

QUARTERLY BOARD MEETING

A G E N D A

9:00 A.M., Thursday, January 25, 2024

Live broadcast available at: highered.texas.gov

**George H. W. Bush Building
Board Room (4.300)
1801 N. Congress Avenue
Austin, Texas**

This meeting is conducted in person or via video conference, pursuant to Texas Government Code, Section 551.127. A quorum of the Board may be present in the Board Room, which is open to the public.

Chair: Fred Farias III, O.D.

Vice Chair: Donna N. Williams

Secretary: S. Javaid Anwar

Members: Richard L. Clemmer; Stacy A. Hock; Emma W. Schwartz; Ashlie A. Thomas; Welcome Wilson, Jr.; Daniel O. Wong

Student Representative: Cage M. Sawyers (Ex-Officio)

***SCHEDULE OF QUARTERLY
COORDINATING BOARD MEETINGS***

April 25, 2024

July 25, 2024

October 24, 2024

TEXAS HIGHER EDUCATION COORDINATING BOARD**PREFERRED MAILING ADDRESS LIST**EMAIL: boardmember@highered.texas.gov

BOARD MEMBER	ADDRESS/PHONE/EMAIL	TERM ENDS
Fred Farias III, O.D. <i>Chair</i> MCALLEN	c/o Texas Higher Education Coordinating Board P. O. Box 12788, Austin, TX 78711 Phone: (512) 427-6101	08/31/25
Donna N. Williams <i>Vice Chair</i> ARLINGTON	c/o Texas Higher Education Coordinating Board P. O. Box 12788, Austin, TX 78711 Phone: (512) 427-6101	08/31/23*
S. Javaid Anwar <i>Secretary of the Board</i> MIDLAND	c/o Texas Higher Education Coordinating Board P. O. Box 12788, Austin, TX 78711 Phone: (512) 427-6101	08/31/27
Richard L. Clemmer AUSTIN	c/o Texas Higher Education Coordinating Board P. O. Box 12788, Austin, TX 78711 Phone: (512) 427-6101	08/31/23*
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Emma W. Schwartz EL PASO	c/o Texas Higher Education Coordinating Board P. O. Box 12788, Austin, TX 78711 Phone: (512) 427-6101	08/31/25
Ashlie A. Thomas VICTORIA	/o Texas Higher Education Coordinating Board P. O. Box 12788, Austin, TX 78711 Phone: (512) 427-6101	08/31/25
Welcome W. Wilson, Jr. HOUSTON	c/o Texas Higher Education Coordinating Board P. O. Box 12788, Austin, TX 78711 Phone: (512) 427-6101	08/31/23*
Daniel O. Wong, Ph.D. MISSOURI CITY	c/o Texas Higher Education Coordinating Board P. O. Box 12788, Austin, TX 78711 Phone: (512) 427-6101	08/31/27
Cage M. Sawyers <i>Student Representative</i> VAN ALSTYNE	c/o Texas Higher Education Coordinating Board P. O. Box 12788, Austin, TX 78711 Phone: (512) 427-6101	05/31/24

Dated 07.24.23

*Members continue serving on the Board until the governor appoints their replacement



Standing Committee Membership

Effective July 25, 2023

Committee on Academic and Workforce Success

Donna N. Williams, Chair
Emma W. Schwartz, Vice Chair
Richard L. Clemmer
Fred Farias III
Ashlie Thomas
Daniel O. Wong
Cage M. Sawyers (Student Representative), Ex-Officio

Committee on Innovation, Data, and Educational Analytics

S. Javaid Anwar, Chair
Welcome W. Wilson, Jr., Vice Chair
Richard L. Clemmer
Fred Farias III
Stacy Hock
Ashlie Thomas
Daniel O. Wong
Cage M. Sawyers (Student Representative), Ex-Officio

Agency Operations Committee

Emma W. Schwartz, Chair
Welcome W. Wilson, Jr., Vice Chair
S. Javaid Anwar
Fred Farias III
Stacy Hock
Donna N. Williams
Cage M. Sawyers (Student Representative), Ex-Officio

REGULAR QUARTERLY MEETING

A G E N D A

Public Testimony: *The 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 of the Texas Higher Education Coordinating Board (Board) after staff has presented the item, or any other time as determined by the chair. For procedures on testifying, please go to higher.ed.texas.gov/public-testimony.*

- I. Opening remarks**
- II. Commissioner's remarks**
- III. Public testimony**
- IV. Consideration and possible action to approve minutes:**
 - A. October 26, 2023, Quarterly Board Meeting
- V. Consideration and possible action to approve the consent calendar**
- VI. Major Policy Discussion: Presentation on Regional Accreditation**
- VII. Matters relating to the full Board**
 - A. Update on the Texas Higher Education Foundation
 - B. Update on *Building a Talent Strong Texas*
 - C. Update on Texas transfer initiatives
 - D. Update on program approval
 - E. Consideration and possible action to acknowledge gifts and donations to the Board
 - F. Discussion and Overview of Proposed Fiscal Year 2025 Community College Finance System Rules
- VIII. Matters relating to the Committee on Innovation, Data, and Educational Analytics**
 - A. Committee chair's overview
 - B. Report on Financial Aid Advisory Committee activities
 - C. Consideration and possible action to approve the replacement of a member on the Standing Advisory Committee for Public Junior Colleges for the 2026-2027 biennium

Note: Highlighted items in gray are on the consent calendar

01/24

D. Proposed Rules:

- (1) Consideration and possible action to repeal and adopt Board Rules, Chapter 1, Subchapter K, Sections 1.156-1.162, concerning replacement of the Community and Technical Colleges Formula Advisory Committee with the Standing Advisory Committee for Public Junior Colleges
- (2) Consideration and possible action to adopt proposed amendments to Board Rules, Chapter 1, Subchapter L, Sections 1.164-1.167, concerning changes to the membership of the General Academic Institutions Formula Advisory Committee
- (3) Consideration and possible action to repeal Board Rules, Chapter 9, Subchapter B, Sections 9.28 and 9.29, concerning the certification of public community colleges as eligible to receive state appropriations
- (4) Consideration and possible action to adopt proposed amendments to Board Rules, Chapter 13, Subchapter A, Section 13.1, concerning finance-related definitions
- (5) Consideration and possible action to repeal Board Rules, Chapter 13, Subchapter D, Section 13.62, concerning updates to a manual for community college annual financial reports
- (6) Consideration and possible action to adopt proposed amendments to Board Rules, Chapter 13, Subchapter D, Section 13.63, concerning requirements for community college financial reporting
- (7) Consideration and possible action to adopt proposed amendments to Board Rules, Chapter 13, Subchapter F, Sections 13.101, 13.102, and 13.104, concerning limitations on the reporting of hours to the Coordinating Board for funding purposes
- (8) Consideration and possible action to adopt new Board Rules, Chapter 13, Subchapter P, Sections 13.470-13.477, concerning the new community college finance system
- (9) Consideration and possible action to adopt new Board Rules, Chapter 13, Subchapter Q, Sections 13.500-13.506, concerning the Financial Aid for Swift Transfer (FAST) Program
- (10) Consideration and possible action to adopt new Board Rules in Chapter 13, Subchapter R, 13.520 through 13.529, relating to reporting, audit, and overallocation for community colleges

- (11) Consideration and possible action to adopt the repeal of Board Rules, Chapter 13, Subchapter G, Sections 13.120-13.127, concerning Restricted Research Expenditures
- (12) Consideration and possible action to adopt proposed amendments to Board Rules, Chapter 13, Subchapter M, Sections 13.300-13.304, and new Section 13.305, concerning Total Research Expenditures
- (13) Consideration and possible action to adopt new Board Rules, Chapter 15, Subchapter B, Sections 15.20-15.30, concerning the Texas University Fund
- (14) Consideration and possible action to adopt the repeal of Board Rules, Chapter 15, Subchapter C, Sections 15.40-15.44, concerning the National Research University Fund
- (15) Consideration and possible action to adopt new Board Rules, Chapter 22, Subchapter K, Sections 22.200-22.210, concerning the Texas Transfer Grant Program
- (16) Consideration and possible action to adopt amendments to Board Rules, Chapter 22, Subchapter L, Section 22.226, concerning the Texas EXcellence, Access, and Success (TEXAS) Grant
- (17) Consideration and possible action to adopt amendments to Board Rules, Chapter 22, Subchapter A, Section 22.1, concerning the General Provisions for Student Financial Aid Programs
- (18) Consideration and possible action to adopt new Board Rules, Chapter 22, Subchapter M, Section 22.265, and amendments to Board Rules, Chapter 22, Subchapter M, Sections 22.254, 22.256-22.259, 22.261, 22.262, and 22.264, concerning the Texas Educational Opportunity Grant Program
- (19) Consideration and possible action to adopt amendments to Board Rules, Chapter 23, Subchapter D, Sections 23.93-23.101, concerning Loan Repayment Program for Mental Health Professionals

IX. Lunch

X. Matters relating to the Committee on Academic and Workforce Success

A. Committee chair's overview

B. Consideration and possible action to adopt the report to the Board on school closures and/or teach-outs pursuant to Board Rule 7.7(6)

- C. Consideration and possible action to adopt the recommendation relating to the July 2023 Annual Compliance Reports for institutions under a Certificate of Authorization (Names beginning with “P” through “Z”)
- D. Consideration and possible action to approve a two-year service contract with The University of Texas at Austin for creating and scaling the Texas Computer Science Pipeline Project at a cost not to exceed \$14 million
- E. Consideration and possible action to approve a resolution on the request by Barbers Hill Independent School District/Lee College regarding a branch campus maintenance tax election and branch campus approval
- F. Consideration and possible action to approve awards over \$5 million for the Graduate Medical Education Expansion Grant Program
- G. Consideration and possible action to adopt the recommendation relating to a request from Healing Hands Massage Institute for a Certificate of Authority to grant a degree in Texas
- H. Consideration and possible action to approve the following requests for new degree programs:

THE UNIVERSITY OF TEXAS AT EL PASO

- (1) Doctor of Philosophy (PhD) in Physics

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON

- (2) Doctor of Nursing Practice (DNP) in Nurse Anesthesia

THE UNIVERSITY OF TEXAS RIO GRANDE VALLEY

- (3) Doctor of Philosophy (PhD) in Computer Science with Interdisciplinary Applications

I. Proposed Rules:

- (1) Consideration and possible action to adopt proposed amendments to Board Rules, Chapter 2, Subchapter E, Section 2.87, and new Board Rules, Chapter 4, Subchapter J, Sections 4.191-4.192, concerning institutional accreditation requirements
- (2) Consideration and possible action to adopt proposed amendments to Board Rules, Chapter 2, Subchapter J, Section 2.202, concerning approval of distance education for public institutions
- (3) Consideration and possible action to adopt proposed amendments to Board Rules Chapter 4, Subchapter A, Section 4.9, concerning limitations on the number of courses that may be dropped under certain circumstances by undergraduate students

- (4) Consideration and possible action to adopt proposed repeal of Board Rules, Chapter 4, Subchapter P, Sections 4.255 through 4.264, concerning approval of distance education courses and programs for public institutions
- (5) Consideration and possible action to adopt amendments to Board Rules, Chapter 5, Subchapter B, Section 5.24, and repeal of Board Rules Chapter 5, Subchapter C, Sections 5.41-5.46, 5.48, 5.50, 5.52-5.55, concerning academic program approval
- (6) Consideration and possible action to repeal Board Rules, Chapter 9, Subchapter J, Sections 9.181-9.186; Subchapter L, Sections 9.550-9.555; and Subchapter N, Sections 9.670-9.678, concerning academic program approval
- (7) Consideration and possible action to amend Board Rules, Chapter 21, Subchapter D, Sections 21.51 and 21.52, concerning the Texas First Early High School Completion Program
- (8) Consideration and possible action to adopt amendments to Board Rules, Chapter 22, Subchapter T, Sections 22.550-22.552 and 22.554-22.556, concerning the Texas First Scholarship
- (9) Consideration and possible action to amend and adopt new Board Rules, Chapter 22, Subchapter N, Sections 22.265-22.277, concerning the Texas Leadership Scholars Program

XI. Matters relating to the Agency Operations Committee

A. Committee chair's overview

B. Report on grants and contracts

C. Review of the "Fiscal Year 2024 Financial Report" to the Board

D. Consideration and possible action to approve the updated Internal Audit Charter

E. Auditor's update on Internal Audit reports and activities

- (1) Started internal audit of the Texas Research Incentive Program
- (2) Started advisory project related to Community College Finance
- (3) Internal Audit Corrective Action Status Report - January 2024

F. Auditor's update on state and federal compliance monitoring reports and activities

- (1) "Compliance Monitoring Audit of College Access Loan at St. Edward's University" (no findings)
- (2) "Compliance Monitoring Audit of Tuition Equalization Grant at Jarvis Christian University" (one finding)
- (3) "Compliance Monitoring Desk Review of the Texas Educational Opportunity Grant at Weatherford College" (no findings)
- (4) "Compliance Monitoring Desk Review of Formula Funding at the University of Houston" (no findings)
- (5) "Compliance Monitoring Corrective Action Status Report" – January 2024

XII. Adjournment

Executive Session: *The Board may convene in Executive Session at any point in this meeting, concerning any item listed in the agenda as authorized by the Open Meetings Act, Texas Government Code, including the following:*

- *Section 551.071, Consultation with Attorney, and 551.129, if such attorney consultation is via conference call*
- *Section 551.073, Deliberation regarding Prospective Gift*
- *Section 551.074, Personnel Matters*
- *Section 551.0821, Confidential Student Information*

All final votes, actions, or decisions will be taken in open meeting.

Weapons Prohibited: *Pursuant to Texas Penal Code , Section 46.03(a)(14), a person commits an offense if the person intentionally, knowingly, or recklessly possesses or goes with a firearm, location-restricted knife, club, or prohibited weapon listed in Texas Penal Code, Section 46.05 in the room or rooms where a meeting of a governmental entity is held, if the meeting is an open meeting subject to Texas Government Code, Chapter 551, and if the entity provided notice as required by that chapter.*

AGENDA ITEM I

Opening remarks

RECOMMENDATION: No action required

Dr. Fred Farias will provide opening remarks.

AGENDA ITEM II

Commissioner's remarks

RECOMMENDATION: No action required

Background Information:

The Board will invite Dr. Harrison Keller, Commissioner of Higher Education, to comment on some of the important agenda items.

AGENDA ITEM III

Public testimony

RECOMMENDATION: No action required

Background Information:

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.

AGENDA ITEM IV-A

Consideration and possible action to approve minutes for the October 26, 2023, quarterly board meeting

RECOMMENDATION: Approval

TEXAS HIGHER EDUCATION COORDINATING BOARD

DRAFT M I N U T E S

October 26, 2023

Regular Quarterly Meeting

The Texas Higher Education Coordinating Board convened at 9:06 a.m. on October 26, 2023, with the following members present: Fred Farias, presiding; Donna Williams; Javaid Anwar; Stacy Hock; Emma Schwartz; Ashlie Thomas; Welcome Wilson; Daniel Wong; and Cage Sawyers, Ex-Officio.

Members absent: Richard Clemmer

AGENDA ITEM	ACTION
I. Call to Order: Opening Remarks	<p>Dr. Farias called the meeting of the Coordinating Board to order and called roll. All members were present except for Mr. Clemmer.</p> <p>On a motion by Ms. Williams, seconded by Mr. Wilson, the Board voted to excuse Mr. Clemmer's absence.</p>
II. Commissioner's Comments	<p>No action required. Commissioner Keller provided remarks on some of the agenda items.</p>
III. Public Testimony	<p>Dr. Farias announced that no testimony had been received.</p>
IV. Approval of Minutes A. July 2023, Quarterly Board Meeting B. August 2023, Special Called Board Meeting C. September 2023, Board Retreat	<p>On a motion by Dr. Wong, seconded by Ms. Hock, the Board approved the minutes for the July Quarterly Board Meeting. The vote was unanimous.</p> <p>On a motion by Mr. Wilson, seconded by Ms. Thomas, the Board approved the minutes for the August Special Called Board Meeting. The vote was unanimous.</p> <p>On a motion by Ms. Williams, seconded by Ms. Schwartz, the Board approved the minutes for the September Board Retreat. The vote was unanimous.</p>

<p>V. Approval of the consent calendar</p>	<p>On a motion by Ms. Thomas, seconded by Ms. Williams, the Board approved the non-rule consent calendar as amended. The vote was unanimous.</p> <p>Items approved on the consent calendar were: 7-E; 8-B; 8-C; 8-D; 10-C; 10-D; 10-E; 10-F; 10-G; 10-H; 10-K; 10-L; 10-M: and 11-B.</p> <p>On a motion by Mr. Wilson, seconded by Ms. Hock, the Board approved the rule consent calendar. The vote was unanimous.</p> <p>Items approved on the rule consent calendar was 8-E (1); 8-E (2); and 8-E (3).</p>
<p>VI. Major Policy Discussion: Research, Development, and Innovation</p>	<p>No action required. Harrison Keller, Commissioner of Higher Education, Mr. Jon Roberts, Managing Partner, TIP Strategies, and Ms. Katrina Parkey, also from TIP Strategies, presented this item and were available for questions.</p>
<p>VII. Matters Relating to the Full Board</p>	
<p>A. Update on <i>Building a Talent Strong Texas</i></p>	<p>No action required. Melissa Henderson, Chief of Staff and Executive Director for the Texas Higher Education Foundation, presented this item and was available for questions.</p>
<p>B. Update on Texas transfer initiatives</p>	<p>No action required. Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, presented this item and was available for questions.</p>
<p>C. Update on program approval</p>	<p>No action required. Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, presented this item and was available for questions.</p>
<p>D. Update on the Star Award Program</p>	<p>No action required. Carl Krueger, Senior Policy Director, presented this item and was available for questions.</p>
<p>E. Consideration and possible action to acknowledge gifts and donations to the Board</p>	<p>This item was approved on the consent calendar.</p>
<p>F. Consideration and possible action to delegate to the commissioner the authority to renew the emergency rules adopted at the August Special Called Board Meeting</p>	<p>On a motion by Dr. Wong, seconded by Ms. Thomas, the Board delegated to the Commissioner the authority to renew the emergency rules adopted at the August Special Called Board Meeting. The vote was unanimous.</p> <p>Nichole Bunker-Henderson, General Counsel,</p>

	presented this item and was available to answer questions.
G. Consideration and possible action to adopt a resolution authorizing the issuance of State of Texas College Student Loan Bonds in one or more series and delegation of the authority for administering and approving the activities necessary to complete the sale of the private activity bonds	<p>On a motion by Mr. Wilson, seconded by Ms. Schwartz, the Board adopted a resolution authorizing the issuance of State of Texas College Student Loan Bonds in one or more series and delegation to the Commissioner the authority for FY24 for administering and approving the activities necessary to complete the sale of the private activity bonds. The vote was unanimous.</p> <p>Anthony Infantini, Chief Financial Officer, Richard Donoghue, Partner with McCall, Parkhurst & Horton, and Lee Donner, Managing Director with Hilltop Securities, Inc., presented this item and were available to answer questions.</p>
H. Consideration and possible action on the performance evaluations of the Commissioner of Higher Education, General Counsel, and Internal Auditor	This item was postponed to be heard in closed session later in the meeting
VIII. Matters Relating to the Committee on Innovation, Data, and Educational Analytics	
A. Committee chair's overview	No action required. Mr. Anwar provided an overview of the items on the agenda.
B. Consideration and possible action to approve the replacement of a member on the Health-Related Institutions Formula Advisory Committee for the 2026-2027 biennium	This item was approved on the consent calendar.
C. Consideration and possible action to adopt the recommendation relating to the "Facilities Audit Report"	This item was approved on the consent calendar.
D. Consideration and possible action to delegate authority to the Commissioner of Higher Education to approve and submit the data report required by Texas Education Code, Section 61.0662 (d)	This item was approved on the consent calendar.
E. Proposed Rules	
(1) Consideration and possible action to adopt proposed amendments to Board Rules, Texas Administrative Code (TAC), Chapter 17, Subchapter B, Section 17.20(a)(5), concerning a name change from Tuition	This item was approved on the consent calendar. A copy of the Board rules as adopted may be found in the agenda materials.

