

**Health-Related Institutions
Formula Advisory Committee Meeting 2:00 P.M.
Texas Higher Education Coordinating Board
August 31, 2017**

Minutes

Members:

Penny Harkey - TTUHSC	Present
Barry Nelson - TAMHSC	Present
Lauren Sheer - UTMB	Present
Kevin Dillon – UTHSCH	Present-by phone
Ben Melson – M.D. Anderson	Present-by phone
Andrea Marks - UTHSCSA	Present
Joseph Woelkers – UTHSCT	Present-by phone
Gregory Anderson - UNTHSC	Present
Angelica Marin-Hill - UTSWMC	Present-by phone
Dwain Morris – UT-Austin Medical School	Present
Richard Lange – TTUHSC-El Paso	Present-by phone
Rick Anderson – UTRGV Medical School	Present

Agenda Item I: introductions

Andrea Marks convened the meeting in the Tejas Room of the Texas Higher Education Coordinating Board following the General Session.

Agenda Item II: Consideration of the election of a Chair and Vice Chair

Andrea Marks opened the meeting by requesting nominations for the new Chair for the Health-Related Formula Advisory Committee. Andrea Marks nominated Penny Harkey as the Chair. The nomination was seconded and Ms. Harkey was voted as the new Chair.

Ms. Harkey then requested nominations for the position of Vice-Chair. Angelica Marin-Hill nominated Kevin Dillon as Vice-Chair. The nomination was seconded and Mr. Dillon was voted as the new Vice-Chair.

Ms. Harkey continued the meeting by requesting nominations for the position of Secretary. Andrea Marks volunteered nominating herself as the Secretary. The nomination was seconded and Ms. Marks was voted as the new Secretary.

Agenda Item III: Briefing on health-related institutions funding formula

Ed Buchanan from the Coordinating Board staff briefly reviewed the formula funding schedules and amounts for FY 2018-19 noting changes in the formulas compared to FY 2016-17. The comparison indicates increases in state funding but noted formula drivers grew at a higher rate than the increase in funding. The result is a decrease in formula rates. Ms. Harkey noted that the only increase in General Revenue to the formula was to account for inclusion of the new medical schools, meaning the 2018-19 funding did not cover overall growth across HRI.

Agenda Item IV: Discussion of Commissioner’s charges to the Committee

Penny Harkey reviewed the Commissioner’s charges to the committee.

The committee reviewed and discussed Commissioner’s Charge #1 related to making recommendations for the appropriate funding levels for the I&O, infrastructure, research enhancement, GME, and mission specific formulas.

The committee discussed continuing the previous message of phased in restoration of 2000-01 formula rates without including any factor for the impact of inflation. The highest formula rates for the HRI formulas was the 2002-03 biennium.

The committee thought it important to emphasize the need for the Legislature to fund growth in formula drivers (which would maintain existing formula rates) and to continue the message of phased-in return to 2000-01 rates. For the next biennium, the committee agreed to pursue funding equivalent to 2/3s of the way back to 2000-01 rates. For the GME Formula, which was not in place in 2000-01, there is interest in returning to the highest level funding rate for this formula.

The committee requested that the THECB staff prepare an analysis of growth in the drivers of each formula since 2000-01 per institution. I&O growth data by discipline was also requested. In order to get an estimate of the cost for recommendations, THECB staff will also look at ways to estimate enrollment growth for the next base period.

There was interest in how the funding rates for the various formulas, which have declined by various amounts depending on the formula, has impacted individual institutions. THECB staff will prepare some analyses.

The committee reviewed and considered the Commissioner's Charge #2 related to recommendations for the appropriate I&O formula weights.

There was discussion about whether weights should be adjusted to reflect statewide needs, thus providing financial support to increase enrollment in certain disciplines. One comment was whether this should be done within the formula or separate funding streams (such as the Nursing Shortage Reduction Program).

The committee then reviewed and considered Commissioner's Charge #3 related to making recommendations for the inclusion and weight of specialty programs in the I&O formula.

An issue was raised about the weight for Biomedical Informatics which is currently incorporated into the I&O Formula under Allied Health. Information to support establishing a new weight or incorporating it into a different weight will be presented at the next meeting.

The Commissioner's charges do not include a review of overall funding to HRI, the focus is limited to formula funding. Given recent legislative interest in (and planned legislative interim committee on) formula and non-formula funding, it was asked whether the THECB considered a broader charge to the committee. THECB staff indicated that the decision was to have the committees focus on formula funding only and the expectation was that institutions would engage in the legislative discussion on non-formula funding separately.

Agenda Item V: Discussion of dates and assignments for subsequent meetings

The future meeting dates were reviewed, and the committee agreed to the following schedule:

All meetings scheduled from 11:00 am to 1:00 pm:

September 20

October 18

November 15

If necessary, December 13 and January 10

Agenda Item VI: Adjourn

With no other discussion, the committee voted to adjourn.