87	1.89
Library Science	1.24	1.36	1.28	1.28	1.14	1.12	1.09	1.08	1.12	1.20	1.36	1.51	1.57	1.54	1.54
Vocational Training	1.96	2.28	2.37	2.25	2.32	2.12	1.97	1.86	1.89	1.98	2.06	2.33	2.64	2.85	2.74
Physical Training	1.23	1.23	1.26	1.47	1.55	1.50	1.28	1.20	1.18	1.11	1.14	1.18	1.26	1.25	1.26
Health Services	2.14	2.13	2.13	2.14	2.12	2.08	1.98	1.89	1.81	1.76	1.73	1.70	1.65	1.59	1.55
Pharmacy	3.45	3.32	3.33	3.26	3.52	3.62	4.24	4.53	5.02	5.28	5.71	5.85	5.02	4.93	4.73
Business Administration	1.65	1.68	1.68	1.70	1.72	1.74	1.73	1.70	1.71	1.75	1.81	1.86	1.88	1.86	1.83
Teacher Education-Practical	1.85	1.79	1.79	1.79	1.79	1.82	1.78	1.74	1.74	1.79	1.92	2.02	2.13	2.22	2.18
Technology	2.42	2.38	2.34	2.33	2.37	2.40	2.38	2.42	2.45	2.52	2.46	2.45	2.41	2.38	2.32
Nursing	2.86	2.62	2.59	2.51	2.55	2.52	2.45	2.35	2.21	2.06	2.01	2.08	2.11	2.10	2.04
Masters															
Liberal Arts	4.49	4.02	3.99	3.85	4.03	4.15	4.18	4.07	3.91	3.87	3.87	3.94	4.00	4.05	4.01
Science	9.00	7.92	7.43	6.93	7.30	7.76	8.09	8.07	7.97	7.70	7.59	7.54	7.53	7.43	7.04
Fine Arts	5.70	5.00	5.01	4.97	5.38	5.48	5.43	5.44	5.41	5.48	5.55	5.82	6.03	6.09	6.07
Teacher Education	2.71	2.55	2.49	2.43	2.50	2.56	2.48	2.34	2.27	2.30	2.43	2.51	2.56	2.47	2.39
Agriculture	7.16	7.11	7.09	7.15	7.23	7.20	7.07	7.01	7.13	7.33	7.71	8.08	7.80	7.21	6.54
Engineering	6.37	5.64	5.83	6.12	7.13	7.59	7.63	7.47	7.46	7.58	7.66	7.64	7.10	6.14	5.50
Home Economics	3.51	3.13	2.94	2.77	2.83	2.94	2.86	2.88	2.89	3.02	3.09	3.10	3.01	2.85	2.79
Social Service	3.55	3.28	3.25	3.11	3.08	3.00	2.97	2.93	2.98	2.89	3.07	2.89	2.93	2.57	2.47
Library Science	3.25	3.06	2.87	2.68	2.64	2.65	2.63	2.58	2.69	2.83	3.16	3.38	3.60	3.58	3.35
Health Services	3.71	3.54	3.53	3.47	3.40	3.32	3.21	3.23	3.15	3.08	2.96	2.90	2.79	2.67	2.54
Pharmacy	15.60	15.11	17.15	16.10	16.87	16.81	19.87	23.49	23.26	23.10	22.60	25.82	28.29	28.68	28.55
Business Administration	3.37	3.20	3.20	3.22	3.41	3.49	3.42	3.26	3.16	3.19	3.25	3.35	3.39	3.36	3.26
Optometry	5.46	5.46	5.46	5.46	5.46	5.46	5.46	5.46	5.46	41.14	34.48	37.77	37.52	0.00	0.00
Technology	5.13	4.40	4.29	4.25	4.57	4.81	4.41	4.07	3.86	3.87	3.86	3.90	3.89	3.72	3.42