<p>Revenue Bonds to Capital Construction Assistance Projects</p> <p>(2) Consideration and possible action to adopt proposed amendments to Board Rules, Texas Administrative Code, Chapter 17, Subchapter F, Section 17.112, concerning data required for use in facilities audits</p> <p>(3) Consideration and possible action to amend Board Rules, Texas Administrative Code, Chapter 22, Subchapter J, Section 22.186, concerning the Future Occupations & Reskilling Workforce Advancement to Reach Demand (FORWARD) Loan Program</p>	<p>This item was approved on the consent calendar. A copy of the Board rules as adopted may be found in the agenda materials.</p> <p>This item was approved on the consent calendar. A copy of the Board rules as adopted may be found in the agenda materials.</p>
<p>IX. Lunch</p>	<p>The board did not break for lunch. The Chairman announced a ten-minute break. The meeting adjourned at 11:26AM and re-convened at 11:43AM.</p>
<p>X. Matters Relating to the Committee on Academic and Workforce Success</p>	
<p>A. Committee chair's overview</p>	<p>No action required. Ms Williams provided an overview of the items on the agenda.</p>
<p>B. Consideration and possible action to approve receipt of Fiscal Year 2024 Carl D. Perkins Community and Technical Colleges Consolidated Grant mid-year reallocation funds not to exceed \$9.5 million</p>	<p>On a motion by Mr. Anwar, seconded by Ms. Thomas, the Board approved receipt of Fiscal Year 2024 Carl D. Perkins Community and Technical Colleges Consolidated Grant mid-year reallocation funds not to exceed \$9.5 million. The vote was unanimous.</p> <p>Dr. Tina Jackson, Assistant Commissioner for Workforce Education, presented this item and was available for questions</p>
<p>C. Consideration and possible action to adopt the recommendation relating to the revision of the <i>Principles of Good Practice for Academic Degree and Certificate Programs and Credit Courses Offered at a Distance</i></p>	<p>This item was approved on the consent calendar.</p>
<p>D. Report on activities of the Advisory Council on Postsecondary Education for Persons with Intellectual and Developmental Disabilities (Texas Education Code, Section 61.06641)</p>	<p>This item was approved on the consent calendar.</p>

E. Consideration and possible action to appoint members to the Advisory Council on Postsecondary Education for Persons with Intellectual and Developmental Disabilities.	This item was approved on the consent calendar.
F. Report on activities of the Apply Texas Advisory Committee	This item was approved on the consent calendar.
G. Report on activities of the Workforce Education Course Manual (WECM) Advisory Committee	This item was approved on the consent calendar.
H. Consideration of Board delegation to Commissioner for approval of the report required by General Appropriations Act, Senate Bill 1, Article III, Section 47, 87th Texas Legislature, related to the Effectiveness of the Advise TX Program	This item was approved on the consent calendar.
I. Consideration and possible action to adopt the recommendation to approve a request from The University of Austin for an initial Certificate of Authority to grant degrees in Texas	<p>On a motion by Mr. Anwar, seconded by Ms. Thomas, the Board adopted the recommendation to approve a request from The University of Austin for an initial Certificate of Authority to grant degrees in Texas. The vote was unanimous.</p> <p>Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, presented this item and was available to answer questions.</p>
J. Consideration and possible action to adopt the recommendation to approve a request from Burrell College of Osteopathic Medicine for its third Certificate of Authority to grant degrees in Texas	<p>Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, presented this item and was available to answer questions.</p> <p>Prior to voting, the Board requested more information regarding the memorandum of understanding between the Coordinating Board and Burrell College of Osteopathic Medicine.</p> <p>The vote was deferred to later in the meeting.</p>
K. Consideration and possible action to adopt the report to the Board on school closures and/or teach-outs pursuant to Board Rule 7.7(6)	This item was approved on the consent calendar.
L. Consideration and possible action to adopt the "Community College Transfer Student Report" (General Appropriations Act, House Bill 1, Article III, Section 45, Special Provisions, 88th Texas Legislature, Regular Session)	This item was approved on the consent calendar.

<p>M. Consideration and possible action to delegate authority to the Commissioner of Higher Education to approve and submit the study “Shortages in Certain Health Professions” pursuant to Texas Education Code, Section 61.06691</p>	<p>This item was approved on the consent calendar.</p>
<p>N. Consideration and possible action to approve the following requests for new degree programs:</p> <p>ALAMO DISTRICT-NORTHWEST VISTA COLLEGE (1) Bachelor of Applied Technology (BAT) in Cloud Computing</p> <p>THE UNIVERSITY OF TEXAS AT TYLER (2) Doctor of Nursing Practice (DNP) in Nurse Anesthesia</p> <p>THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO (3) Doctor of Nursing Practice (DNP) in Nurse Anesthesia</p>	<p>On a motion by Dr. Wong, seconded by Ms. Schwartz, the Board approved the new degree program. The vote was unanimous.</p> <p>Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, presented this item and was available for questions. President Amy Bosley, Dr. Russell Frohardt, Dean for Academic Success, and Dr. John Grillo, Professor and Program Coordinator for Cloud Computing, were also available for questions.</p> <p>On a motion by Dr. Farias, seconded by Mr. Anwar, the Board approved the new degree program. The vote was unanimous.</p> <p>Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, presented this item and was available for questions. Dr. Barbara Haas, Dean of the School of Nursing, Dr. Jenifer Chilton, Associate Dean of the School of Nursing, and Dr. Carol Rizer, Associate Professor, School of Nursing, were also available for questions.</p> <p>On a motion by Ms. Schwartz, seconded by Mr. Anwar, the Board approved the new degree program. The vote was unanimous.</p> <p>Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, presented this item and was available for questions. Dr. Jacqueline Mok, Vice President for Academic, Faculty, and Student Affairs, Dr. Sonya Hardin, Dean of the School of Nursing, and Dr. Alison Peterson, Assistant Professor and Clinical Director for the CRNA Program, were also available for questions.</p>

<p>THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER</p> <p>(4) Doctor of Philosophy (PhD) in Public Health</p>	<p>On a motion by Dr. Wong, seconded by Mr. Wilson, the Board approved the new degree program. The vote was unanimous.</p> <p>Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, presented this item and was available for questions. Dr. Joseph Su, Associate Dean for Academic Affairs, and Dr. Saad Omer, Dean, were also available for questions.</p>
<p>J. Consideration and possible action to adopt the recommendation to approve a request from Burrell College of Osteopathic Medicine for its third Certificate of Authority to grant degrees in Texas</p>	<p>The board returned to agenda item X-J.</p> <p>On a motion by Ms. Schwartz, seconded by Ms. Williams, the Board adopted the recommendation to approve a request from Burrell College of Osteopathic Medicine for its third Certificate of Authority to grant degrees in Texas, subject to continued effect and conditions upon the continued implementation of the Board memorandum of understanding with Burrell College of Osteopathic Medicine. The vote was unanimous.</p> <p>Nichole Bunker-Henderson, General Counsel, provided the board with the additional information requested regarding the memorandum of understanding between the Coordinating Board and Burrell College of Osteopathic Medicine, and was available to answer questions.</p>
<p>XI. Matters Relating to the Agency Operations Committee</p>	
<p>A. Committee chair's overview</p>	<p>No action required. Ms. Schwartz provided an overview of the items on the agenda.</p>
<p>B. Report on grants and contracts</p>	<p>This item was approved on the consent calendar.</p>
<p>VII. Matters Relating to the Full Board</p>	
<p>H. Consideration and possible action on the performance evaluations of the Commissioner of Higher Education, General Counsel, and Internal Auditor</p>	<p>This item was taken out of order. Pursuant to Texas Government Code, Section 551.074, the Board met in closed session to discuss the performance evaluations of the Commissioner of Higher Education, General Counsel, and Internal Auditor.</p> <p>The Board went into closed session at 12.51 p.m. Ms. Schwartz, Mr. Wilson, and Mr. Sawyers departed the meeting during the closed session.</p> <p>The Board reconvened in open session at 2.14</p>

	<p>p.m. There was no action taken during the closed session.</p> <p>Upon return to open session, on a motion by Ms. Williams, seconded by Mr. Anwar, the Board delegated to the Chairman authority to finalize the evaluations consistent with the Board’s discussion. The vote was unanimous.</p>
XII. Adjournment	

With no further business, on a motion by Dr. Wong, seconded by Ms. Thomas, the meeting adjourned at approximately 2:15 p.m.

Respectfully Submitted,

Javaid Anwar
Secretary of the Board

AGENDA ITEM V

Consideration and possible action to approve the consent calendar

RECOMMENDATION: Approval

Background Information:

To ensure that meetings are efficient, the Board has a calendar for items that are noncontroversial. Any item can be removed from the calendar by a Board member.

TEXAS HIGHER EDUCATION COORDINATING BOARD
REGULAR QUARTERLY MEETING
****DRAFT****
CONSENT CALENDAR
January 2024

VII. Matters relating to the full Board

- E. Consideration and possible action to acknowledge gifts and donations to the Board

VIII. Matters relating to the Committee on Innovation, Data, and Educational Analytics

- B. Report on Financial Aid Advisory Committee activities

- C. Consideration and possible action to approve the replacement of a member on the Standing Advisory Committee for Public Junior Colleges for the 2026-2027 biennium

- D. Proposed Rules:

- (1) Consideration and possible action to repeal and adopt Board Rules, Chapter 1, Subchapter K, Sections 1.156-1.162, concerning replacement of the Community and Technical Colleges Formula Advisory Committee with the Standing Advisory Committee for Public Junior Colleges
- (2) Consideration and possible action to adopt proposed amendments to Board Rules, Chapter 1, Subchapter L, Sections 1.164-1.167, concerning changes to the membership of the General Academic Institutions Formula Advisory Committee
- (3) Consideration and possible action to repeal Board Rules, Chapter 9, Subchapter B, Sections 9.28 and 9.29, concerning the certification of public community colleges as eligible to receive state appropriations
- (4) Consideration and possible action to adopt proposed amendments to Board Rules, Chapter 13, Subchapter A, Section 13.1, concerning finance-related definitions
- (5) Consideration and possible action to repeal Board Rules, Chapter 13, Subchapter D, Section 13.62, concerning updates to a manual for community college annual financial reports
- (6) Consideration and possible action to adopt proposed amendments to Board Rules, Chapter 13, Subchapter D, Section 13.63, concerning requirements for community college financial reporting
- (7) Consideration and possible action to adopt proposed amendments to Board Rules, Chapter 13, Subchapter F, Sections 13.101, 13.102, and 13.104, concerning limitations on the reporting of hours to the Coordinating Board for funding purposes
- (8) Consideration and possible action to adopt new Board Rules, Chapter 13, Subchapter P, Sections 13.470-13.477, concerning the new community college finance system
- (9) Consideration and possible action to adopt new Board Rules, Chapter 13, Subchapter Q, Sections 13.500-13.506, concerning the Financial Aid for Swift Transfer (FAST) Program

- (10) Consideration and possible action to adopt new Board Rules in Chapter 13, Subchapter R, 13.520 through 13.529, relating to reporting, audit, and overallocation for community colleges
- (11) Consideration and possible action to adopt the repeal of Board Rules, Chapter 13, Subchapter G, Sections 13.120-13.127, concerning Restricted Research Expenditures)
- (12) Consideration and possible action to adopt proposed amendments to Board Rules, Chapter 13, Subchapter M, Sections 13.300-13.304, and new Section 13.305, concerning Total Research Expenditures
- (14) Consideration and possible action to adopt the repeal of Board Rules, Chapter 15, Subchapter C, Sections 15.40-15.44, concerning the National Research University Fund
- (16) Consideration and possible action to adopt amendments to Board Rules, Chapter 22, Subchapter L, Section 22.226, concerning the Texas EXcellence, Access, and Success (TEXAS) Grant
- (17) Consideration and possible action to adopt amendments to Board Rules, Chapter 22, Subchapter A, Section 22.1, concerning the General Provisions for Student Financial Aid Programs
- (19) Consideration and possible action to adopt amendments to Board Rules, Chapter 23, Subchapter D, Sections 23.93-23.101, concerning Loan Repayment Program for Mental Health Professionals

X. Matters relating to the Committee on Academic and Workforce Success

- B. Consideration and possible action to adopt the report to the Board on school closures and/or teach-outs pursuant to Board Rule 7.7(6)
- C. Consideration and possible action to adopt the recommendation relating to the July 2023 Annual Compliance Reports for institutions under a Certificate of Authorization (Names beginning with “P” through “Z”)
- F. Consideration and possible action to approve awards over \$5 million for the Graduate Medical Education Expansion Grant Program
- I. Proposed Rules:
 - (2) Consideration and possible action to adopt proposed amendments to Board Rules, Chapter 2, Subchapter J, Section 2.202, concerning approval of distance education for public institutions
 - (3) Consideration and possible action to adopt proposed amendments to Board Rules Chapter 4, Subchapter A, Section 4.9, concerning limitations on the number of courses that may be dropped under certain circumstances by undergraduate students
 - (4) Consideration and possible action to adopt proposed repeal of Board Rules, Chapter 4, Subchapter P, Sections 4.255 through 4.264, concerning approval of distance education courses and programs for public institutions
 - (5) Consideration and possible action to adopt amendments to Board Rules, Chapter 5, Subchapter B, Section 5.24, and repeal of Board Rules Chapter 5, Subchapter C, Sections 5.41-5.46, 5.48, 5.50, 5.52-5.55, concerning academic program approval

- (6) Consideration and possible action to repeal Board Rules, Chapter 9, Subchapter J, Sections 9.181-9.186; Subchapter L, Sections 9.550-9.555; and Subchapter N, Sections 9.670-9.678, concerning academic program approval
- (7) Consideration and possible action to amend Board Rules, Chapter 21, Subchapter D, Sections 21.51 and 21.52, concerning the Texas First Early High School Completion Program
- (8) Consideration and possible action to adopt amendments to Board Rules, Chapter 22, Subchapter T, Sections 22.550-22.552 and 22.554-22.556, concerning the Texas First Scholarship

XI. Matters relating to the Agency Operations Committee

- B. Report on grants and contracts
- C. Review of the “Fiscal Year 2024 Financial Report” to the Board

AGENDA ITEM VI

Major Policy Discussion: Presentation on Regional Accreditation

RECOMMENDATION: No action required

Background Information:

Major Policy Discussions are topics of interest where staff, policy experts, and/or stakeholders provide Coordinating Board members with information on higher education policy matters or initiatives that have the potential to impact Texas statewide. The Major Policy Discussion will focus on Regional Accreditation.

Regional accreditors play a pivotal role in higher education and specifically in determining which institutions are eligible for federal financial aid, as well as assessing quality and effectiveness of institutions of higher education. In 2019, the U.S. Department of Education (the Department) amended its rules to allow regional accreditors to cross into each other's geographic jurisdiction and compete. The Department indicated that these revisions to the rules are intended to reduce bureaucratic inefficiencies and provide opportunity for educational flexibility and innovation.

Based upon this changing landscape the agency has partnered with the American Council on Education (ACE) to provide additional information on this issue.

Dr. Hironao Okahana, Assistant Vice President and Executive Director, Education Futures Lab at ACE will present information on the current regional accreditor landscape and be available for questions.

AGENDA ITEM VII-A

Update on the Texas Higher Education Foundation

RECOMMENDATION: No action required

Background Information:

Founded in 2001, the Texas Higher Education Foundation (formerly named the College for All Texans Foundation) serves as the nonprofit fundraising arm for the Texas Higher Education Coordinating Board (THECB). As a trusted partner and philanthropic agent for higher education in Texas, the Texas Higher Education Foundation mission is to be a catalyst for purposeful and strategic impact at scale. To date, trustees and staff have raised nearly \$40 million, with nearly \$14 million having been raised in the last four years to support strategic priority initiatives of the THECB.

Neal W. Adams, chair and president of the Texas Higher Education Foundation, will present this item. Melissa Henderson, Executive Director of the Texas Higher Education Foundation, will be available for questions.

AGENDA ITEM VII-B

Update on *Building a Talent Strong Texas*

RECOMMENDATION: No action required

Background Information:

Staff will give an update on the *Building a Talent Strong Texas* plan.

Higher education institutions and, most importantly, their graduates play critical roles in driving equitable economic opportunities for Texans, their communities, and the state. The Texas Higher Education Coordinating Board, in close partnership with institutions, other state agencies, and communities across the state, launched a refreshed strategic plan to effectively meet the needs of the state's workforce, its economy, and individual Texans. *Building a Talent Strong Texas* was adopted earlier this year, and staff continue to work closely with partners to develop tools and resources to support institutions in understanding and meeting the new goals.

Melissa Henderson, Chief of Staff and Executive Director for the Texas Higher Education Foundation, will provide this update and be available for questions.

AGENDA ITEM VII-C

Update on Texas transfer initiatives

RECOMMENDATION: No action required

Background Information:

Substantially improving transfer, particularly for students who are attending community colleges and plan to transfer to public four-year universities, remains a priority for the Texas Higher Education Coordinating Board.

Ms. Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, will provide an update on the activities of the Texas Transfer Advisory Committee and other transfer initiatives of the agency.

AGENDA ITEM VII-D

Update on program approval

RECOMMENDATION: No action required

Background Information:

The obligation and opportunity to approve new educational programs (certificates and degrees) is one of the most significant duties undertaken by the Texas Higher Education Coordinating Board. The boundaries and processes for program approval are currently governed by statute, rule, policies, and forms.

This agenda item includes:

- An update on new academic program approval rule implementation
- Academic and workforce programs that have been acted on since the last board meeting
- Certificates of authorization that have been acted on since the last board meeting

Ms. Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, will present this item and be available for questions.

**INSTITUTIONAL REQUESTS RELATED TO DEGREE AND CERTIFICATE PROGRAMS ACTED ON BY THE COMMISSIONER
OR ASSISTANT COMMISSIONERS (October 5, 2023 - January 3, 2024)**

NEW DEGREE AND CERTIFICATE PROGRAMS

Institution	Degree	Program	Date Approved
Community & Technical Colleges			
Austin Community College	Continuing Education Certificate	Principal Certification Program	11/16/2023
Lamar State College - Port Arthur	Associate of Applied Science	Social Media and Digital Communications Management	11/16/2023
Lamar State College - Port Arthur	Level 1 Certificate	Emergency Medical Technology	10/25/2023
TSTC System	Level 2 Certificate	Pre-Allied Health	12/12/2023
Universities & Health-Related			
University of North Texas	Embedded Associate of Applied Science (AAS)	Hospitality Management	12/16/2023
Texas Tech University	Master of Science (MS)	Veterinary Sciences	12/6/2023
Texas A&M University-Corpus Christi	Master of Public Health (MPH)	Public Health	11/30/2023
San Jacinto Community College	Bachelor of Applied Science (BAS)	Education	11/16/2023
Texas Tech University	Bachelor of Applied Arts and Sciences (BAAS)	Renewable Energy	11/7/2023
Alamo Community College - Northwest Vista College	Bachelor of Applied Technology (BAT)	Cloud Computing	10/26/2023
The University of Texas at Tyler	Doctor of Nursing Practice (DNP)	Nurse Anesthesia	10/26/2023
The University of Texas Southwestern Medical Center	Doctor of Philosophy (PHD)	Public Health	10/26/2023
The University of Texas Health Science Center at San Antonio	Doctor of Nursing Practice (DNP)	Nurse Anesthesia	10/26/2023
Texas Woman's University	Bachelor of Science (BS)	Aviation Science	10/19/2023
Texas A&M University-Corpus Christi	Bachelor of Science (BS)	Public Health	10/19/2023

Sul Ross State University	Master of Science (MS)	Forensic Science	10/19/2023
University of North Texas at Dallas	Bachelor of Applied Science (BAS)	Emergency Services	12/21/2023
The University of Texas at Austin	Bachelor of Science in Geosciences (BSGS)	Climate System Science	12/21/2023
Lamar University	Bachelor of Science (BS)	Computer Engineering	12/21/2023

PHASE-OUT OF PROGRAMS

Institution	Degree	Program	Phase out Date
Community & Technical Colleges			
Austin Community College	Continuing Education Certificate	Dental Assistant Program	09/01/2024
Blinn College	Associate of Arts	Arts	09/01/2023
Blinn College	Associate of Arts	Digital Arts	09/01/2023
Blinn College	Associate of Arts	Sociology	09/01/2023
Blinn College	Associate of Arts	Speech Communication and Rhetoric	09/01/2023
Blinn College	Associate of Applied Science	Cloud Computing	09/01/2023
Blinn College	Continuing Education Certificate	Facilities Maintenance	09/01/2023
Blinn College	Continuing Education Certificate	Welding Technology - NCCER and NWIS Curriculum Certificate	09/01/2023

Central Texas College	Associate of Applied Science	Applied Management with Computer Applications	09/01/2025
Central Texas College	Associate of Applied Science	Fire Protection	09/01/2025
Central Texas College	Level 1 Certificate	Television/Radio/Broadcasting Certificate	01/01/2024
Central Texas College	Level 1 Certificate	TV News Videographer	01/01/2024
Central Texas College	Level 1 Certificate	Computer Helpdesk Specialist	09/01/2025
Central Texas College	Level 1 Certificate	Cyberdefense - Information Assurance	09/01/2025
Central Texas College	Level 1 Certificate	Cybersecurity	09/01/2025
Central Texas College	Level 1 Certificate	Fire Protection	01/01/2024
Central Texas College	Level 1 Certificate	IT Network Analyst Certificate	09/01/2025
Central Texas College	Level 1 Certificate	Network Server & Cloud Administrator	09/01/2025
El Paso Community College	Associate of Applied Science	Pharmacy Technology	09/01/2024
El Paso Community College	Level 2 Certificate	Cisco Networking Training Certificate	09/01/2024
El Paso Community College	Associate of Applied Science	Cyber Security	09/01/2024
El Paso Community College	Associate of Applied Science	Information Networking	09/01/2024

El Paso Community College	Associate of Applied Science	Physical Therapist Assistant	09/01/2024
El Paso Community College	Associate of Applied Science	Respiratory Care Technology	09/01/2024
El Paso Community College	Associate of Applied Science	Surgical Technology	09/01/2024
Grayson County College	Associate of Arts	Physical Education	09/01/2023
Grayson County College	Associate of Applied Science	Web Based Small Business Development	09/01/2023
Grayson County College	Associate of Arts in Teaching	Early Childhood-Grade 4 Bilingual Generalist	09/01/2023
Grayson County College	Associate of Arts in Teaching	Early Childhood-Grade 4 ESL Generalist	09/01/2023
Grayson County College	Associate of Arts in Teaching	Early Childhood-Grade 4 Generalist	09/01/2023
Grayson County College	Associate of Arts in Teaching	Elementary Education and Teaching	09/01/2023
Grayson County College	Associate of Arts in Teaching	Grade 4-8 ESL Generalist	09/01/2023
Grayson County College	Associate of Arts in Teaching	Grade 4-8 Generalist	09/01/2023
Grayson County College	Associate of Science	Chemistry	09/01/2023
Grayson County College	Associate of Science	Economics	09/01/2023
Grayson County College	Associate of Science	English	09/01/2023

Grayson County College	Associate of Science	Geology	09/01/2023
Grayson County College	Associate of Science	Physics	09/01/2023
Grayson County College	Associate of Science	Psychology	09/01/2023
Grayson County College	Associate of Science	Sociology	09/01/2023
Grayson County College	Associate of Science	Spanish	09/01/2023
Grayson County College	Level 1 Certificate	Computer Network Technician Certificate	09/01/2023
Grayson County College	Level 1 Certificate	Entry Level Office Support	09/01/2023
Grayson County College	Level 1 Certificate	Hair Stylist Certificate	09/01/2023
Grayson County College	Level 1 Certificate	Microcomputer Multimedia Specialist Certificate	09/01/2023
Grayson County College	Level 1 Certificate	Paramedic Certificate	09/01/2023
Grayson County College	Level 1 Certificate	Web Based Small Business Foundation Certificate	09/01/2023
Houston Community College	Associate of Applied Science	Allied Health/Surgical Technology Track	01/01/2024
Houston Community College	Associate of Applied Science	Geographic Information Science	09/01/2024
Houston Community College	Associate of Applied Science	Drafting & Design Engineering Technology - Computer-Aided Drafting - Civil Specialization	01/01/2024

Houston Community College	Level 1 Certificate	Health Care Career Academy	01/01/2024
Houston Community College	Level 1 Certificate	Surgical Technology Certificate	01/01/2024
Houston Community College	Level 1 Certificate	Geographic Information Science Technician	09/01/2024
Houston Community College	Level 1 Certificate	Heavy Vehicle, Diesel, And Industrial Technology	09/01/2024
Houston Community College	Level 1 Certificate	Marketing - Enterprise Development	01/01/2024
Houston Community College	Level 2 Certificate	Geographic Information Science Analyst	09/01/2024
Houston Community College	Level 2 Certificate	Surgical Technology	01/01/2024
Houston Community College	Continuing Education Certificate	Desktop Support and Networking Specialist	09/01/2024
Houston Community College	Occupational Skills Award	Cyber Security	01/01/2024
Houston Community College	Occupational Skills Award	IT Network Technology	09/01/2024
Houston Community College	Occupational Skills Award	Solar Installer	09/01/2024
Houston Community College	Occupational Skills Award	Unmanned Aircraft Systems (UAS) Technology (Drones)	09/01/2024
Houston Community College	Occupational Skills Award	Diesel Maintenance Technician	01/01/2024
Houston Community College	Occupational Skills Award	Heavy Vehicle, Diesel, and Industrial Technology - Diesel Preventative Maintenance	09/01/2024

Houston Community College	Occupational Skills Award	Surgical Technology- Accelerated Alternate Delivery (AAD)	01/01/2024
Houston Community College	Associate of Applied Science	Drafting & Design Engineering Technology - Computer-Aided Drafting - Architectural Specialization	01/01/2024
Houston Community College	Associate of Applied Science	Drafting & Design Engineering Technology - Computer-Aided Drafting - Electrical Specialization	01/01/2024
Houston Community College	Associate of Applied Science	Drafting & Design Engineering Technology - Computer-Aided Drafting - Mechanical Specialization	01/01/2024
Howard College At Big Spring	Associate of Science	Child Development Studies	01/01/2024
Lamar Institute of Technology	Advanced Technical Certificate	Diagnostic Cardiac Sonography Advanced Technical Certificate	01/01/2024
Lamar Institute of Technology	Advanced Technical Certificate	Diagnostic Medical Sonography Advanced Technical Certificate	01/01/2024
Lamar State College - Orange	Associate of Applied Science	Physical Therapist Assistant	01/01/2024
Lone Star College - Houston North	Continuing Education Certificate	Carpentry II NCCER Residential Certificate	01/01/2024
North Central Texas College	Occupational Skills Award	Medical Office Technology	01/01/2024
Northeast Texas Community College	Associate of Applied Science	Dental Hygiene	06/01/2023
Paris Junior College	Associate of Applied Science	Electronics	01/01/2024
Paris Junior College	Level 1 Certificate	Cosmetology Operator Training Program	09/01/2023
San Jacinto College District	Associate of Applied Science	Construction Management Technology	09/01/2023

San Jacinto College District	Level 1 Certificate	Construction Management	09/01/2023
Tarrant County College District	Associate of Applied Science	Computer Hardware Technology	09/01/2018
Tarrant County College District	Advanced Technical Certificate	Fluid Power Advanced	01/01/2024
Tarrant County College District	Level 1 Certificate	Entry Level Security	01/01/2024
Tarrant County College District	Level 1 Certificate	Home Technology Integration Certificate	01/01/2024
Tarrant County College District	Level 1 Certificate	Personal Computer Support Certificate	01/01/2024
Tarrant County College District	Level 1 Certificate	Soils Specialist	01/01/2024
Tarrant County College District	Level 1 Certificate	UNIX Support and Administration	01/01/2024
Tarrant County College District	Level 1 Certificate	Web Development Certificate	01/01/2024
Tarrant County College District	Level 2 Certificate	Advanced IT Project Management	01/01/2024
Tarrant County College District	Level 2 Certificate	Advanced Networking Professional	01/01/2024
Temple College	Associate of Arts	Biology	01/01/2024
Temple College	Associate of Arts	Chemistry	01/01/2024
Temple College	Associate of Arts	Mathematics	01/01/2024

Temple College	Associate of Arts	Pre-Medicine	01/01/2024
Trinity Valley Community College	Associate of Applied Science	Office Technology/Medical Administrative Assistant	06/01/2025
Trinity Valley Community College	Level 1 Certificate	Cosmetology Student Instructor	01/01/2024
Trinity Valley Community College	Level 1 Certificate	Cosmetology Student Instructor-Required 2+ Years Salon Experience	01/01/2024
Trinity Valley Community College	Level 1 Certificate	Early Childhood Education - Bilingual Mini Certificate	01/01/2024
Trinity Valley Community College	Level 1 Certificate	Early Childhood Education - Bilingual Para Educator Certificate	01/01/2024
Trinity Valley Community College	Level 1 Certificate	Student Instructor Certificate - Less Than 2 Years Salon Experience	01/01/2024
Tyler Junior College	Level 1 Certificate	Emergency Medical Services Professions	09/01/2024
Universities & Health-Related			
University of North Texas	Master of Arts	English as a Second Language	11/8/23
Texas A&M University-Commerce	Master of Arts Master of Science	Political Science	8/24/24
Texas A&M University-Central Texas	Master of Arts	Political Science	5/31/26
University of North Texas	Master of Arts	Mathematics	10/23/23

CERTIFICATES OF AUTHORIZATION

Non-Public and Out-of-State Institution	Authorization Type	Certificate of Authorization Issue Date
Pacific College of Health and Science	Certificate of Authorization (clinical)	10/25/2023
Galen College of Nursing - Fort Worth	Certificate of Authorization (Associate/Bachelors)	10/25/2023
University of Puerto Rico - Medical Sciences Campus	Certificate of Authorization (clinical)	12/18/2023
Lindsey Wilson College	Certificate of Authorization (Masters)	12/7/2023

AGENDA ITEM VII-E

Consideration and possible action to acknowledge gifts and donations to the Board

RECOMMENDATION: Approval

Background Information:

The Board will consider the acceptance of gifts and donations to the Board.

Nichole Bunker-Henderson, General Counsel, will be available to answer questions.

The following gifts and donations have been provided to the agency since the October 2023 Quarterly Board Meeting. This Board must vote to accept these gifts or donations.

Date Received	Gift or Donation	Funding Source	Donor	Estimated Value
9/12/23	Expenses for Christina Zavala to attend the Southern Regional Education Board Student Success Summit	Southern Regional Education Board	Southern Regional Education Board	\$1,092.93
9/18/23	Expenses for Melissa Humphries and Torca Bunton to attend the State Higher Education Executive Officers Association Community of Practice: Using Postsecondary Data to inform Funding Formulas Conference	State Higher Education Executive Officers Association (Grant funding from Bill and Melinda Gates Foundation)	State Higher Education Executive Officers Association	\$1,793.16
10/22/23	Services of Higher Education Advisory Group to prepare report discussing postsecondary employment salary outcomes for certain college and university graduates	Strada Education Network – PSEO Grant	Texas Higher Education Foundation	\$10,000
10/26/23	A/V services provided by Fogarty Services, Inc. for the 2023 Higher EDge Conference	Texas Higher Education Foundation	Texas Higher Education Foundation	\$43,970
11/20/23	Expenses for Melissa Humphries, Torca Bunton and Doug Parker to attend TACRAO conference	Texas Association of Collegiate Registrars and Admissions Officers	Texas Association of Collegiate Registrars and Admissions Officers	\$1,436.59
11/28/23	Services of Trademark Media Corporation d/b/a Mighty Citizen to assist in development of communications toolkit to support THECB work in PSEO Coalition	Strada Education Network	Texas Higher Education Foundation	\$3,900

11/29/23	Services of McGuire Woods Consulting to provide process improvement feedback	Texas Higher Education Foundation	Texas Higher Education Foundation	\$25,000
12/18/23	Services of Texas Creative to increase awareness and drive website traffic to the My Texas Future website	Texas Higher Education Foundation - Unrestricted Funds	Texas Higher Education Foundation	\$43,000

AGENDA ITEM VII-F

Discussion and Overview of Proposed Fiscal Year 2025 Community College Finance System Rules

RECOMMENDATION: No action required

Background Information:

Texas Higher Education Coordinating Board staff are preparing several proposed changes to rules governing the Community College Finance program for consideration by the Board at upcoming meetings.

Rules intended for proposal to the Board in April include the following policy revisions, along with various methodological or reporting changes:

1. A new subchapter (13S) on community college finance to replace rules limited to FY 24 and implement community college finance on an ongoing basis.
2. Revision of the credential of value methodology, including a “credential of value premium” to provide funding incentives for rapid program completion on an individual student basis.
3. Revision of the method for determining High-Demand Fields to create a process that is based on labor market data, better acknowledges regional variation, and provides other avenues for adding fields based on input from colleges and state leadership.
4. Revision of the funding bonus for adult learners to ensure rapid completion is not inadvertently penalized.
5. Broadening the performance tier to ensure funding of the Opportunity High School Diploma and third-party credentials that meet certain requirements, including recommendation for semester credit hours by the American Council on Education.
6. Changing the data source for average tuition and fees in the base tier to an internal data collection that is more transparent, up-to-date, and accurate.
7. Excluding students that do not complete an Institutional Credential Leading to Licensure or Certification (ICLC) from outcome counts.
8. Ensuring that hours counted towards a dual credit fundable outcome are not double-counted towards the transfer fundable outcome.
9. Establishing the requirement that colleges receiving the small scale bonus in the base tier submit a shared services report biennially, in accordance with legislative requirements.

Emily Cormier, Assistant Commissioner for Funding, will provide an overview and be available for questions.

AGENDA ITEM VIII-A

Committee chair's overview

Mr. S. Javaid Anwar, chair of the Committee on Innovation, Data, and Educational Analytics, will provide the Board an overview of the items on the agenda.

AGENDA ITEM VIII-B

Report on Financial Aid Advisory Committee activities

RECOMMENDATION: No action required

Background Information:

Texas Higher Education Coordinating Board (THECB) rules require advisory committees to report on committee activities on an annual basis. This allows the board of the THECB to properly evaluate the committee's work, usefulness, and the costs related to the committee's existence. The current report covers the period from September 2022 through June 2023.

The Financial Aid Advisory Committee (FAAC) is authorized under Texas Education Code, Section 61.0776, and Texas Government Code, Section 2110.0012. The FAAC provides the board of the THECB with advice and recommendations regarding the development, implementation, and evaluation of state financial aid programs for college students. The FAAC also assists staff in the development of training materials for use by the Center for Financial Aid Information and others in informing students, parents, secondary education counselors, college personnel, members of appropriate community-based organizations, and others about financial aid opportunities for Texas students, including eligibility requirements and procedures for applying for financial aid.

Ms. Melet Leafgreen, chair, and Ms. Rachelè Garrett, past chair of the FAAC, will present a summary of the FAAC's recent activities and will be available to answer questions.

2022-2023 FINANCIAL AID ADVISORY COMMITTEE

ANNUAL REPORT

COMMITTEE ABOLISHMENT DATE: 10/31/2025

Committee Purpose: The Financial Aid Advisory Committee was created to provide the Board advice and recommendations regarding the development, implementation, and evaluation of state financial aid programs for college students. It also assists staff in the development of training materials for use by the Center for Financial Aid Information and others in informing students, parents, secondary education counselors, college personnel, members of appropriate community-based organizations, and others about financial aid opportunities for Texas students, including eligibility requirements and procedures for applying for financial aid (Texas Education Code [Sec. 61.0776](#)). In addition, the committee shall 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 (Texas Administrative Rules governing this committee can be found by visiting [FAAC Administrative Rules](#) and [Advisory Committee Administrative Rules](#)).