Nursing	5.87	5.13	5.01	4.84	4.98	4.99	4.73	4.45	4.08	3.75	3.52	3.49	3.34	3.21	3.00
Doctoral															
Liberal Arts	10.20	9.00	9.02	8.72	9.19	9.31	9.29	9.26	9.22	9.33	9.72	10.22	10.77	10.88	10.90
Science	20.83	18.35	18.46	18.41	20.25	20.72	20.52	20.30	21.08	21.78	21.82	21.41	20.61	21.25	20.70
Fine Arts	7.69	6.82	6.78	6.70	7.23	7.32	7.19	7.07	7.21	7.44	7.64	7.89	7.95	7.78	7.48
Teacher Education	7.28	6.51	6.47	6.38	6.94	7.55	7.64	7.58	7.37	7.70	7.95	7.77	7.42	6.94	6.91
Agriculture	11.13	9.66	9.71	9.68	10.44	10.56	9.91	9.35	9.62	10.12	10.42	11.21	11.77	12.36	11.80
Engineering	16.35	14.14	14.07	14.00	15.55	16.16	15.96	15.81	16.03	16.75	17.34	17.92	17.98	17.70	17.15
Home Economics	7.40	6.13	5.84	5.48	5.88	6.41	6.62	6.97	7.24	7.77	8.37	8.55	8.67	8.50	9.09
Social Service	14.09	12.28	11.49	11.32	12.31	13.80	13.84	14.40	14.69	15.32	15.76	17.01	18.18	19.44	19.33
Library Science	5.48	5.10	5.20	5.45	6.17	6.32	6.65	7.50	9.64	11.95	12.74	12.41	12.06	13.02	14.64
Health Services	9.30	9.05	7.95	7.66	7.49	7.97	8.49	9.14	9.75	9.93	9.75	9.77	9.86	10.11	10.19
Pharmacy	24.63	23.58	24.39	25.19	27.34	29.37	29.55	30.57	34.22	36.07	38.52	37.34	35.14	32.24	32.17
Business Administration	18.37	16.14	16.82	17.31	20.27	22.73	24.27	24.41	23.34	23.05	23.21	23.52	23.92	24.41	24.70
Optometry	19.12	19.12	19.12	19.12	19.12	19.12	19.12	19.12	19.12	51.63	50.88	52.61	55.92	0.00	0.00
Technology	0.00	0.00	0.00	0.00	0.00	0.00	3.37	2.95	2.84	4.19	3.85	4.53	5.20	11.50	14.79
Nursing	11.85	10.07	9.96	9.61	10.29	10.52	10.64	9.94	9.25	8.55	8.60	8.85	8.99	9.30	9.57
Special Professional															
Law	3.52	3.37	3.41	3.44	3.66	3.81	3.86	3.92	4.15	4.48	4.81	5.08	5.13	4.95	4.77
Veterinary Sciences	14.35	12.85	12.98	12.62	13.34	16.20	16.53	15.05	20.04	20.27	21.15	21.91	22.03	22.84	23.30
Health Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.42	2.60	2.67	2.72	2.74	2.64	2.61	2.50
Pharmacy	3.64	3.57	3.58	3.69	3.85	3.84	3.79	3.77	3.97	4.03	4.20	4.25	4.32	4.26	4.23
Optometry	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	5.98	5.98	6.71	7.58	7.93	7.65



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total	-8%	0%	-1%	6%	4%	2%	1%	3.2%	19.8%	0.3%	3.1%	1.3%	-18.2%	-0.2%
Average	-8%	0%	-1%	6%	4%	1%	0%	3.2%	19.8%	0.3%	3.1%	1.3%	-15.8%	-0.2%
Standard Deviation	-9%	3%	0%	9%	7%	2%	2%	5.7%	45.6%	-2.4%	3.6%	2.2%	-29.1%	1.1%
Undergraduate Lower Level														
Liberal Arts	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Science	-7%	-2%	-3%	2%	0%	0%	2%	1%	1%	1%	1%	-1%	-5%	-3%
Fine Arts	-3%	-1%	-1%	1%	0%	1%	1%	1%	1%	1%	0%	1%	0%	-1%
Teacher Education	-7%	-3%	-4%	3%	2%	3%	-1%	0%	3%	6%	5%	2%	-2%	-4%
Agriculture	-7%	0%	-2%	3%	-4%	-2%	1%	8%	3%	0%	-2%	1%	1%	-1%
Engineering	-6%	7%	8%	16%	4%	2%	0%	0%	0%	1%	0%	-3%	-5%	-4%
Home Economics	-3%	-4%	-2%	0%	3%	-1%	-2%	-1%	-1%	1%	2%	5%	3%	-2%
Social Service	0%	-5%	-10%	-11%	-2%	1%	-2%	-1%	-10%	4%	-10%	5%	-10%	3%
Library Science	9%	-3%	2%	-10%	-3%	13%	17%	8%	4%	1%	3%	-5%	0%	-3%
Vocational Training	-15%	-26%	-23%	1%	-11%	-10%	-13%	-1%	-4%	7%	0%	-1%	-13%	-8%
Physical Training	-4%	1%	-2%	0%	-1%	3%	5%	2%	-1%	1%	2%	8%	0%	-3%
Health Services	-6%	0%	0%	2%	0%	-5%	-1%	-3%	-4%	-4%	-2%	0%	-2%	-3%
Pharmacy	-6%	-6%	-5%	-11%	-11%	-3%	79%	17%	8%	-9%	12%	14%	10%	21%
Business Administration	0%	2%	2%	3%	0%	0%	-2%	2%	2%	4%	1%	1%	-1%	-2%
Teacher Education-Practical	0%	-7%	-7%	0%	18%	16%	10%	12%	14%	9%	10%	4%	-2%	-14%
Technology	-6%	-4%	0%	3%	4%	1%	3%	7%	8%	4%	-1%	-3%	-4%	-5%
Nursing	-5%	-4%	-6%	-1%	-4%	2%	1%	4%	-5%	-2%	-4%	-5%	-8%	-6%
Undergraduate Upper Level														
Liberal Arts	0%	-2%	-2%	-2%	0%	0%	-1%	-1%	0%	1%	2%	1%	0%	-2%
Science	-5%	-3%	-2%	2%	2%	0%	-1%	-1%	1%	2%	1%	-1%	-4%	-3%
Fine Arts	-3%	-1%	-1%	0%	0%	0%	0%	1%	2%	3%	2%	2%	0%	0%
Teacher Education	-3%	-4%	-5%	-2%	0%	0%	-1%	1%	3%	6%	5%	5%	1%	-1%
Agriculture	-4%	1%	0%	3%	-1%	-5%	-2%	3%	4%	0%	0%	4%	-2%	-4%