Report Period: September 2022 – August 2023

Chair: Rachelè Garrett – Stephen F. Austin University

Vice-Chair: Melet Leafgreen, University of Texas-Southwestern

Past Chair: Denise Welch, Panola College

Committee Member Name	Position and Institution	Term Dates
DeChá Reid	THECB Representative	Sept. 2020-Sept. 2023
Rachele Garrett	Chair-Stephen F. Austin	Nov 2019-June 2024
Denise Welch	Past Chair- Panola College	Nov. 2018-June 2023
Melet Leafgreen	Vice-Chair, UT Southwestern	Nov. 2021-June 2024
Jackie Adler	Member, Texas Technical State College	Nov. 2021-June 2024
Gabriela “Gabby” Leon	Member, Alvin Community College	Sept. 2022- June 2025
Victoria Chen	Member, Texas Christian Univ	Nov. 2020- June 2023
Dede Gonzales	Member, Texas State University	Nov. 2020- June 2023
Bridgette Ingram	Member, Texas A & M Univ	Nov. 2020- June 2023
Cecelia Jones	Member, Jarvis Christian Univ	Nov. 2021- June 2023
Rachel Joseph	Student Member, UT Austin	Sept 2022-May 2023
Dede Gonzales	TASFAA Representative	Nov. 2022- Sept. 2023
Scott Lapinski	Member, Blinn UT-Permian Basin	Sept. 2022- June 2023
Holly Nolan	Member, UH-Clear Lake	Nov. 2020-June 2023
Shonna Norton	Member- Wichita Falls ISD	Nov. 2020- June 2023
Sal Ramirez	Member- El Paso ISD	Nov. 2021- June 2024
Thomas Ratliff	Member- Abilene Christina Univ.	Sept. 2022- June 2023
Joseph Ruiz	Member- Del Mar College	Nov. 2021- June 2024
Lynda McKendree	Member- University of St. Thomas	Sept. 2022- June 2025
Tevian Sides	Member- Western Texas College	Nov. 2021- June 2024
Lisa Schoenbrun	Member- El Paso ISD	Sept. 2022- June 2025
Gilbert Zavala	Member- Austin Chamber of Com	Nov. 2021- June 2024

Committee Meeting Dates: Meetings were held virtually and in-person at the Barbara B. Jordan Building

- 12-08-2022 (Virtually)
- 03-02-2023 (Virtually)
- 06-01-2023 (In-person)

A key item that changed was the start term for new committee members. The FAAC agreed to amend the rules for the nomination cycle to allow new members to start in September. The reporting period reflects the amended rules to better align committee members' start term with the state fiscal year (Sept. 1). Sept. 2022 was previously reported during the 2021-2022 FAAC Annual report.

Annual Costs Expended Meetings were held virtually and in-person, which led to annual expenses.

Travel: \$0

Other: N/A

Time Commitments: 437 hours

Current Recommendations to the Board:

1. Continue to work with the Financial Aid Advisory Committee (FAAC) in providing feedback and recommendations on new initiatives when there would be an implied or real impact on state financial aid program policies and procedures. This is critical to the strengthening of student participation by removing barriers and providing access to higher education.
2. Continue to work with FAAC in seeking feedback on how the state financial aid program rules and policies could better align with federal policies.
3. Continue the work of the Data Collection Subcommittee to review procedures that impact institutions, along with the collection and use of data through institutional reporting.
4. Continue work with TASFA Subcommittee to review and streamline the electronic and paper state application (TASFA).
5. Continue to create and utilize FAAC subcommittees with subject experts to identify areas of research for consideration of topics of interest.
6. Continue to provide information regarding proposed legislative recommendations so FAAC can provide feedback on potential impact to students in high school and postsecondary education.

Summary of Tasks Completed: Over the course of the 2022-23 year, the Coordinating Board staff worked with FAAC members to discuss topics and host presentations related to state financial aid and best practices within higher education. Highlights included:

Discussion Topics:

- NASFAA's Student Aid Index (SAI) Modeling
- 2024-25 FAFSA Delay
- State Priority Deadline for Texas
- Proposed Rules in Texas Administrative Code, Chapter 22 Impacting State Financial Aid Programs
- Overview of the Financial Aid for Swift Transfer (FAST) Program

Presentations:

- TXWORKS and Recruiting-Vanessa Malo, Director, THECB
- State of Student Aid and Higher Education in Texas (SOSA) Jeff Webster, Director of Research and Carla Fletcher, Senior Research Analyst, Trellis
- More FAFSA Completions, with better reporting - all for free-Charlie Maynard, General Manager, Going Merry
- Top 10 Issues Impacting Financial Aid Offices-Karen McCarthy, Vice President of Public Policy, and Federal Regulations, NASFAA
- Fall 2021 Student Financial Wellness Survey, Jeff Webster, VP, Trellis
- Diversity 101-How to address professional judgement-Danchess Ingram, Diversity Awareness Chair, Southwestern Association of Student Financial Aid Administrators

In addition, FAAC's subcommittees actively engaged with THECB staff on several key agency initiatives and policies to help support the advancement of the agency goals and missions. Below are some highlights from the subcommittees:

TASFA Subcommittee: The TASFA Subcommittee continued to work on the online and paper TASFA to improve the student and institutional experience in delivering information on state aid. A non-inclusive list of activities included:

- Working with financial aid and high school representatives on recommended changes for the paper and online TASFA structure
- Launching the 2023-24 Online TASFA in August 2023
- Held multiple webcast trainings to provide a preview of the online TASFA process.
- Identifying key items on the 2024-25 paper TASFA to modify, eliminate, or add to align with the 2024-25 FAFSA questions.

Data Collection Subcommittee: Data Collection Subcommittee continued to work with THECB staff on the agency initiative to improve the importing of institutional data through the Financial Aid Database (FAD) data modernization project, along with being beta testers to the new payment system called Grant and Aid Processing Payment. In addition, the committee provided guidance on the following topics:

- Financial Aid for Swift Transfer (FAST)
- 2023-24 State Program Guidelines
- THECB Secure Systems: MOVEit
- Grant and Aid Processing Platform
- New administrative changes to the Texas College Work-study program

The members of FAAC are appreciative of the Board's approval for the continuation of the committee and offer the following examples of why the FAAC is important:

- The opportunity to share information helps both the agency and the institutions make informative decisions related to financial aid concerns and challenges in higher education.
- Provides a platform to identify key services and ways to successfully administer programs supporting Texas residents in the pursuit of higher education.
- Allows members representing all sectors to provide a perspective on ways to advance the state's mission and goals in Building a Talent Strong Texas.
- Provides opportunities to influence research and reporting that will provide relevant data to assist THECB and legislators when considering future proposals relevant to the support of higher education.

Committee Meeting Minutes

December 8, 2022, FAAC Meeting Minutes

Committee Members in Attendance Via <u>Virtual</u> Meeting Connection		Committee Members Absent
Rachelè Garrett, Chair Denise Welch, Past Chair DeChá Reid, THECB Rep Jackie Adler Reginald Brazzle Dede Gonzales-TASFAA Rep Bridgette Ingram Cecelia Jones Rachel Joseph-Student Rep Melet Leafgreen Lynda McKendree	Gaby Leon Lynda McKendree Holly Nolan Shonna Norton Sal Ramirez Thomas Ratliff Joseph Ruiz Joseph Sanchez Tevian Sides Arnold Trejo	Victoria Chen Scott Lipinski Gilbert Zavala
Agenda Item 1. Welcome, Introductions and Overview of Meeting		Rachelè Garrett, Chair
Handout Provided: Yes		Formal Decision/Action Required No
Summary:		

**See handout for agenda item 1 for more information	
Agenda Item 2. Consideration of Approval of Minutes from the meeting held on September 8, 2022	Rachelè Garrett, Chair
Handout Provided: Yes	Formal Decision/Action Required <i>Yes – minutes approved</i>
Summary: <ul style="list-style-type: none"> No corrections were identified. **See handout for agenda item 2 for more information.	
Agenda Item 3. Presentation: TXWORKS	Vanessa Malo, Assistant Director, Workforce Education, THECB
Handout Provided: Yes	Formal Decision/Action Required No
Presentation Summary: **See handout for agenda item 3 for more information.	
Agenda Item 4. Presentation: State of Student Aid and Higher Education in Texas (SOSA)	Jeff Webster, Director of Research, and Carla Fletcher, Sr. Research Analyst, Trellis
Handout Provided: Yes	Formal Decision/Action Required No
Presentation Summary: **See handout for agenda item 4 for more information.	
Agenda Item 5. Presentation: More FAFSA Completions, with better reporting – all for free	Charlie Maynard, General Manager, Going Merry
Handout Provided: Yes	Formal Decision/Action Required No
Presentation Summary: **See handout for agenda item 5 for more information.	
Agenda Item 6. Presentation: Top 10 Issues Impacting Financial Aid Offices	Karen McCarthy, Vice President of Public Policy, and Federal Regulations, NASFAA
Handout Provided: Yes	Formal Decision/Action Required No
Presentation Summary: **See handout for agenda item 6 for more information.	
Agenda Item 7. Update: Prior FAAC Business	DeChà Reid, Senior Director, THECB
Handout Provided: No	Formal Decision/Action Required No
<i>Standing Item</i> Update Summary: <ul style="list-style-type: none"> Provide an update on TXWORKS being counted as EPA for other federal programs given that it is using a needed component for eligibility. 	
Agenda Item 8: Update: External Relations	John Wyatt, Sr. Director, External Relations, THECB
Handout Provided: Yes	Formal Decision/Action Required No
<i>Standing Item</i> Update Summary: <ul style="list-style-type: none"> 88th Legislature will convene in a little over a month. Governor Abbott and Dan Patrick won their re-election. Dave Fleming to return as Speaker. TX Legislature will have some familiar faces because of the election. New Chairman of House Committee Will not have a Senate of Higher Education Committee, Higher Education will be a subcommittee. Texas is in good financial health. There is a surplus of funds; there is not an exact dollar amount until the Comptroller releases their budget. There is a constitutional limitation on the amount that can be spent from surplus and a lot of good recommendations on how best to spend it (infrastructure, retirement system, property tax...) THECB submitted LAR and 153 million to support grant recipients and support the innovative federally-funded grants (Transfer Grants and Texas Scholar) Enact the Community College Commission – need the report to send out – increase in funding for TEOG to serve 70% of eligible students to align it with TEXAS Grant population; greater flexibility of serving students; new program for dual credit students and partnerships with work-based learning. 	

- In the pre-filing stage on bills
- The volume of higher ed bills is low at this stage.

**See handout for agenda item 8 for more information.

Agenda Item 9. Update: THECB Financial Aid Strategic Priority

Charles Contero-Puls, Assistant Commissioner, THECB

Handout Provided: Yes

Formal Decision/Action Required
No

Standing Item

Update Summary:

**See handout for agenda item 9 for more information.

Agenda Item 10. Update: TASFA Subcommittee: House Bill 3 (FAFSA/TASFA Graduation Requirement) and House Bill 2140 (Online TASFA)

Bridgette Ingram, Subcommittee Chair; Claudette Jenks, Director, Strategic Advising; and Leah Smalley, Assistant Director, THECB

Handout Provided: No

Formal Decision/Action Required
No

Standing Item

Update Summary:

- The projected completion of the online TASFA development is currently the end of January.
 - We are in the process of setting up institutions of higher education with access to download the TASFA files and the daily report from MOVEit, which will be tested with institutions in January – March.
 - The internal team is currently testing both the application submission process and file batch process to both IHEs and the ISDs.
 - We will send an updated file layout to institutions in January to prepare for file transmission testing.
 - We are working with our Marketing and Communications team to develop outreach to all institutions regarding these updates.
 - A dedicated TASFA webpage is being built on the agency's new website.
 - As we identify the question updates for the 2024-2025 FAFSA, we will be revisiting the online TASFA to include all elements institutions will need to calculate the Student Aid Index (replacing the EFC).
 - We will convene the TASFA subcommittee in the early part of February to discuss revisions to the 2024-2025 application for both paper and the online version
- Committee address concerns with communication of a mid-semester launch, alignment with the new FAFSA Simplification

Agenda Item 11. Update: Data Collection Subcommittee

Dede Gonzales, Subcommittee Chair

Handout Provided: Yes

Formal Decision/Action Required
No

Standing Item

Update Summary:

- The committee recommended staggering the FAD deadline dates for sector or volunteer for early submission.

Agenda Item 12. Update: Legislative Subcommittee

Arnold Trejo, Subcommittee Chair

Handout Provided: No

Formal Decision/Action Required
No

Standing Item

Update Summary:

- Working with TASFAA Committee Chair – Dr. Murr – on recommendations
- Communication to legislators on the priorities on the association and committee
 - Bring the state SAP policy in alignment with federal.
 - Advocate TEOG policy in alignment with TEXAS grant (i.e., Pell Grant)
 - Eliminate the Selective Service Requirement to align with federal.

Agenda Item 13. Update: Texas Association for State Financial Aid Administrators (TASFAA)

Dede Gonzales, TASFAA President

Handout Provided: No

Formal Decision/Action Required
No

Standing Item

Update Summary:

- Spring Regional Training has been sited: Houston, El Paso, Lubbock and Rio Grande
- Host joint SWASFAA with TASFAA
- Board meeting next week
- Will ask GoingMerry to present at February Board Meeting
- Requesting ways that TASFAA can best assist institutions

Agenda Item 14. Update: High School District

Lisa Schoenbrun, El Paso ISD; Shonna Norton, Wichita Falls ISD

Handout Provided: No

Formal Decision/Action Required
No

*Standing Item***Update Summary**

- None to report

Agenda Item 15. Update: Office of Student Financial Aid Programs**DeChà Reid, Senior Director, THECB****Handout Provided: No****Formal Decision/Action Required**
No*Standing Item*

Topics of Discussion:

1. THECB Redesigned Website
2. FORWARD Loan Program
3. Released and Upcoming Announcements
4. New Staff Hires

Update:

1. THECB is in the process of performing a soft launch of a newly redesigned website. The color scheme and the navigation from page to page is very different. We are still working on a few areas before we have a full launch. Home - Texas Higher Education Coordinating Board
2. FORWARD Loan Program is a new loan program that is scheduled to launch on January 15, 2023. The Future Occupations & Reskilling Workforce Advancement to Reach Demand (FORWARD) Program provides alternative educational loans to Texas students who are unable to meet an institution's cost of attendance (COA).
 - a. Eligibility Requirements
The student must:
 - Be classified by the institution as a Texas resident.
 - Be registered with Selective Service or be exempt.
 - Meet the satisfactory academic progress requirements set by the institution.
 - Receive a favorable credit evaluation or provide a cosigner who has good credit standing and meets other requirements
 - Be pursuing a High-Demand Credential
 - Eligibility for the program ends two years from the start of the semester in which the student received the first loan through the Program.
 - b. Additional enrollment requirements:
 - If enrolled in a degree program, must have completed at least 50% of the required coursework prior to receiving a loan through the Program.
 - If enrolled in a non-degree program, the program's duration must be less than two years.
 - If enrolled in master's degree coursework, the master's degree must be part of a combined baccalaureate-master's program approved by the institution of higher education.
 - c. Loan Amounts:
 - Annual: Cost of attendance less other financial aid and family resources
 - Aggregate: Cannot exceed manageable student loan debt as determined by the Texas Higher Education Coordinating Board
 - An origination fee will not be assessed for all approved FORWARD borrowers.
 - d. Interest Rate:
 - Interest begins to accrue on the outstanding principal from the date of disbursement using simple interest.
 - Loans are not eligible for interest subsidy, but the interest is not capitalized.
 - Interest is currently at a fixed annual rate of 2.00%.
 - e. Additional Information:
 - *Where can they learn more about this program?* Rules have been written for the FORWARD loan program and are in public comment period. Once Rules are finalized and approved, they will be available to schools. Also, information such as Fact Sheet, Program Comparison Chart, and Program Guidelines will be program resources for schools. More information can be found after rules are adopted: Coordinating Board Rules, Chapter 22, Subchapter C and the Texas Education Code, Chapter 52.
 - *What are the eligible high-demand credentials for the launch?* Nursing/Patient Care, Teaching, Transportation/Logistics, Energy (223 separate CIP codes under these four disciplines)
 - *Are CIP codes specific to certain schools? How will schools know if they exist at their school?* The CIP codes are not specific to certain schools.
 - *Who at the institution is responsible for confirming eligibility?* Whoever currently certifies CAL loans would more than likely be responsible for confirming eligibility. However, we don't think we would stipulate who is responsible for confirming eligibility at the school. That should be a school decision.
 - *How will they be notified when a certification is ready?* A CSV file will be uploaded to their folder in MoveIT.
 - *How do schools certify?* School certification will occur in HelmNet.
 - *When will training be provided?* TBD
 - *Will there be resources available to help navigate through the program (i.e., eligibility, loan management, returning funds, FADs, etc.) and when will those be released?* Fact Sheet and Program Comparison Chart are currently in development. It is our understanding that FAS will be creating Program Guidelines for FORWARD. In addition, information will be on the various Agency

websites. A soft launch of the program is scheduled for the Spring semester, a more robust launch later in the Spring for the Fall semester start.

- *When will additional credentials be added?* No set timeframe but assume new credentials will be added prior to the Fall 2023 semester. We would not anticipate new credentials mid-semester but it could happen.

3. Recent Memos:

- a. 12/06/22 Bilingual Education Program 2022-2023 Biennium Report Memo [PDF]
- b. 11/28/22 Texas Transfer Grant Pilot Program FY 2023 Available Spring 2023 Memo [PDF]
- c. 11/18/22: Institutional Financial Aid Calendar Spring 2023 [PDF]

4. Alert

- a. *It has been reported that the State Net Price Calculator is not working. We are looking into the issue and will report when the portal is functioning again.*

5. Upcoming Memos

- a. FY2023 FAD Manual

6. Upcoming deadlines:

- a. FY2023 TASSP Nominations from Legislators-12/31/2022
- b. FY2022 Bilingual Education Biennium report-1/1/2023

7. Past Deadlines

- a. FY 2022 State Campus Based report and TPEG Guidelines-10/28
 - i. Missing 8 reports
 - ii. Missing 31 TPEG Guidelines
- b. Certification Deadline date for FY22 FAD Cycle Three-12/5/2022
 - i. 65 schools have not certified by the deadline.