*Highlighted values are those that differed greater than 9% (green) or -9% (red).

Relative Weights	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Undergraduate Upper Level														
Engineering	-4%	3%	6%	11%	6%	3%	-1%	-3%	-3%	0%	0%	-2%	-4%	-4%
Home Economics	-4%	-3%	-4%	-2%	0%	-2%	-1%	-1%	-1%	1%	1%	5%	1%	-1%
Social Service	17%	-10%	-9%	-22%	-5%	0%	-1%	3%	-2%	6%	-7%	2%	-9%	1%
Library Science	10%	-6%	0%	-11%	-2%	-3%	-1%	4%	7%	13%	11%	4%	-2%	0%
Vocational Training	16%	4%	-5%	3%	-9%	-7%	-6%	2%	5%	4%	13%	13%	8%	-4%
Physical Training	0%	2%	17%	5%	-3%	-15%	-6%	-2%	-6%	3%	4%	7%	-1%	1%
Health Services	0%	0%	0%	-1%	-2%	-5%	-5%	-4%	-3%	-2%	-2%	-3%	-4%	-3%
Pharmacy	-4%	0%	-2%	8%	3%	17%	7%	11%	5%	8%	2%	-14%	-2%	-4%
Business Administration	2%	0%	1%	1%	1%	0%	-2%	1%	2%	3%	3%	1%	-1%	-2%
Teacher Education-Practical	-3%	0%	0%	0%	2%	-2%	-2%	0%	3%	7%	5%	5%	4%	-2%
Technology	-2%	-2%	0%	2%	1%	-1%	2%	1%	3%	-2%	0%	-2%	-1%	-3%
Nursing	-8%	-1%	-3%	2%	-1%	-3%	-4%	-6%	-7%	-2%	3%	1%	0%	-3%
Masters														
Liberal Arts	-10%	-1%	-4%	5%	3%	1%	-3%	-4%	-1%	0%	2%	2%	1%	-1%
Science	-12%	-6%	-7%	5%	6%	4%	0%	-1%	-3%	-1%	-1%	0%	-1%	-5%
Fine Arts	-12%	0%	-1%	8%	2%	-1%	0%	-1%	1%	1%	5%	4%	1%	0%
Teacher Education	-6%	-2%	-2%	3%	2%	-3%	-6%	-3%	1%	6%	3%	2%	-4%	-3%
Agriculture	-1%	0%	1%	1%	0%	-2%	-1%	2%	3%	5%	5%	-3%	-8%	-9%
Engineering	-11%	3%	5%	17%	6%	1%	-2%	0%	2%	1%	0%	-7%	-14%	-10%
Home Economics	-11%	-6%	-6%	2%	4%	-3%	1%	0%	4%	2%	0%	-3%	-5%	-2%
Social Service	-8%	-1%	-4%	-1%	-3%	-1%	-1%	2%	-3%	6%	-6%	1%	-12%	-4%
Library Science	-6%	-6%	-7%	-1%	0%	-1%	-2%	4%	5%	12%	7%	7%	-1%	-6%
Health Services	-5%	0%	-2%	-2%	-2%	-3%	1%	-2%	-2%	-4%	-2%	-4%	-4%	-5%
Pharmacy	-3%	14%	-6%	5%	0%	18%	18%	-1%	-1%	-2%	14%	10%	1%	0%
Business Administration	-5%	0%	1%	6%	2%	-2%	-5%	-3%	1%	2%	3%	1%	-1%	-3%
Optometry	0%	0%	0%	0%	0%	0%	0%	0%	653%	-16%	10%	-1%	Deleted	
Technology	-14%	-3%	-1%	8%	5%	-8%	-8%	-5%	0%	0%	1%	0%	-4%	-8%
Nursing	-13%	-2%	-3%	3%	0%	-5%	-6%	-8%	-8%	-6%	-1%	-4%	-4%	-7%
Doctoral														
Liberal Arts	-12%	0%	-3%	5%	1%	0%	0%	0%	1%	4%	5%	5%	1%	0%
Science	-12%	1%	0%	10%	2%	-1%	-1%	4%	3%	0%	-2%	-4%	3%	-3%
Fine Arts	-11%	-1%	-1%	8%	1%	-2%	-2%	2%	3%	3%	3%	1%	-2%	-4%
Teacher Education	-11%	-1%	-1%	9%	9%	1%	-1%	-3%	4%	3%	-2%	-5%	-6%	0%
Agriculture	-13%	1%	0%	8%	1%	-6%	-6%	3%	5%	3%	8%	5%	5%	-5%
Engineering	-14%	0%	0%	11%	4%	-1%	-1%	1%	4%	4%	3%	0%	-2%	-3%
Home Economics	-17%	-5%	-6%	7%	9%	3%	5%	4%	7%	8%	2%	1%	-2%	7%
Social Service	-13%	-6%	-1%	9%	12%	0%	4%	2%	4%	3%	8%	7%	7%	-1%
Library Science	-7%	2%	5%	13%	2%	5%	13%	29%	24%	7%	-3%	-3%	8%	12%
Health Services	-3%	-12%	-4%	-2%	6%	7%	8%	7%	2%	-2%	0%	1%	3%	1%
Pharmacy	-4%	3%	3%	9%	7%	1%	3%	12%	5%	7%	-3%	-6%	-8%	0%
Business Administration	-12%	4%	3%	17%	12%	7%	1%	-4%	-1%	1%	1%	2%	2%	1%
Optometry	0%	0%	0%	0%	0%	0%	0%	0%	170%	-1%	3%	6%	Deleted	
Technology						Added	-12%	-4%	48%	-8%	18%	15%	121%	29%
Nursing	-15%	-1%	-4%	7%	2%	1%	-7%	-7%	-8%	1%	3%	2%	3%	3%
Special Professional														
Law	-4%	1%	1%	6%	4%	1%	2%	6%	8%	7%	6%	1%	-4%	-4%
Veterinary Sciences	-10%	1%	-3%	6%	21%	2%	-9%	33%	1%	4%	4%	1%	4%	2%
Health Services							Added	7%	3%	2%	1%	-4%	-1%	-4%
Pharmacy	-2%	0%	3%	4%	0%	-1%	-1%	5%	2%	4%	1%	2%	-1%	-1%
Optometry	0%	0%	0%	0%	0%	0%	0%	0%	-15%	0%	12%	13%	5%	-4%