9 schools have not submitted a file at all-we are here to assist

Agenda Item 16. Discussion Topic: 2022 FAAC Annual Report	DeChà Reid, Senior Director, THECB
Handout Provided: Yes	Formal Decision/Action Required No
Discussion Summary: **See handout for agenda item 16 for more information. <i>This report will be presented at our January Committee on Innovation, Data, and Educational Analytics.</i>	
Agenda Item 17. Discussion Topic: NASFAA's SAI Modeling	Rachelè Garrett, Chair
Handout Provided: No	Formal Decision/Action Required No
<i>Discussion Topic Tabled until March 2023 meeting</i>	
Agenda Item 18. Discussion Topic: 2023 FAAC Meeting Dates and Location	Rachelè Garrett, Chair
Handout Provided: No	Formal Decision/Action Required Yes, motion approved
This meeting needs to present the 2023 meeting dates and locations. <ul style="list-style-type: none"> • Motion: Denise Welch • Second: Dede Gonzales • Committee members passed the proposed dates for 2023. Proposed dates. <ul style="list-style-type: none"> • March 2 – Virtual • June 1 – In-person (committee members departing) • September 7 – In-person (new committee members' first meeting) • December 7 - Virtual 	
Agenda Item 19. Discussion Topic: Feedback for Future Meetings	Rachelè Garrett, Chair
Handout Provided: No	Formal Decision/Action Required No
<ul style="list-style-type: none"> • Apply Texas 	
Agenda Item 20. Adjournment	Rachelè Garrett, Chair
Handout Provided: No	Formal Decision/Action Required No
Motion to Adjourn: Melet Leafgreen Second: Cecelia Jones Adjourned at 2:42 p.m.	
Reminder. Announcement: Expense Reports	Rachelè Garrett, Chair



March 2, 2023, FAAC Meeting Minutes

Committee Members in Attendance Via <u>Virtual</u> Meeting Connection		Committee Members Absent
Rachelè Garrett, Chair Denise Welch, Past Chair DeChà Reid, THECB Rep Victoria Chen Dede Gonzales (TASFAA Rep.) Bridgette Ingram Cecelia Jones Melet Leafgreen Gaby Leon Scott Lapinski	Lynda McKendree Holly Nolan Shonna Norton Sal Ramirez Joseph Ruiz Joseph Sanchez Lisa Schoenbrun Tevian Sides Gilbert Zavala	Jackie Adler Rachel Joseph (Student Rep.) Thomas Ratliff
Agenda Item 1. Welcome, Introductions and Overview of Meeting		Rachelè Garrett, Chair
Handout Provided: No		Formal Decision/Action Required No
Agenda Item 2. Consideration of Approval of Minutes from the meeting held on December 8, 2022		Rachelè Garrett, Chair
Handout Provided: Yes		Formal Decision/Action Required Yes – <i>minutes approved</i>
Summary: <ul style="list-style-type: none"> No corrections were identified. **See handout for agenda item 2 for more information.		
Agenda Item 3. Presentation: Diversity 101		D. Ingram, Diversity Awareness Chair, Southwestern Association of Student Financial Aid Administrators
Handout Provided: No		Formal Decision/Action Required No
Presentation Summary:		
Agenda Item 4. Presentation: Fall 2021 Student Financial Wellness Survey		Jeff Webster, Director of Research, and Carla Fletcher, Sr. Research Analyst, Trellis
Handout Provided: Yes		Formal Decision/Action Required No
Presentation Summary: **See handout for agenda item 4 for more information.		
Agenda Item 5. Update: Prior FAAC Business		DeChà Reid, Senior Director, THECB
Handout Provided: No		Formal Decision/Action Required No
Standing Item Update Summary: <ul style="list-style-type: none"> Regarding EFA for TXWORKS Internship Program, TXWORKS does not count as EFA. For more information about the TXWORKS Program, you can email Vanessa Malo at vanessa.malo@highered.texas.gov 		
Agenda Item 6. Update: External Relations		John Wyatt, External Relations, THECB
Handout Provided: No		Formal Decision/Action Required No
Standing Item Update Summary: <ul style="list-style-type: none"> The Legislature has been in session for two months. Committees have been appointed in both chambers. Higher Education will function as a subcommittee in the Senate with Senator Brandon Creighton as the chair. Representative John Kuempel is the chair for the House Higher Education Committee Major funding and policy items: <ul style="list-style-type: none"> Both chambers have introduced their first draft appropriation bills; introduced bills keep financial aid programs funding levels even with previous biennium. 		

- THECB has requested additional financial aid assistance through Texas Grant, TEOG and TEG to keep those grants at the same service level as the last biennium so the same percentage of students can be served through those programs.
 - Senate Finance Committee & House Appropriations Committee meeting to discuss the budget proposals.
- HB8- Legislation to enact the recommendations made by the Community College Finance Commission.
 - Looking at how to fund community colleges & keep them affordable.
 - Recommendation: an increase in TEOG funding so that the TEOG program could serve 70% of eligible students (currently only serves approx.. 25-28% of eligible students).
 - Funding for this was included and will only happen if legislation is passed.
- Other bills to note:
 - SB34 and SB35- Texas Promise Grant bills (Sen. Zaffirini).
 - SB902- codify in statute Texas Leadership Scholar Programs (Sen. West)
 - THECB included \$25 mil in funding for the program in its legislative appropriations request.
 - HB 1192 & SB371 – TASSP – bills intended to provide flexibility around the number of required participation years in the ROTC program (Rep. Turner & Sens. Eckhardt & Campbell)

Agenda Item 7. Update: THECB Financial Aid Strategic Priority

Charles Contero-Puls, Assistant Commissioner, THECB (presented by DeChà Reid)

Handout Provided: No

Formal Decision/Action Required
No

Standing Item

Update Summary:

The work is in the final stages of review & more updates are to come.

Agenda Item 8. Update: TASFA Subcommittee House Bill 3 (FAFSA/TASFA Graduation Requirement) and House Bill 2140 (Online TASFA)

Bridgette Ingram, Subcommittee Chair; Claudette Jenks, Director, Strategic Advising and Leah Smalley, Assistant Director, THECB

Handout Provided: No

Formal Decision/Action Required
No

Standing Item

Update Summary:

- TASFA Subcommittee will meet on 3/3/23.

Agenda Item 9. Update: Data Collection Subcommittee

Dede Gonzales, Subcommittee Chair

Handout Provided: Yes

Formal Decision/Action Required
No

Standing Item

Update Summary:

****See handout for agenda item 9 for more information**

Agenda Item 10. Update: Legislative Subcommittee

Subcommittee Chair

Handout Provided: N/A

Formal Decision/Action Required
N/A

Standing Item

Update Summary:

- No updates to provide.

Agenda Item 11. Update: Texas Association for State Financial Aid Administrators (TASFAA)

Dede Gonzales, TASFAA President

Handout Provided: No

Formal Decision/Action Required
No

Standing Item

Update Summary:

- Board meeting to discuss strategic plan for the next three years.
- Legislative Issues Committee drafted a letter ([found on TASFAA website](#)) to outline association's legislative goals, sent to the Commissioner, the Senate Higher Education Subcommittee, the House Higher Education Committee, and several legislators who have filed financial aid-related bills.
 - Four Goals, three align state policies with federal policies.
 - Satisfactory Academic Progress
 - Selective Service
 - Drug Offenses

<ul style="list-style-type: none"> TEOG Matching Regional Trainings are ongoing. 	
Agenda Item 12. Update: High School District	Lisa Schoenbrun, El Paso ISD; Shonna Norton, Wichita Falls ISD
Handout Provided: No	Formal Decision/Action Required No
<i>Standing Item</i> Update Summary: <ul style="list-style-type: none"> Concerned about the delay of the 2024-25 FAFSA. 	
Agenda Item 13. Update: Office of Student Financial Aid Programs	DeChà Reid, Senior Director, THECB
Handout Provided: No	Formal Decision/Action Required No
<i>Standing Item</i> Topics of Discussion: <ol style="list-style-type: none"> Grant Application and Payment Portal (GAPP) New Staff Hires Released and Upcoming Announcements Upcoming and Past Deadline Dates Grant Application and Payment Portal (GAPP) <ul style="list-style-type: none"> GAPP is a modernized platform that will integrate 14 out of 20 of the financial aid programs which consist of grants, work-study, loan repayment, exemption, and scholarships. The system will allow institutions to approve user access, upload documents (e.g., program participation), request payments, monitor program spending, send communication directly to THECB staff, and submit authority to transfer requests. The goal is to go live with a few programs in Fall 2023. The proposed programs are: Work-study programs, Educational Aide, and Bilingual Education. More information and training will be released introducing the improved payment platform. Financial Aid Personnel Activity <ul style="list-style-type: none"> THECB has been busy with hiring and promoting internal staff. To date, we had: <ul style="list-style-type: none"> New Hires: 4 <ul style="list-style-type: none"> 1 Manager II for our Workforce Aid (Loan Repayment) team 1 Program Specialist III for our Institutional Aid (Operational) team 2 Customer Service Reps for our Student Aid (Loan Origination) team Vacancies: 2 <ul style="list-style-type: none"> 1 Programs Specialist III for our Institutional Aid (Operations) team 1 Customer Services Rep III for our Workforce (Loan Repayment) team Released Memos <ul style="list-style-type: none"> March 1, 2023 – Tuition Equalization Grant (TEG) FY2024 Award Amounts Memo [PDF] February 24, 2023 – 2022-23 (FY 2023) FORWARD Loan Program Guidelines Memo [PDF] February 22, 2023 – NEW LOAN PROGRAM: FORWARD Loan Program Memo [PDF] February 21, 2023 – Financial Aid Database (FAD) FY 2023 Update Memo [PDF] February 16, 2023 – Texas State Financial Aid FY 2024 OPT-IN/OPT-OUT Form Memo [PDF] February 2, 2023 – Texas Transfer Grant Program Spring 2023 Reimbursement Request Memo [PDF] January 26, 2023 – Financial Aid Database (FAD) Manual - FY 2023 (2022-23) Memo [PDF] January 25, 2023 – Good Neighbor Program FY 2024 (2023-24) Memo [PDF] January 19, 2023 – Toward EXcellence, Access, and Success (TEXAS) Grant and Texas Educational Opportunity Grant FY 2024 Award Amounts Memo [PDF] Upcoming Memos <ul style="list-style-type: none"> March 6, 2023 – FY 2023 Authority to Transfer [PDF] Upcoming deadlines <ul style="list-style-type: none"> March 3, 2023 – 2023-24 Texas State Financial Aid OPT-IN/OPT-OUT Form March 15, 2023 – FY2023 Good Neighbor Program Nominations [PDF] Past Deadlines <ul style="list-style-type: none"> February 28, 2023 – Spring 2023 Texas Transfer Grant Reimbursement Request <ul style="list-style-type: none"> As a reminder, the purpose of submitting your reimbursement data sooner is so the agency can assess the amount of spring funds available for reallocation to other schools that may need additional funding. 	

Agenda Item 14. Discussion Topic: Proposed Rules that Impact Financial Aid Programs		DeChà Reid, Senior Director, THECB
Handout Provided:		Formal Decision/Action Required
These proposed rules will be adopted at our April Board Meeting.		
Proposed Rule(s)	Proposed Amendments	
19 TAC §22.1	In 22.1, the definition of "expected family contribution" is amended to reflect that the phrase refers to the applicable federal methodology.	
19 TAC §§22.22 - 22.24, 22.28, 22.29	In §22.22, two redundant definitions are repealed since the items are explained elsewhere in the subchapter. In §22.23, the timing of data submissions is clarified to ensure that allocation activities can occur in a timely manner. In §22.24(8), eligibility criteria are provided for exceptional TEG need. In §22.28, a clarifying reference to §22.4 is added. In §22.29, outdated language is removed, with appropriate clarifying language. Section 22.29(c) is also removed since the language is being proposed separately as a new §22.30.	
19 TAC §22.30	In 22.30, this new section will establish language currently in §22.29 as a separate rule for greater clarity.	
19 TAC §22.49	In 22.49 will implement new standards regarding the aggregate and annual loan limits.	
<p>Another proposed rule change that we are interested in getting feedback on would impact community colleges.</p> <p>Before we submit a request for a proposed rule change, we were hoping to get your input on whether you think the Coordinating Board should consider calculating two maximum TEOG amounts: an in-district amount and an out-of-district amount.</p> <p>The statute does not distinguish between in-district vs. out-district: TEC 56.407(a) indicates, “the amount of a grant under this subchapter for a student enrolled full-time at an eligible institution is the amount determined by the coordinating board as the average statewide amount of tuition and required fees that a resident student enrolled full-time in an associate degree or certificate program would be charged for that semester or term at eligible institutions.” This can be interpreted as both in-district and out-of-district students are residents.</p> <p>However, our rule for calculating the maximum grant is based on in-district resident tuition and fees. (19 TAC §22.261(b)(2)). We understand that this can lead to some funding challenges at some community colleges, since out-of-district resident tuition and fees are usually several thousand dollars more than in-district resident tuition and fees. TEOG requires institutions to ensure that any TEOG recipient is receiving grant funds to cover tuition and fees. Many community colleges do not have significant institutional funds to draw from to cover the difference between the maximum TEOG and a student’s out-of-district resident tuition and fees, and thus they may avoid offering TEOG to out-of-district students.</p> <p>We are proposing to re-write our rule to calculate both an in-district maximum and an out-of-district maximum to provide institutions with greater flexibility in the utilization of their funding to support the goals of the TEOG program. What are your thoughts on this proposal?</p> <p><i>If the TEOG appropriation increases that have been proposed by the Community College Finance Commission are approved, having an out-of-district maximum may be essential to ensuring institutions can execute the increased funding level.</i></p>		
Agenda Item 15. Discussion Topic: 2024-25 FAFSA Delay		Rachelè Garrett, Chair
Handout Provided: No		Formal Decision/Action Required No
Discussion Summary: <ul style="list-style-type: none">Discussion on how institutions are approaching marketing & high school outreach related to the delay.		
Agenda Item 16. Feedback for Future Meetings		Rachelè Garrett, Chair
Handout Provided: No		Formal Decision/Action Required No
Feedback Summary: <ul style="list-style-type: none">Legislative recap on various Financial Aid changes that may be occurring during the legislative session.		

- Further 2024-25 FAFSA discussion to see if DoE has provided any guidance by June 1.

Agenda Item 17. Adjournment**Rachelè Garrett, Chair****Handout Provided: No****Formal Decision/Action Required**
No**Summary:**

- Motion to adjourn made by Denise Welch
- Motion to adjourn seconded

Meeting adjourned at 12:35 p.m.**Reminder. Announcement: Expense Reports****Rachelè Garrett, Chair**

June 1, 2023, FAAC Meeting Minutes

Committee Members in Attendance (In-Person)	Committee Members in Attendance (Virtual)	Committee Members Absent
Rachelè Garrett, Chair Denise Welch, Past Chair DeChà Reid, THECB Rep Victoria Chen Dede Gonzales Bridgette Ingram Gaby Leon Scott Lapinski Lynda McKendree Joseph Ruiz Joseph Sanchez Tevian Sides	Jackie Adler Cecelia Jones Shonna Norton Thomas Ratliff Lisa Schoenbrun Gilbert Zavala	Rachel Joseph Melet Leafgreen Holly Nolan Sal Ramirez
Agenda Item 1. Welcome, Introductions and Overview of Meeting		Rachelè Garrett, Chair
Handout Provided: No		Formal Decision/Action Required No
Agenda Item 2. Consideration of Approval of Minutes from the meeting held on December 8, 2022		Rachelè Garrett, Chair
Handout Provided: Yes		Formal Decision/Action Required Yes – <i>minutes approved</i>
Summary: <ul style="list-style-type: none"> No corrections were identified. **See handout for agenda item 2 for more information.		
Agenda Item 3. Update: Prior FAAC Business		DeChà Reid, Senior Director, THECB
Handout Provided: No		Formal Decision/Action Required No
Standing Item Update Summary: <ul style="list-style-type: none"> No prior business 		
Agenda Item 4. Update: External Relations		John Wyatt, External Relations, THECB
Handout Provided: No		Formal Decision/Action Required No
Standing Item Update Summary: <ul style="list-style-type: none"> The Legislative Session concluded on May 29 Most productive session based on the number of bills that were passed that supported higher education. Substantial investments in higher education: <ul style="list-style-type: none"> Appropriated over 1.4 billion in three grant programs Community colleges – funded TEOG at the same service level at TEXAS Grant <ul style="list-style-type: none"> HB8 enacted the Community College Finance Creates a new program for dual credit students called FAST; will have an emergency rules which is good for 90 days (will come out in August 2023); FAST has three components: <ul style="list-style-type: none"> Eligible Institution-Must agree to the terms of the program (this is an optional program-not mandatory); institution must treat the student based on the program; the institution will receive funding if the student enrolls and receives Eligible Student-No cost be enrolled and educationally disadvantage (tuition, fees, and books) Eligible Course-Has to be applicable towards an AA or Credential of Value (field of study, Foreign Language, Core,) Eliminates the Pell requirement from TEOG HB8 added new programs HB 4434 expanded the Texas First to all public schools A new bill that creates a new program for competency-based programs HB4363 for Teachers First is a new program to help support teachers Authorized THECB that TEXAS Grant will fund top 10% high school graduates Transfer Grant and Texas Leadership will be supported in legislation; Texas Leaders is within statute and it has a research a research program for graduates 		

- \$25 million in loan repayment programs to support healthcare workforce
- Numerous programs in financial aid programs
- Still in the Governors veto period which ends on June 29; can veto a line item on the budget
- There are still contingencies that remain to determine which specific programs that were funded
- Will produce a summary of legislation for higher education by July
- There will be special sessions on specific items: property taxes and border and there will be more based on what the Governor decides is important.
- Educationally disadvantaged means a student that can receive free lunch four years prior to receiving FAST (Financial Aid Swift Transfer)

Agenda Item 5. Update: THECB Financial Aid Strategic Priority**Charles Contero-Puls, Assistant Commissioner, THECB****Handout Provided: Yes****Formal Decision/Action Required**
No*Standing Item***Update Summary:**

**See handout for agenda item 5 for more information.

Agenda Item 6. Update: TASFA Subcommittee House Bill 3 (FAFSA/TASFA Graduation Requirement) and House Bill 2140 (Online TASFA)**Bridgette Ingram, Subcommittee Chair; Claudette Jenks, Director, Strategic Advising and Leah Smalley, Director, THECB****Handout Provided: No****Formal Decision/Action Required**
No*Standing Item***Update Summary:**

- 2023-24 TASFA was delayed until summer; in regression testing for the application
- Developed an Admin portal for internal staff to help support students, parents, and schools,
- Over the past few months have done test files with the committee; confirmed that the test files can be released to all schools; will send out a notice in June; each school can do what they want to do with the test file and it is a good foundation for what 2024-25 will look like
- Looking at training and demo for June 2023 for schools and SFTP process
- Moved away from collecting a signature to an acknowledgment box similar to ApplyTX; this will change the file layout but will not change the position but will send out a new file layout
- Still a lot of work to be done for 2024-25; doing a massive comparison of what changes will impact TASFA
- The goal is to announce changes of the TASFA during the Sept FAAC meeting

Agenda Item 7. Update: Data Collection Subcommittee**Dede Gonzales, Subcommittee Chair****Handout Provided: Yes****Formal Decision/Action Required**
No*Standing Item***Update Summary:**

**See handout for agenda item 7 for more information

Agenda Item 8. Update: Legislative Subcommittee**Denise Welch, Past Chair****Handout Provided: No****Formal Decision/Action Required**
No*Standing Item***Update Summary:**

- The TASFAA and FAAC Legislative combined the two groups
- Chris Murr, the chair has sent out an update about the bills that are awaiting for signatures

Agenda Item 9. Update: Texas Association for State Financial Aid Administrators (TASFAA)**Dede Gonzales, TASFAA President****Handout Provided: No****Formal Decision/Action Required**
No*Standing Item***Update Summary:**

- Completed the spring regional trainings which had about 85 participants; about a 40% pass rate with the NASFAA Credential
- Will have a joint SWASFAA and TASFAA conference in October; registration to open in June-Theme is Uncharted

- Denise Welch is President-Elect
- Elections are coming up this summer for new TASFAA Board members and a President

Agenda Item 10. Update: High School District

Lisa Schoenbrun, El Paso ISD; Shonna Norton, Wichita Falls ISD

Handout Provided: No

Formal Decision/Action Required
No

Standing Item

Agenda Item 11. Update: Office of Student Financial Aid Programs

DeChà Reid, Senior Director, THECB

Handout Provided: No

Formal Decision/Action Required
No

Standing Item

Topics of Discussion:

5. Grant Application and Payment Portal (GAPP)
6. New Staff Hires
7. Released and Upcoming Announcements
8. Upcoming and Past Deadline Dates

Grant Application and Payment Portal (GAPP)

- GAPP is a modernized platform that will integrate 14 out of 20 of the financial aid programs which consist of grants, work-study, loan repayment, exemption, and scholarships.
- The system will allow institutions to approve user access, upload documents (e.g., program participation), request payments, monitor program spending, send communication directly to THECB staff, and submit authority to transfer requests.
- The goal is to go live with a few programs in Fall 2023. The proposed programs are: Work-study programs, Educational Aide, and Bilingual Education.
- More information and training will be released introducing the improved payment platform.

Financial Aid Personnel Activity

- THECB has been busy with hiring and promoting internal staff. Charles mentioned our recent reorganization; we are continuing to look at how best to structure our area to fit the needs of our customers and the agency.
 - New Hires: 2
 - 1 Customer Service Representative for our Loan Repayment team
 - 1 Program Specialist III for our Institutional Aid (Operational) team

Released Announcements

- May 15, 2023 – Memo: 10-Day Review Data Review (Preliminary Allocations)
- May 15, 2023 – Memo: TEXAS Grant 10-Day Allocation Data Review
- May 15, 2023 – Memo: TEOG 10-Day Allocation Data Review
- May 15, 2023 – Memo: Texas College Work-Study Program 10-Day Allocation Data Review
- May 15, 2023 – Memo: EAE 10-Day Allocation Data Review
- May 15, 2023 – Memo: 2024-2025 – TEG OPT-IN/OPT-OUT Form
- May 18, 2023 – [Memo: State Net Price Calculator \(2021-22\)](#)
- May 18, 2023 – Dear Colleagues: Institutional Calendar – Summer 2023
- May 22, 2023 – [Memo: Good Neighbor Program FY 2024 \(2023-24\) – Selected Students](#)

Upcoming Memos

- June 7, 2023 – [Memo: 2023 FAD Cycle 2 Opens](#)
- June 16, 2023 – [Memo: 2024-25 Program Participation Agreement Announcement](#)
- June 22, 2023 – Memo: TEG 10-Day Allocation Data Review
- Launching GAPP

Upcoming deadlines

- All private/independent institutions eligible to participate in the Tuition Equalization Grant (TEG) Program are **required** to complete the 2024-2025 Biennium (FY 2023-24 and FY 2024-25) Opt-In/Opt-Out form. Notifications were sent to financial aid directors at each institution. The deadline to submit the form is today, **June 1, 2023**.
- All public institutions that enroll full-time entering first year students are required to submit the most recent version (2021-22) of the U.S. Department of Education's (ED) Net Price Calculator template to the THECB by **June 23, 2023**. See [memo from May 18, 2023](#).
- Institutions requesting to transfer funds between state grant and work-study programs must submit a request by **July 1, 2023** using the [Authority to Transfer form](#). Please see the [memo from Mar. 6, 2023](#).

Past Deadlines

<ul style="list-style-type: none"> None. 	
Agenda Item 12. Discussion Topic: Recognition of Members Stepping Down	Rachelè Garrett, Chair
Handout Provided: No	Formal Decision/Action Required No
Discussion Summary: <ul style="list-style-type: none"> This topic will discuss the FAAC members whose term ends on 6/30/2023. <p>Denise Welch – Panola College Victoria Chen – Texas Christian University Bridgette Ingram – Texas A&M University Holly Nolan – University of Houston Clear Lake Shonna Norton – Wichita Falls Independent School District Thomas Ratliff – Abilene Christian University Joseph Ruiz – Del Mar College Joseph Sanchez – UNT Health Science Center</p>	
Agenda Item 13. Discussion Topic: Recommendation on Proposed Nominees for 2023 FAAC	DeChà Reid, Senior Director, THECB
Handout Provided: Yes	Formal Decision/Action Required No
Discussion Summary: <ul style="list-style-type: none"> This topic will discuss the proposed 2023 FAAC member recommendations. <p>**See handout for agenda item 13 for more information.</p>	
Agenda Item 14. Discussion Topic: State Priority Deadline	Charles Contero-Puls, Assistant Commissioner, THECB
Handout Provided: No	Formal Decision/Action Required No
Discussion Summary: <ul style="list-style-type: none"> This topic will discuss the impact of the 2024-25 FAFSA not being available until December and to gather FAAC recommendation on whether an alternate financial aid application deadline is necessary for 2024-2025 academic year. The Jan. 15 State Priority Deadline is in administrative rule Proposed a new rule that will provide the Commissioner the flexibility to delay the rule if there is an extenuating circumstance (i.e., natural disaster); this is an annual review based on the circumstances; this will go back to 1/15 for 2025-26. The rule will go to the July Board meeting for approval and will not be official until August 2023; want to get the feedback early. Received a couple of comments back for approval of the new rule Input from FAAC on the delay of 2024-25: Agree about 3/15 is a reasonable date ASAP, check with your school (recommended submission date) 	
Agenda Item 15. Transition of Leadership	Rachelè Garrett, Chair
Handout Provided: No	Formal Decision/Action Required No
Agenda Item 16. Feedback for Future Meetings	Melet Leafgreen, Chair
Handout Provided: No	Formal Decision/Action Required No
Agenda Item 17. Adjournment	Melet Leafgreen, Chair
Handout Provided: No	Formal Decision/Action Required No
Summary: Meeting adjourned at 12:35 p.m.	
Reminder. Announcement: Expense Reports	Rachelè Garrett, Chair

AGENDA ITEM VIII-C

Consideration and possible action to approve the replacement of a member on the Standing Advisory Committee for Public Junior Colleges for the 2026-2027 biennium

RECOMMENDATION: Approval

Background Information:

Texas Education Code, Section 130.001(b-5) gives the Texas Higher Education Coordinating Board authority to "establish a standing advisory committee composed of representatives of public junior colleges to provide advice and counsel to the coordinating board with respect to the funding of public junior colleges..."

The standing advisory committee is made up of no more than 12 members, including representatives of each accountability group and of college CEOs, chief financial officers, chief academic officers (provosts), and institutional researchers or other experts. The committee provides counsel and recommendations regarding the formulas, administration, and other components of the Public Junior College Finance Program established by House Bill 8, 88th Texas Legislature, and carry out other charges as issued by the board of the Texas Higher Education Coordinating Board or the commissioner.

Members serve three-year terms unless otherwise provided by the commissioner and are appointed by the Texas Higher Education Coordinating Board on the recommendation of the commissioner.

Lone Star College has informed us that the standing advisory committee member who was approved by the Board at its July 2023 meeting will be unable to complete their term. The commissioner has submitted a nomination for their replacement. The proposed committee member is Tiska Thomas, Chief Financial Officer for Dallas College.

Emily Cormier, Assistant Commissioner for Funding, will be available to answer questions.

AGENDA ITEM VIII-D (1)

Consideration and possible action to repeal and adopt Board Rules, Chapter 1, Subchapter K, Sections 1.156 through 1.162, concerning replacement of the Community and Technical Colleges Formula Advisory Committee with the Standing Advisory Committee for Public Junior Colleges

RECOMMENDATION: Approval

Background Information:

The Coordinating Board proposes to repeal and replace Board Rules 1.156-1.162, concerning the Standing Advisory Committee for Public Junior Colleges. As authorized by HB 8, this rule was adopted on an emergency basis at the August Special Called Board Meeting because all rules necessary for HB 8 implementation were required to be adopted before the start of Fiscal Year 2024.

HB 8 removed public junior colleges from the Formula Advisory Committee structure established under Texas Education Code, Section 61.059(b), requiring instead a “standing advisory committee composed of representatives of public junior colleges to provide advice and counsel to the coordinating board with respect to the funding of public junior colleges.” The rules that establish the Community and Technical Colleges Formula Advisory Committee (CTCFAC) are recommended for repeal and replacement with new rules that establish the Standing Advisory Committee (SAC) for Public Junior Colleges.

The committee has no more than 12 members, including representatives of each accountability group and of college CEOs, chief financial officers, chief academic officers (provosts), and institutional researchers or other experts. Members serve three-year terms unless otherwise provided by the Commissioner of Higher Education (Commissioner) and are appointed by the Coordinating Board on the recommendation of the Commissioner.

The SAC will study and provide counsel and recommendations regarding the formulas, administration, and other components of the Public Junior College Finance Program established by HB 8 and carry out other charges issues by the board of the THECB (Board) or Commissioner. The committee provides recommendations by a date the Commissioner approves to ensure the Commissioner can make timely recommendations to the Board.

Emily Cormier, Assistant Commissioner for Funding, will be available to answer questions.

Date Published in the *Texas Register*: October 13, 2023

The 30-day comment period with the *Texas Register* ended on: November 11, 2023.

Summary of comments received: No comments were received regarding this rule.

CHAPTER 1 AGENCY ADMINISTRATION

SUBCHAPTER K STANDING ADVISORY COMMITTEE: PUBLIC JUNIOR COLLEGES

SUBCHAPTER K. STANDING ADVISORY COMMITTEE: PUBLIC JUNIOR COLLEGES.§1.156. Authority and Specific Purposes of the Standing Advisory Committee for Public Junior Colleges.

(a) Authority. Statutory authority for this subchapter is provided in the Texas Education Code, §130.001(b).

(b) Purposes. The Standing Advisory Committee for Public Junior Colleges is created to provide the Commissioner and Board with advice and counsel with respect to the funding of public junior colleges and financial incentives to achieve the goals of the state's higher education plan and carry out the purposes of Texas Education Code, Chapter 130A, implementing the Public Junior College Finance Program. The committee also performs other duties related to funding that the Board or Commissioner assign to the committee.

§1.157. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings:

(1) Board--The governing body of the agency known as the Texas Higher Education Coordinating Board

(2) Commissioner--The Commissioner of Higher Education, the Chief Executive Officer of the Board.

(3) Coordinating Board--Unless context indicates otherwise, the agency known as the Texas Higher Education Coordinating Board and staff employed by the agency to carry out assigned duties of the agency.

§1.158. Committee Membership and Officers.

(a) Membership shall consist of senior administrators and representatives of Texas public junior colleges with knowledge of the current funding formulas and the educational goals of the state.

(b) Membership on the committee should include:

(1) Representatives of each accountability group;

(2) Presidents or Chancellors;

(3) Chief Financial or Academic Officers; and

(4) Institutional Research or other expert campus representatives.

(c) The number of committee members shall not exceed twelve (12).

(d) The Commissioner shall recommend members to the Board for appointment.

(e) The Commissioner shall select the presiding officer, who will be responsible for conducting meetings and conveying committee recommendations to the Board and the Commissioner.

(f) Each member shall serve a three-year staggered term, unless otherwise provided by the Commissioner. A member may serve more than one term.

(g) The committee may appoint subcommittees or workgroups as necessary to complete the work.

§1.159. Duration.

The committee shall continue until September 1, 2027, and may be re-established by the Board.

§1.160. Meetings.

The committee shall meet on a regular basis not less than once a quarter. Special meetings may be called as deemed appropriate by the presiding officer.

§1.161. Tasks Assigned to the Committee.

Tasks assigned to the committee include:

- (1) Provide counsel to the Board and Commissioner on the administration of the Public Junior College Finance Program;
- (2) Study and make recommendations for modification to the formulas and other components of the Public Junior College Finance Program that will increase effectiveness and efficiencies of the programs delivered;
- (3) Identify funding incentives that would support the achievement of the state's goals outlined in the long-term master plan for higher education authorized in the Texas Education Code, §61.051(a-1); and
- (4) Any other charges issued by the Board or Commissioner of Higher Education.

§1.162. Recommendations.

The committee shall provide recommendations to the Commissioner on policies and rules necessary to implement the Public Junior College Finance Program. The committee shall provide the recommendations on a schedule approved by the Commissioner necessary to ensure the Commissioner can make timely recommendations to the Board for the adoption of rules for the program.

~~[SUBCHAPTER K FORMULA ADVISORY COMMITTEE – COMMUNITY AND TECHNICAL COLLEGES]~~

~~[Section 1.156. Authority and Specific Purposes of the Community and Technical~~

~~(a) Authority. Statutory authority for this subchapter is provided in the Texas Education Code, §61.059(b) and (b-1).~~

~~(b) Purposes. The Community and Technical Colleges Formula Advisory Committee is created to provide the Board with advice and recommendation(s) regarding a set of formulas that provide appropriate funding levels and financial incentives necessary to best achieve the goals of the state's higher education plan. The committee also performs other duties related to formula funding that the Board finds to be appropriate.~~

~~Section 1.157. Definitions.~~

~~The following words and terms, when used in this subchapter, shall have the following meanings:~~

~~(1) Board—The Texas Higher Education Coordinating Board.~~

~~(2) Commissioner—The Commissioner of Higher Education, the Chief Executive Officer of the Board.~~

~~(3) Interested persons—Persons who attend committee meetings as representatives of stakeholder entities and any other persons who have made their interest in the work of the committee known to its presiding officer. Such interested persons may participate in committee discussions, as invited by the presiding officer to do so, but do not have the authority to cast votes.~~

~~Section 1.158. Committee Membership and Officers.~~

~~(a) Membership shall consist of senior administrators at Texas public community or technical colleges with knowledge of the current funding formulas and the educational goals of the state.~~

~~(b) Membership on the committee should include:~~

~~(1) Representatives of each accountability group;~~

~~(2) Faculty;~~

~~(3) Presidents and/or Chancellors; and~~

~~(4) Chief Financial and/or Academic Officers.~~

~~(c) Interested persons, such as legislative and governmental relations staff, shall be regularly advised of committee meetings.~~

~~(d) The number of committee members shall not exceed twenty four (24).~~

~~(e) The committee may appoint subcommittees or workgroups as necessary to complete the work. The subcommittees or workgroups may include members from the formula advisory committee and other institutional representatives as appropriate.~~

~~(f) Members of the committee shall select the presiding officer, who will be responsible for conducting meetings and conveying committee recommendations to the Board.~~

~~(g) Members shall serve for a term of six years.~~

~~Section 1.159. Duration.~~

~~Not later than September 1 of each odd-numbered year, the Board shall appoint an advisory committee to review the funding formulas used by the Governor and the Legislature for making appropriations to community and technical colleges.~~

~~Section 1.160. Meetings.~~

~~The committee shall meet on a monthly basis beginning in the fall of every odd-numbered year through early spring of the following year. Special meetings may be called as deemed appropriate by the presiding officer. Meetings shall be open to the public and broadcast, unless prevented by technical difficulties. Minutes shall be available to the public after they have been prepared by the Board staff and vetted by members of the committee.~~

~~Section 1.161. Tasks Assigned to the Committee.~~

~~Tasks assigned to the committee include:~~

- ~~(1) Study and make recommendations for the appropriate funding levels for each formula;~~
- ~~(2) Study and make recommendations for modification to the formulas that will increase effectiveness and efficiencies of the programs delivered;~~
- ~~(3) Identify funding incentives that would support the achievement of the state's goals outlined in the long-term master plan for higher education authorized in the Texas Education Code, §61.051(a-1); and~~
- ~~(4) Any other charges issued by the Commissioner of Higher Education.~~

~~Section 1.162. Report of Fundable Operating Expenses.~~

~~(a) The Board staff shall conduct a study of expenses at community colleges, Texas State Technical College, and Texas State University System two-year institutions each year.~~

~~(b) The study shall encompass all expenses made by these institutions for instruction and administration from all unrestricted sources of funds including appropriated general revenue, tuition and fees, contract instruction, other educational and general revenue, and local tax revenue.~~

~~(c) Each college shall report total instructional expenses and contact hours for each instructional discipline included on a list provided by the Board and total expenses for administration, including institutional support, student services, library, instructional administration, organized activities, instructional staff benefits but excluding physical plant employees.~~

~~(d) From this information, the Board staff shall calculate costs for each instructional discipline.~~

~~Section 1.163. Report to the Board; Evaluation of Committee Costs and Effectiveness.~~

~~(a) Subcommittee recommendations shall be made to the committee no later than January 15 of the year following its appointment.~~

~~(b) The committee chairperson shall recommend to the Board a funding formula for the next biennium for community and technical colleges no later than February 1 of the year following its appointment. In making a recommendation, the committee shall:~~

~~(1) consider the results of the all funds expenditure study;~~

~~(2) consider the financial needs of affected institutions;~~

~~(3) consider funding provided for equivalent courses in general academic institutions;~~

~~(4) consider funding for peer institutions in other states;~~

~~(5) consider other factors as appropriate; and~~

~~(6) recommend a general revenue appropriation for instruction and administration for community colleges and the Texas State Technical College System and two-year colleges in the Texas State University System. The Legislative Budget Board staff converts the general revenue formula for Texas State Technical College System and two-year colleges in the Texas State University System into an all funds appropriation based on their estimated educational and general income.~~

~~(c) The Commissioner may provide recommendations to the Board if they differ from the committee's recommendations.~~

~~(d) After considering all such recommendations, the Board shall adopt its own recommendations at the quarterly Board meeting in April of even-numbered years. The Commissioner shall transmit the Board's recommendations to the Governor, the Legislature, and the Legislative Budget Board no later than June 1 of each even-numbered year.~~

~~(e) The committee shall also report committee activities to the Board to allow the Board to properly evaluate the committee's work, usefulness, and the costs related to the committee's existence. The Board shall report its evaluation to the Legislative Budget Board in its biennial Legislative Appropriations Request.]~~

AGENDA ITEM VIII-D (2)

Consideration and possible action to adopt proposed amendments to Board Rules, Chapter 1, Subchapter L, Sections 1.164-1.167, concerning changes to the membership of the General Academic Institutions Formula Advisory Committee

RECOMMENDATION: Approval

Background Information:

Texas Higher Education Coordinating Board (Coordinating Board) staff propose the amendment of Texas Administrative Code, Title 19, Part 1, Chapter 1, Subchapter L, Sections 1.164-1.167, concerning the General Academic Institutions Formula Advisory Committee (GAIFAC) and in relation to House Bill (HB) 8 that reforms community college finance. As authorized by HB 8, this rule was adopted on an emergency basis at the August Special Called Board Meeting because all rules necessary for HB 8 implementation were required to be adopted before the start of Fiscal Year 2024.