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)

The following presentation provides an overview of the graduation bonus methodology in order to inform the committee's discussion of the appropriate levels of funding for, and possible refinement of, the graduation bonus formula.

Graduation Bonus
Public Universities

60x30TX
Texas Higher Education Coordinating Board

David Young

Senior Director, Funding

60x30TX

- Goal of 550,000 completions by 2030
  - Increase of over 250,000 from the plan's starting point
  - To reach goal, more at-risk students must graduate
- At-risk students require more services
  - Advising
  - Tutoring
  - Other interventions
- Operations Support (OS) formula doesn't pay extra for at-risk students

Graduation Bonus

- Bachelor's degrees awarded to students who are not at risk
- Bachelor's degrees awarded to at-risk students

At-risk criteria

- At risk is defined as:
  - Pell grant eligible and/or
  - Below average SAT/ACT score

The two metrics incentivize:

- More degrees, including degrees to at-risk students
- Improved graduation rates and faster time to degree
- Increased retention rates
- Enrollment of transfers from community colleges
- Reduced excess credit hours
- Improved course completion
- Affordability

GAIFAC Recommended Funding for 2018-2019 Biennium

- $600 per graduate who is not at risk
- $1,200 per graduate who is at risk
- Approximately $200 million to the universities for the biennium
- First priority is to fully fund the Operations Support formula to support basic operations

Board Recommended Funding for 2018-2019 Biennium

- $500 per graduate who is not at risk
- $1,000 per graduate who is at risk
- Approximately $150 million to the universities for the biennium
- The decision about whether to prioritize operations support or student success should be left to the Legislature

Takeaways

- Graduation Bonus will help the state reach the completion goal of *60x30TX*
- Graduation Bonus will help more students earn a degree, especially low-income students

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

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. 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.

Texas A&M Commerce and South Texas College began their competency-based education (CBE) pilot programs in spring 2014. The community college reports courses when students complete all the modules associated with a course.

CBE is growing in Texas. In March 2017, the THECB awarded more than $650,000 for the following four Texas Affordable Baccalaureate (TAB) degree programs: criminal justice at Texas A&M University-Commerce, a bachelor of science in applied science at Tarleton State University, computer information technology at South Texas College (in partnership with Austin Community College), and mechanical engineering technology at Texas A&M University-Corpus Christi. These programs will be using innovative approaches to curriculum design and delivery, including competency-based education.

Consideration of funding strategies for programs incorporating competency-based education and other non-traditional delivery modes will benefit the current and future TAB programs as they serve a critical need for Texans seeking degrees.