The proposed amendment would adopt on a permanent basis the provisions of the emergency rule, which added Texas State Technical Colleges (TSTC) and the Lamar State Colleges to the General Academic Institutions Formula Advisory Committee (GAIFAC). This revision was due to the creation of a standing advisory committee specific to community colleges and the removal of these community colleges from the traditional formula advisory committee process, as directed by HB 8. Due to this, the existing Community and Technical College Formula Advisory Committee, which included representation of the community colleges, state colleges, and technical colleges, was recommended for repeal. To ensure the TSTCs and state colleges will continue to be represented in funding recommendations from institutions to the Coordinating Board, they were added to the GAIFAC.

Emily Cormier, Assistant Commissioner for Funding, will be available to answer questions.

Date Published in the *Texas Register*: October 13, 2023

The 30-day comment period with the *Texas Register* ended on: November 11, 2023.

Summary of comments received: No comments were received regarding this rule.

CHAPTER 1 AGENCY ADMINISTRATION

SUBCHAPTER L FORMULA ADVISORY COMMITTEE - GENERAL ACADEMIC INSTITUTIONS

SUBCHAPTER L. FORMULA ADVISORY COMMITTEE - GENERAL ACADEMIC INSTITUTIONS, TECHNICAL COLLEGES, AND STATE COLLEGES.

§1.164. Authority and Specific Purposes of the General Academic Institutions, Technical Colleges, and State Colleges Formula Advisory Committee.

(a) Authority. Statutory authority for this subchapter is provided in the Texas Education Code, §61.059(b) and (b-1).

(b) Purposes. The General Academic Institutions, Technical Colleges, and State Colleges Formula Advisory Committee is created to provide the Board with advice and recommendation(s) regarding a set of formulas that provide appropriate funding levels and financial incentives necessary to best achieve the goals of the state's higher education plan. The committee also performs other duties related to formula funding that the Board finds to be appropriate.

§1.165. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings:

(1) Board--The governing body of the agency known as the Texas Higher Education Coordinating Board.

(2) Commissioner--The Commissioner of Higher Education, the Chief Executive Officer of the Board.

(3) Interested persons--Persons who attend committee meetings as representatives of stakeholder entities and any other persons who have made their interest in the work of the committee known to its presiding officer. Such interested persons may participate in committee discussions, as invited by the presiding officer to do so, but do not have the authority to cast votes.

(4) Public state colleges--Lamar State College - Port Arthur, Lamar State College - Orange, and Lamar Institute of Technology.

(5) The Texas Higher Education Coordinating Board--the agency known as the Texas Higher Education Coordinating Board and its staff.

§1.166. Committee Membership and Officers.

(a) Membership shall consist of representatives of Texas public general academic institutions, public state colleges, and Texas State Technical College with knowledge of the current funding formulas and the educational goals of the state.

(b) Membership on the committee should include representatives of each accountability group and at least one individual each to represent the public state colleges and Texas State Technical Colleges.

- (c) Interested persons, such as legislative and governmental relations staff shall be regularly advised of committee meetings.
- (d) The number of committee members shall not exceed twenty-four (24).
- (e) The committee may appoint subcommittees or workgroups as necessary to complete its work. The subcommittees or workgroups may include members from the formula advisory committees and other institutional representatives as appropriate.
- (f) Members of the committee shall select the presiding officer, who will be responsible for conducting meetings and conveying committee recommendations to the Board.
- (g) Members shall serve six-year staggered terms with one-third of the membership expiring every other year. A member can be re-appointed to serve another term.

§1.167. Duration.

Not later than September 1 of each odd-numbered year, the Board shall appoint an advisory committee to review the funding formulas for the use of the Governor and the Legislative Budget Board in making appropriations recommendations to the legislature for general academic institutions, technical colleges, and state colleges.

AGENDA ITEM VIII-D (3)

Consideration and possible action to repeal Board Rules, Chapter 9, Subchapter B, Sections 9.28 and 9.29, concerning the certification of public community colleges as eligible to receive state appropriations

RECOMMENDATION: Approval

Background Information:

Texas Higher Education Coordinating Board (Coordinating Board) staff propose the repeal of Texas Administrative Code, Title 19, Part 1, Chapter 9, Subchapter B, Sections 9.28 and 9.29, concerning the certification of public community colleges as eligible to receive state appropriations and in relation to House Bill (HB) 8 that reforms community college finance. As authorized by HB 8, this rule was adopted on an emergency basis at the August Special Called Board Meeting because all rules necessary for HB 8, 88th Texas Legislature, Regular Session, implementation were required to be adopted before the start of Fiscal Year 2024.

The existing permanent rules reiterate the requirements that community colleges had to meet to be eligible to receive state appropriations and govern the process by which the Coordinating Board transmits the certifications to the comptroller and state auditor. These rules are recommended for permanent repeal and replacement with a new certification process based on changes made in HB 8 and consolidated into a new subchapter of Texas Administrative Code that concerns auditing, compliance, data reporting, and data error correction related to public community colleges.

Emily Cormier, Assistant Commissioner for Funding, will be available to answer questions.

Date Published in the *Texas Register*: October 13, 2023

The 30-day comment period with the *Texas Register* ended on: November 11, 2023.

Summary of comments received: No comments were received regarding this rule.

CHAPTER 9 PROGRAM DEVELOPMENT IN TWO-YEAR COLLEGES

SUBCHAPTER B GENERAL PROVISIONS

~~[Section 9.28. Appropriations.~~

~~To be eligible to receive its proportionate share of the biennial appropriations for support, maintenance, operation, and improvement, each public community college must:~~

- ~~-(1) be certified as a public community college as prescribed by §9.29 of this title (relating to Certification);~~
- ~~-(2) offer a minimum of 24 semester credit hours of career technical/workforce education courses;~~
- ~~-(3) have complied with all existing laws, rules, and regulations governing the establishment and maintenance of public community colleges;~~
- ~~-(4) collect, from each full-time and part-time student enrolled, appropriate matriculation and other fees as required by law;~~
- ~~-(5) grant, when properly applied for, the scholarships and tuition exemptions provided for in the Texas Education Code; and~~
- ~~-(6) levy and collect ad valorem taxes as provided by law for the operation and maintenance of the institution.]~~

~~[Section 9.29. Certification.~~

~~The Commissioner shall file with the State Auditor and the State Comptroller on or before October 1 of each year a list of the public community colleges in the state and certify the names of those colleges that have complied with the standards, rules, and regulations prescribed by the Board.]~~

AGENDA ITEM VIII-D (4)

Consideration and possible action to adopt proposed amendments to Board Rules, Chapter 13, Subchapter A, Section 13.1, concerning finance-related definitions

RECOMMENDATION: Approval

Background Information:

Texas Higher Education Coordinating Board (Coordinating Board) staff proposes the adoption of new rules in Texas Administrative Code (TAC), Title 19, Part 1, Chapter 13, Subchapter A, Section 13.1, concerning new and amended definitions necessary to provide the clarity and precision to implement the community college finance system established by House Bill (HB) 8. As authorized by HB 8, these rules were adopted on an emergency basis at the August Special Called Board Meeting because all rules necessary for HB 8 implementation were required to be adopted before the start of Fiscal Year 2024.

Rule 13.1(4)-(6) specifies three distinct entities: “Board,” meaning the nine-member appointed governing body of the Texas Higher Education Coordinating Board; “Coordinating Board,” meaning the state agency as a whole; and “Coordinating Board Staff or Board Staff,” meaning the staff of the agency. Separating these terms improves the readability and precision of the rules contained in Chapter 13 and allows the Coordinating Board to make a distinction between actions taken by the governing body, agency staff, and the agency as a whole.

Rule 13.1(8) defines the census date, which is the deadline for institutions to submit data relating to students in attendance for the purposes of formula funding. This definition implements provisions of HB 8, which requires the Coordinating Board to stipulate data reporting requirements in rule.

Rule 13.1(25)-(28) separates a single definition for public two-year colleges into three different component sectors: public junior colleges, public technical institutes, and public state colleges. HB 8 codifies a formula funding system for public community colleges distinct from the formula funding systems for public technical institutions and public state colleges implemented in the General Appropriations Act. The revised definitions allow for greater drafting clarity and align finance terms in Chapter 13 with Texas Education Code and with institutional categories used by state appropriators.

Ms. Emily Cormier, Assistant Commissioner for Funding, will be available to answer questions.

Date Published in the *Texas Register*: October 13, 2023

AGENDA ITEM V-D (4)

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The 30-day comment period with the *Texas Register* ended on: November 11, 2023.

Summary of comments received: No comments were received regarding this rule.

CHAPTER 13 FINANCIAL PLANNING

SUBCHAPTER A DEFINITIONS

Section 13.1 Definitions.

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise or the relevant subchapter specifies a different definition.

(1) Auxiliary Enterprise--Activities providing a service to students, faculty, or staff for a fee directly related to, although not necessarily equal to, the cost of the service.

(2) Available University Fund (AUF)--A fund established in Article 7, §18, of the Texas Constitution to receive all interest and earnings of the Permanent University Fund and used to pay the debt service on PUF-backed bonds.

(3) Base Year--The semesters comprising the year of contact hours used for applying the formula funding distribution to the colleges and universities (usually the summer and fall of even years and the spring of odd years).

(4) Board ~~[or Coordinating Board]~~--The governing body of the agency known as the [The] Texas Higher Education Coordinating Board.

(5) Census Date--The date upon which an institution may report a student in attendance for the purposes of formula funding as specified in the Coordinating Board Management (CBM) manual for the year in which the funding is reported.

(6) ~~[(5)]~~ Contact Hour--A time unit of instruction used by community, technical, and state colleges consisting of 60 minutes, of which 50 minutes must be direct instruction.

(7) Coordinating Board--The agency known as the Texas Higher Education Coordinating Board, including agency staff.

(8) Coordinating Board Staff or Board Staff--Agency staff acting under the direction of the Board and the Commissioner.

(9) ~~[(6)]~~ Current Operating Funds--Unrestricted (appropriated) funds, designated funds, restricted funds, and auxiliary enterprise funds.

(10) ~~[(7)]~~ Developmental Coursework--Non-degree-credit courses designed to address a student's deficiencies.

(11) ~~[(8)]~~ Developmental Education--Courses, tutorials, laboratories, or other efforts to bring student skills in reading, writing, and mathematics to entering college level. English as a Second Language (ESL) courses may be considered developmental education, but only when they are used to bring student skill levels in reading or writing

to entering college level. The term as used in this chapter does not include courses in study skills or thinking skills.

(12) ~~[(9)]~~ Formula Funding--The mathematical method used to allocate appropriated sources of funds among institutions of higher education.

(13) ~~[(10)]~~ Functional categories (as defined by National Association of College ~~college~~ and University Business Officers)--Instruction, research, public service, academic support, student service, institutional support, operation and maintenance of plant, scholarships and fellowships, depreciation, auxiliary enterprises, and hospital.

(14) ~~[(11)]~~ General Academic Teaching Institution--Any college, university, or institution so classified in Texas Education Code, §61.003(3), or created and so classified by law.

(15) ~~[(12)]~~ General Revenue (GR)--State tax revenue.

(16) ~~[(13)]~~ Governmental Accounting Standards Board (GASB)--An entity created by the Financial Accounting Foundation to set accounting standards for governmental entities including public institutions of higher education.

(17) ~~[(14)]~~ Higher Education Fund (HEF)--A fund established in Article 7, §17, of the Texas Constitution to fund capital improvements and capital equipment for institutions not included in the Permanent University Fund.

(18) ~~[(15)]~~ Independent institution of higher education--A private or independent college or university as defined in Texas Education Code, §61.003(15), that is:

(A) organized under the Texas Non-Profit Corporation Act;

(B) exempt from taxation under Article VIII, §2, of the Texas Constitution and §501(c)(3) of the Internal Revenue Code; and

(C) accredited by the Commission on Colleges of the Southern Association of Colleges and Schools.

(19) ~~[(16)]~~ Institution of Higher Education or Institution--Any public technical institute, public junior college, public senior college or university, medical or dental unit, public state college, or other agency of higher education as defined in Texas Education Code, §61.003.

(20) ~~[(17)]~~ Institutional Expenditures--All costs of activities separately organized and operated in connection with instructional departments primarily for the purpose of giving professional training to students as a necessary part of the educational work of the related departments.

(21) ~~[(18)]~~ Institutional Funds--Fees, gifts, grants, contracts, and patient revenue, not appropriated by the legislature.

(22) ~~[(19)]~~ Local Funds--Tuition, certain fees, and other educational and general revenue appropriated by the legislature.

(23) ~~[(20)]~~ National Association of College and University Business Officers (NACUBO)-
-Provides guidance in business operations of higher education institutions.

(24) ~~[(21)]~~ Permanent University Fund (PUF)--A fund established in Article 7, §11, of the Texas Constitution to fund capital improvements and capital equipment at certain institutions of higher education.

~~[(22) Public Junior College, Public Technical Institute, Public State College, or Public Two-Year College--Any public junior college, public community college, public technical college, or public state college as defined in Texas Education Code, §61.003.]~~

(25) Public Junior College--A public institution of higher education as defined in Texas Education Code, §61.003(2).

(26) Public State College--Any public state college as defined in Texas Education Code, §61.003(16).

(27) Public Technical Institute--Any public technical institute as defined in Texas Education Code, §61.003(7), excluding Lamar Institute of Technology.

(28) Public Two-year College--Any public junior college, public community college, public technical institute, or public state college.

(29) ~~[(23)]~~ Semester Credit Hour (SCH)--A unit of measure of instruction consisting of 60 minutes, of which 50 minutes must be direct instruction, over a 15-week period in a semester system or a 10-week period in a quarter system.

AGENDA ITEM VIII-D (5)

Consideration and possible action to repeal Board Rules, Chapter 13, Subchapter D, Section 13.62, concerning updates to a manual for community college financial reports

RECOMMENDATION: Approval

Background Information:

Texas Higher Education Coordinating Board (staff proposes the repeal of Texas Administrative Code, Title 19, Part 1, Chapter 13, Subchapter D, Section 13.62, concerning updates to a manual for community college annual financial reports and in relation to House Bill (HB) 8 that reforms community college finance. As authorized by HB 8, this repeal was adopted on an emergency basis at the August Special Called Board Meeting because all rules necessary for HB 8 implementation were required to be adopted before the start of Fiscal Year 2024.

Specifically, this repeal removes a provision concerning updates to the manual for community college annual financial reports so that they may be added to a new consolidated community college data reporting rule. The permanent repeal is proposed, along with others related to HB 8, to consolidate a comprehensive financial reporting chapter.

Emily Cormier, Assistant Commissioner for Funding, will be available to answer questions.

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The 30-day comment period with the *Texas Register* ended on: November 11, 2023.

Summary of comments received: No comments were received regarding this rule.

CHAPTER 13 FINANCIAL PLANNING

SUBCHAPTER D FINANCIAL REPORTING

~~[Section 13.62. Community Colleges.]~~

~~[(a) The Coordinating Board staff shall annually review and update the financial reporting manual with advice from community college business officers and the college's independent auditors.]~~

~~[(b) The financial reporting manual shall be in compliance with the Governmental Accounting Standards Board's pronouncements.]~~

~~[(c) The community colleges shall submit their audited annual financial reports to the Coordinating Board by January 1st of each year.]~~

AGENDA ITEM VIII-D (6)

Consideration and possible action to adopt proposed amendments to Board Rules, Chapter 13, Subchapter D, Section 13.63, concerning requirements for community college financial reporting

RECOMMENDATION: Approval

Background Information:

Texas Higher Education Coordinating Board staff proposes the amendment of Texas Administrative Code, Title 19, Part 1, Chapter 13, Subchapter D, Section 13.63, concerning requirements for community college financial reporting and in relation to House Bill (HB) 8 that reforms community college finance. As authorized by HB 8, this amendment was adopted on an emergency basis at the August Special Called Board Meeting because all rules necessary for HB 8 implementation were required to be adopted before the start of Fiscal Year 2024.

Specifically, this amendment removes community college-related data-reporting provisions due to the addition of a new consolidated community college financial data reporting rule. The amendment is proposed, along with others related to HB 8, to consolidate a comprehensive financial reporting chapter for community colleges.

Emily Cormier, Assistant Commissioner for Funding, will be available to answer questions.

Date Published in the *Texas Register*: October 13, 2023

The 30-day comment period with the *Texas Register* ended on: November 11, 2023.

Summary of comments received: No comments were received regarding this rule.

CHAPTER 13 FINANCIAL PLANNING

SUBCHAPTER D FINANCIAL REPORTING

Section 13.63 Additional Financial Information Reporting

(a) Each university system, general academic institution, technical or state college, and health-related institution shall provide to the Board financial data related to the operation of each system office and institution. This information should be reported in the Board's annual report of financial activity by fund group.

~~(b) [Each community college shall continue to provide to the Board financial data related to the operation of each community/junior college reflecting restricted and non-restricted operating revenues and operating expenses as directed by the Board.~~

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~~(c)]~~ Each system office and institution of higher education, except public junior colleges, shall provide the report no later than January 1 of each year using the specific content and format prescribed by the Board.

AGENDA ITEM VIII-D (7)

Consideration and possible action to adopt proposed amendments to Board Rules, Chapter 13, Subchapter F, Sections 13.101, 13.102, and 13.104, concerning limitations on the reporting of hours to the Coordinating Board for funding purposes

RECOMMENDATION: Approval

Background Information:

Texas Higher Education Coordinating Board (Coordinating Board) staff proposes amendments to Texas Administrative Code, Title 19, Part 1, Chapter 13, Subchapter F, Sections 13.101, 13.102, and 13.104 in relation to House Bill (HB) 8 concerning limitations on the reporting of hours to the Coordinating Board for funding purposes.

Specifically, this amendment will update the Texas Administrative Code to accurately reflect two changes made by HB 8. Pursuant to HB 8, it establishes that hours earned in relation to a previously awarded associate degree do not count towards the limitation on the hours that may be reported for funding based on a student's current degree program (the "excess hours" rule). The amendment would also update the reference to the authority for the limitation on reporting hours related to a course taken by a student for the third time (the "three-peat" rule) to statute instead of a rider provision in the General Appropriations Act.

Emily Cormier, Assistant Commissioner for Funding, will be available to answer questions.