The committee should focus on funding for course-based units, since these programs are eligible for federal financial aid. Non-course-based units may become eligible in the future, so the committee should also discuss these.

The following presentation provides an overview of competency-based education.

Funding for Competency-Based Education

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Texas Higher Education Coordinating Board

GAI Formula Advisory Committee

September 20, 2017

Julie Eklund, PhD

Strategic Planning and Funding Division

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.

Traditional vs. competency-based education

Trad.

Time is fixed and learning variable.

Some students demonstrate mastery, others may not.

CBE

Learning is fixed and time is variable.

All students demonstrate mastery to move forward, usually at a level of 80% or higher.

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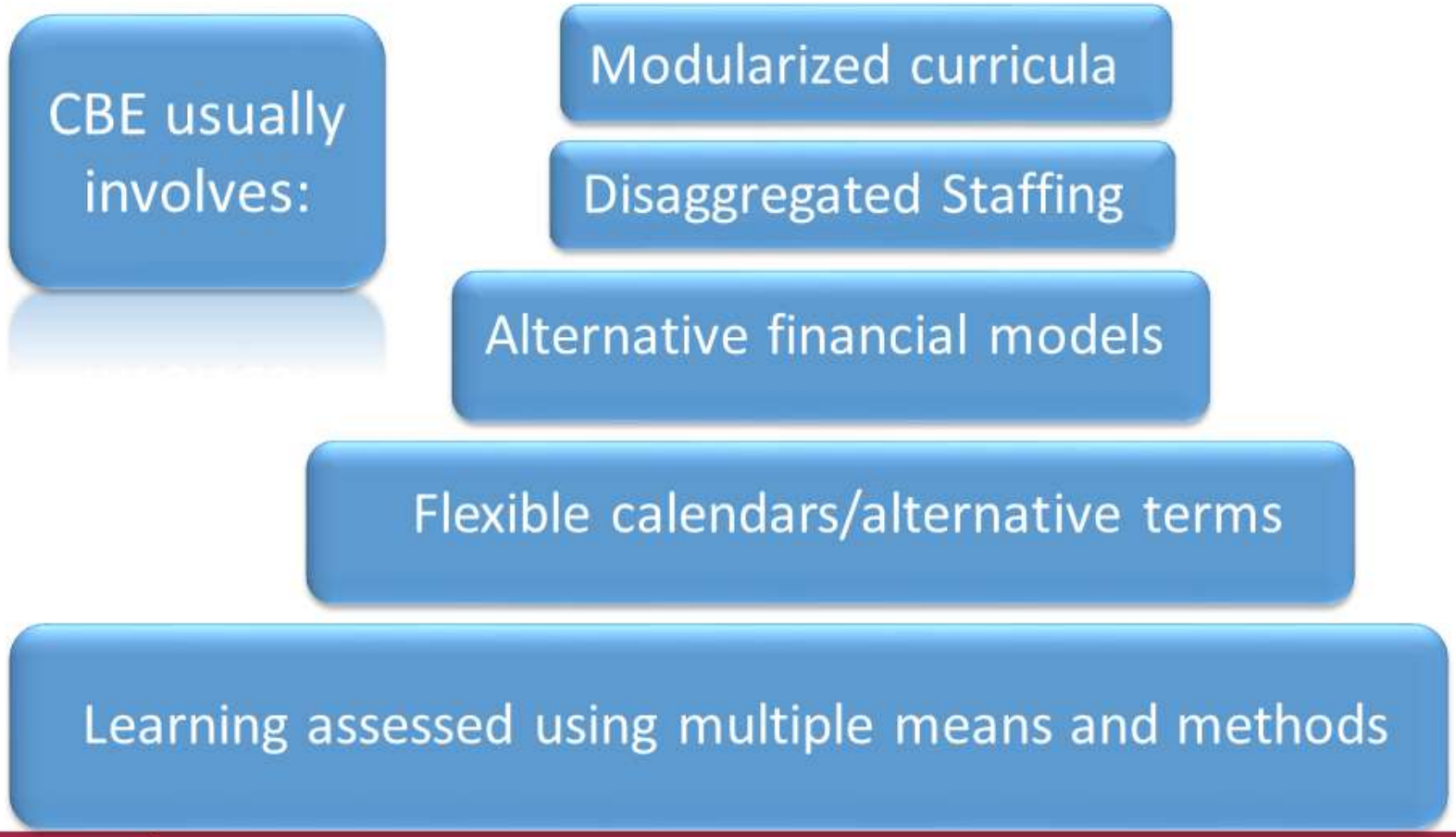
Competency-based education framework

CBE often (but not always) is:

- Self-Paced
- Online
- Personalized
- Accelerated
- Affordable

Competency-based education framework



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Instruction is a key component to CBE – and for SACS

Accredited CBE Programs MUST ensure that:

Students have access to qualified faculty.

Regular and substantive interaction occurs between faculty and students.

Mapping back to the credit hour

CBE programs map back to the SCH for purposes of accreditation, financial aid, transcription, and transferability.

However, a national movement to break from the SCH as the basic unit of instruction is being supported by the Department of Education's Experimental Sites Initiative.

What programs are currently offered or in the works?

BAAS Program in Organizational Leadership in place since 2014 at

- A&M Commerce
- South Texas College

New Texas Affordable Baccalaureate (TAB) programs approved for:

- Tarleton State College
- Austin Community College
- Texas A&M Corpus Christi
- A&M Commerce
- South Texas College

BAAS in Organizational Leadership

- Part of the Texas Affordable Baccalaureate program, developed jointly with South Texas College and the THECB.
- First CBE bachelor's degree program at a public IHE in Texas.
- Launched in spring 2014.
- Graduated the first class of students in May 2015.

Funding for CBE in Texas

- The state formula funding for the Organizational Leadership program was tied to courses (SCH) which were reported for funding at the END of the semester, as flex, and ONLY for students who successfully mastered the content.
- This agreement was in place when the programs began.
- Substantial start-up funds were provided, in grant form, to the Texas A&M Commerce and South Texas College program.

FAC recommendations for the 2018-2019 biennium

- GAIs – Fund only those CBE courses that were successfully completed. Hours are not reported until the end of semester. The Board concurred, but included a 10 percent formula adjustment to help pay for costs affiliated with non-completers.
- CTCs – Fund the same as traditional courses. The Board did not concur and recommended the same approach it recommended for the GAIs.

Funding instructions for CBE for fall 2017

- With the introduction of new TAB programs, reporting instructions for CBE were sent to institutions for fall 2017 (a non-base year).
- The August 24 memo provided guidelines for reporting CBE for formula funding.
- Institutions were given a new code to use ("Q") and instructed to report a course as regular enrollment if the student had "begun engaging with the course materials" on or before the 12th class date (census date).

CBM manuals updated for CBE reporting

Item #6 Type of Instruction (see notes). Enter the code of the primary type of instruction used in this section.

1 Lecture	7 (Replaced by Item #20)
2 Laboratory	8 Thesis
3 Practicum	9 Dissertation
4 Seminar	0 Individualized
5 Independent Study	C Clinical
6 Private Lesson	Q Competency-Based

Code "Q" also added to University Manual: CBM00S Report; CTC manual CBM004 Report and CBM00S Report

Funding instructions for CBE for fall 2017 (cont.)

- Institutions were instructed to report a CBE course as flex if:
  - The student began engaging with the course materials after the 12 class day (census date) OR
  - The class spanned semesters (this is to ensure that courses were not "double" reported)
- THECB will monitor withdrawals and incompletes to evaluate the efficacy of this approach

FAC charge

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

Course-based CBE funding considerations

- Some funding-based options may require legislative approval (for example, changing formula weights)
- Some options may not require legislative approval (such as keeping weights the same but changing policies for who is reported and/or when they are reported)

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

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