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The 30-day comment period with the *Texas Register* ended on: November 11, 2023.

Summary of comments received: No comments were received regarding this rule.

CHAPTER 13 FINANCIAL PLANNING

SUBCHAPTER F. FORMULA FUNDING AND TUITION CHARGES FOR REPEATED AND EXCESS HOURS OF UNDERGRADUATE STUDENTS

§13.101. Authority.

Texas Education Code, §54.014, provides that each institution may charge a higher rate of tuition to students with repeated or excess hours. Texas Education Code, §61.0595, limits formula funding for excess hours. Texas Education Code, §61.059(r), establishes that contact hours or semester credit hours related to a course that a student is taking for the third time may not be reported for the purpose of formula funding. ~~[The General Appropriations Act, SB 1, Article III, §40, 85th Legislature, Regular Session, limits formula funding for a course for which a student would generate formula funding for the third time.]~~ Texas Education Code, §61.059(b), grants the Coordinating Board the authority to devise, establish, and periodically review and revise formula recommendations for institutions of higher education. Texas Education Code, §130A, establishes the Public Junior College State Finance Program. Texas Education Code, §51.340, limits the number of remedial or developmental education semester credit hours for which formula funding may be received.

§13.102. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

- (1) Degree Plan--Academic program of courses and their related hours culminating in a degree or certificate, including minors, double majors, and completion of any other special program in which the student is also enrolled, such as a program with a study abroad component.
- (2) Excess Hours--Hours attempted by a student that are in excess of the limits and therefore ineligible for formula funding as described in §13.103 of this title (relating to Limitation on Formula Funding for Excess Hours).
- (3) Hours--Semester credit hours.
- (4) International Study Abroad Student--A student who is a citizen or permanent resident of a nation other than the United States who resides in the nation of which he or she is a citizen or permanent resident and who is in the United States and enrolled at a Texas public institution of higher education for a limited time as part of an exchange program or other study abroad program and who is not seeking a certificate or degree from a Texas Public institution of higher education.
- (5) Non-Course-Based Developmental Education Interventions (also known as Non-Semester-Length Interventions and also referred to as interventions)--Interventions that use learning approaches designed to address a student's identified weaknesses and effectively and efficiently prepare the student for college-level work. These interventions must be overseen by an instructor of record, must not fit traditional course frameworks, and cannot include advising or learning support activities already connected to a traditional course; interventions may include, but are not limited to, tutoring, supplemental instruction, or labs.

(6) Remedial and Developmental Courses--Courses designed to correct academic deficiencies and bring students' skills to an appropriate level for entry into college. The term includes English for speakers of other languages (ESOL) courses in which a student is placed as a result of failing the reading or writing portion of a test required by §4.56 of this title (relating to Assessment Instruments).

(7) Repeated Hours for Attempted Course--Hours for a course that is the same or substantially similar to a course that the student previously attempted for two or more times at the same institution. Previously attempted courses from which the student withdraws before the official census date shall not count as an attempted course.

(8) Repeated Hours for Completed Course--Hours for a course in which a student enrolls for two or more times that is the same as or substantially similar to a course that the student previously completed and received a grade of A, B, C, D, F, or Pass/Fail at the same institution.

(9) Student--For the purposes of this subchapter students are defined as undergraduate students [~~who have not yet received a baccalaureate degree or equivalent~~].

(10) Workforce Education Courses--Courses offered by two-year institutions for the primary purpose of preparing students to enter the workforce that are included in the Workforce Education Course Manual (WECM) or a college's technical local need course inventory. The term includes both technical courses and continuing education courses.

§13.104. Exemptions for Excess Hours.

The following types of hours are exempt and are not subject to the limitation on formula funding set out in §13.103 of this title (relating to Limitation on Formula Funding for Excess Hours):

(1) hours earned by an undergraduate ~~[the]~~ student before the award of a prior associate or bachelor's degree [~~before receiving a baccalaureate degree that has been previously awarded to the student~~];

(2) hours earned through examination or similar method without registering for a course;

(3) hours from remedial and developmental courses and/or interventions, workforce education courses, or other courses that would not generate credit that could be applied to an academic degree at the institution if the course work is within limitations specified in §13.107 of this title (relating to Limitation on Formula Funding for Remedial and Developmental Courses and Interventions);

(4) hours earned by the student at a private institution or an out-of-state institution;

(5) hours not eligible for formula funding;

(6) semester credit hours earned by the student before graduating from high school and used to satisfy high school graduation requirements;

(7) hours abandoned through enrollment under the Academic Fresh Start Program under Tex. Educ. Code Section 51.931; and

(8) 15 semester credit hours not otherwise exempt earned toward a degree program by a student who:

(A) has reenrolled at the institution following a break in enrollment from the institution or another institution of higher education covering at least the 24-month period

preceding the first class day of the initial semester or other academic term of the student's reenrollment; and
(B) successfully completed at least 50 semester credit hours of course work at an institution of higher education that are not exempt in paragraphs (1) - (7) of this section before that break in enrollment.

AGENDA ITEM VIII-D (8)

Consideration and possible action to adopt new Board Rules, Chapter 13, Subchapter P, Sections 13.470 - 13.477, concerning the new community college finance system

RECOMMENDATION: Approval

Background Information:

Texas Higher Education Coordinating Board (THECB) staff proposes the adoption of new rules in Texas Administrative Code, Title 19, Part 1, Chapter 13, Subchapter P, Sections 13.470-13.477, concerning the new community college finance system established by House Bill (HB) 8. As authorized by HB 8, these rules were adopted on an emergency basis at the August Special Called Board Meeting because all rules necessary for HB 8 implementation were required to be adopted before the start of Fiscal Year (FY) 2024.

Specifically, the proposed rules concern state funding for community colleges and cover the relevant purpose, authority, definitions, Base Tier funding, Performance Tier funding, and payment processes. These rules are necessary to implement the funding system enacted under HB 8.

Rules 13.470 and 13.471 establish the purpose and authority under which the funding system is implemented.

Rule 13.472 lists definitions pertinent to the community college finance system. Importantly, this rule defines the fundable outcomes authorized under HB 8: credentials of value, transfer to a public general academic teaching institution, and 15 semester credit hours of dual credit/dual enrollment. It defines numerous other technical terms necessary for funding implementation, including high-demand fields, economic and academic disadvantage, adult learner, full-time student equivalent, the duration of academic terms, non-formula support, and other relevant concepts from statute.

Rule 13.473, Base Tier Allotment, establishes the calculations used to determine Base Tier funding that the Legislature entitled community colleges to receive under Texas Education Code (TEC), Sections 130A.051-130A.056. To summarize, Base Tier funding is calculated as Instruction and Operations (I&O) minus Local Share. If Local Share is greater than Instruction and Operations, then Base Tier funding is zero. Instruction and Operations funding equals Contact Hour Funding plus the product of the Weighted Full Time Student Equivalents (Weighted FTSE) multiplied by Basic Allotment. The Basic Allotment and Contact Hour Funding amounts are derived based on the Fiscal Year 2024 appropriations for the Base Tier as provided by the General Appropriations Act for the 2024-25 Biennium.

Rule 13.473 establishes Local Share as the amount of maintenance and operations ad valorem tax revenue generated by \$0.05 per \$100 of taxable property value in a college's taxing district plus the amount of tuition and fee revenue that would be generated by

charging the average amount of tuition and fees to each FTSE, in accordance with TEC, Section 130A.056.

Rule 13.474, Performance Tier Funding, establishes the calculations used to determine Performance Tier Funding, which the Legislature entitled community colleges to receive under TEC, Section 130A.101. The rule lists those outcomes that merit performance funding and the student characteristics that garner added funding at levels in alignment with those set for the Base Tier funding pursuant to TEC, Section 130A.001. These rates are derived from the Fiscal Year 2024 appropriations for the Performance Tier as provided by the General Appropriations Act for the 2024-25 Biennium.

Rule 13.475, Formula Transition funding, establishes that after calculating the Base Tier and Performance Tier funding for each community college, the Coordinating Board shall ensure that a community college district does not receive less in formula funding in FY 2024 than it received in FY 2023 appropriations for formula funding (contact hours, success points, core operations, and Bachelor's of Applied Technology funding) and need-based supplements.

Rule 13.476, Payment Schedule, sets out both the payment schedule for non-formula support items and the payment schedule (three times per year) at which the Coordinating Board will make formula funding payments to each institution. The Coordinating Board shall pay all non-formula support item amounts to the institution by September 25 of a fiscal year, in accordance with the requirements in the 2024-25 General Appropriations Act (Article IX, Section 18.04 Contingency for House Bill 8(a)(4)). Pursuant to the emergency adoption of this rule for FY2024, the first payment of 50% of the total formula funding entitlement was disbursed by October 15, 2023. Adoption of this rule will permanently establish the same payment scheduling, enabling disbursements of 25% of formula funds for the second payment (by February 15) and the final payment (by June 15). Institutional stakeholders suggested the Coordinating Board make the first payment 50% in recognition that a college district's expenses are weighted towards the start of the fiscal year and to smooth the transition from the prior payment schedule that historically provided 48% of funding to a community college district by October 25.

Rule 13.477, Close Out, establishes the final process the Coordinating Board shall undertake to finalize the prior fiscal year's formula funding for community colleges. The close out process makes any final adjustments to payments needed based on any data updates made since initial funding amounts were determined. Specification of this process by rule ensures that each institution has notice of the Coordinating Board's determination that funding has been fully delivered for that year.

Subsequent to the posting of the rules in the Texas Register, THECB staff recommend the addition of Section 13.478, Effective Date of Rules. Currently, subchapter P contains the rules governing the Community College Finance Program enacted through H.B. 8 (88R), first adopted by the Coordinating Board on an emergency basis in August 2023. However, the subchapter is limited in scope: the rules establish the funding methodology for FY2024 but not beyond that time horizon. The proposed section will phase out subchapter P's effectiveness at the end of the 2024 fiscal year, removing rules which will become outdated and avoiding contradictions with a forthcoming new subchapter establishing community college finance rules for FY2025 and beyond that the Coordinating Board

intends to propose. Additionally, the title of the subchapter would be renamed to clarify that the rules apply to FY2024 only.

Emily Cormier, Assistant Commissioner for Funding, will be available to answer questions.

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The 30-day comment period with the *Texas Register* ended on: November 11, 2023.

Summary of comments received:

No comments were received regarding this rule.

CHAPTER 13 FINANCIAL PLANNING

SUBCHAPTER P COMMUNITY COLLEGE FINANCE PROGRAM FOR FISCAL YEAR 2024.§13.470. Purpose.

The purpose of this subchapter is to implement the Community College Finance Program authorized by Texas Education Code, Chapters 61, 130, and 130A.

§13.471. Authority.

The Coordinating Board adopts this subchapter pursuant to Texas Education Code, §130A.005, requiring the Coordinating Board to adopt rules to implement the Community College Finance Program created in Texas Education Code, Chapters 61, 130, and 130A.

§13.472. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings:

(1) Academically Disadvantaged--A designation that applies to postsecondary students who have not met the college-readiness standard in one or more Texas Success Initiative (TSI) assessments as provided by chapter 4, subchapter C, §4.57 of this title (relating to College Ready Standards), and who were not classified as either waived or exempt pursuant to chapter 4, subchapter C, §4.54 of this title (relating to Exemptions, Exceptions, and Waivers).

(2) Adult Learner--A student aged 25 or older on September 1 of the fiscal year for which the applicable data are reported, in accordance with Coordinating Board data reporting requirements.

(3) Advanced Technical Certificate (ATC)--A certificate that has a specific associate or baccalaureate degree or junior level standing in a baccalaureate degree program as a prerequisite for admission. An ATC consists of at least 16 semester credit hours (SCH) and no more than 45 SCH and must be focused, clearly related to the prerequisite degree, and justifiable to meet industry or external agency requirements.

(4) Associate Degree--An academic associate degree as defined under Texas Education Code, §61.003(11), or an applied associate degree as defined under Texas Education Code, §61.003(12)(B).

(5) Baccalaureate Degree--A degree program that includes any grouping of subject matter courses consisting of at least 120 SCH which, when satisfactorily completed by a student, will entitle that student to an undergraduate degree from a public junior college.

(6) Base Tier Funding--The amount of state and local funding determined by the Board for each public junior college that ensures the college has access to a defined level of funding for instruction and operations.

(7) Base Year--The time period comprising the year of contact hours used for calculating the contact hour funding to public junior colleges. A base year includes certified contact hours reported in the Summer 1, Summer 2, and Fall of the prior

calendar year and Spring of the current calendar year relative to September 1st of the current fiscal year.

(8) Basic Allotment--A dollar value per Weighted FTSE, as determined by the Legislature based on appropriations made in that biennium's General Appropriations Act.

(9) Census Date--The date upon which a college may report a student in attendance for the purposes of formula funding, as specified in the Coordinating Board Management (CBM) manual for the year in which the funding is reported.

(10) Credential of Value--A credential earned by a student that would be expected to provide a positive return on investment. A positive return on investment is met when a typical student completing the credential is expected to earn cumulative wages greater than the cumulative median earnings of an average Texas high school graduate, plus recouping the net cost of attendance within ten years after earning the credential. This calculation shall include the student's opportunity cost, calculated as the difference between median earnings for a typical Texas high school graduate and typical earnings for students while enrolled for four years for baccalaureate degree holders, two years for associate degree holders, and one year for holders of a Level 1 certificate, Level 2 certificate, or Advanced Technical Certificate. The Coordinating Board shall calculate the expected return on investment based on the data available to the agency for the funding year. The calculation shall include the most current available data for each program or a comparable program.

(11) Credentialing examination--A licensure, certification, or registration exam provided by a state or national agency or by professional organization.

(12) Dual Credit or Dual Enrollment Fundable Outcome--A student who has earned at least 15 SCH or the equivalent of state-funded dual credit or dual enrollment courses that apply toward an academic or workforce program requirement at the postsecondary level. For the purpose of this subchapter, the term "dual credit or dual enrollment fundable outcome" includes the following fundable courses taken for college credit by a high school student who has not yet received a high school diploma:

(A) Any course taken for dual credit that is within the core curriculum of the college that is providing the course;

(B) A course in a Coordinating Board-established field of study curriculum under Texas Education Code, §61.823, or program of study curriculum under Texas Education Code, §61.8235;

(C) Career and technical education courses that apply to a certificate or associate degree offered by the institution providing the credit;

(D) Foreign language courses;

(E) All courses taken by students enrolled in an approved Early College High School program, with the exception of the physical education courses taken by high school students for high school physical education credit; and

(F) A course taken for college credit only by a student who is also enrolled in high school but does not yet have a high school diploma.

(13) Economically Disadvantaged--A designation that applies to postsecondary students who received the federal Pell Grant under 20 U.S.C. §1070a.

(14) Formula Funding--The funding allocated by the Coordinating Board among all public junior colleges by applying provisions of the Texas Education Code, agency rule,

and the General Appropriations Act to a sector-wide appropriation from the General Appropriations Act.

(15) Full-Time Student Equivalent (FTSE)--A synthetic measure of enrollment based on the number of instructional hours delivered by an institution of higher education divided by the number of hours associated with full-time enrollment for the time period in question.

(16) Fundable Credential--A Fundable Credential counts toward Weighted Outcome Completions as defined in paragraph (27) of this section. For the purpose of funding delivered in fiscal year 2024, a fundable credential is defined as any of the following, except that, for credentials under subparagraph (B) or (C) of this paragraph, if more than one credential that the institution awarded to a student includes the same contact hours, the institution may only submit one credential for funding under subparagraph (B) or (C) of this paragraph.

(A) Any of the following credentials awarded by an institution that meets the criteria of a credential of value as defined in paragraph (10) of this section using the methodology established for the most current fiscal year, that is otherwise eligible for funding, and the institution reported and certified to the Coordinating Board:

(i) An associate degree;

(ii) A baccalaureate degree;

(iii) A Level 1 or Level 2 Certificate; and

(iv) An Advanced Technical Certificate.

(B) An Occupational Skills Award awarded by an institution that the institution reported and certified to the Board during fiscal year 2023; or

(C) An Institutional Credential Leading to Licensure or Certification (ICLC) not included in subparagraph (B) of this paragraph and that the institution reported and certified to the Coordinating Board during fiscal year 2023, that meets one of the following criteria:

(i) The credential includes no fewer than 144 contact hours or nine (9) semester credit hours; or

(ii) The credential is awarded in a high demand field, as defined in Board rule, and includes no fewer than 80 contact hours or five (5) semester credit hours; or

(iii) A licensure or certification earned by a student who did not receive a credential if the student:

(I) earned the licensure or certification as the result of the student's successful passage of a credentialing examination for a licensure or certification, while or after being enrolled in one of the institution's Institutional Credentials Leading to Licensure or Certification (ICLC) programs that would qualify for funding under clauses (i) or (ii) of this subparagraph; and

(II) earned the licensure or certification not later than twelve months after the student's enrollment in the ICLC program for which the student earned the licensure or certification.

(17) High-Demand Fields--An academic discipline, delineated by the federal Classification of Instructional Program (CIP) code, that the Coordinating Board has approved for inclusion on a published list of High-Demand Fields, available at <https://www.highered.texas.gov/our-work/supporting-our-institutions/community-college-finance/high-demand-fields/>, based on their satisfaction of either:

(A) Inclusion on the list of Critical Fields employed for the purpose of determining formula funding allocations under the Student Success strategy in the 2022-2023 General Appropriations Act; or

(B) Appearing on the list of CIP codes resulting from the following methodology completed in Fall 2021:

(i) Extracting the top 25 occupations for each higher education region as ranked by their ten-year projected number of new openings, after having excluded those with an average wage less than the statewide median wage and those with a typical entry credential other than "Some college, no degree", "Postsecondary non-degree award", and "Associate degree", from the texaslmi.com website maintained by the Texas Workforce Commission;

(ii) Placing occupations appearing on at least seven of the ten resulting regional lists on a statewide list;

(iii) Adding to the statewide list any occupations appearing among the top five of one or more regional list but not yet on the statewide list; and

(iv) Generating a list of CIP codes populated by each four-digit CIP code associated with an occupation on the statewide list per the crosswalk promulgated by the National Center for Education Statistics of the U.S. Department of Education, which as of the effective date of this rule is available at the following address:

<https://nces.ed.gov/ipeds/cipcode/post3.aspx?y=56>.

(18) Institutional Credentials Leading to Licensure or Certification (ICLC)--A credential awarded by an institution upon a student's completion of a course or series of courses that represent the achievement of identifiable skill proficiency and leading to licensure or certification. This definition includes a credential that meets the definition of an Occupational Skills Award in all respects except that the program did not obtain the required Workforce Development Board approval.

(19) Level 1 Certificate--A certificate designed to provide the necessary academic skills and the workforce skills, knowledge, and abilities necessary to attain entry-level employment or progression toward a Level 2 Certificate or an Applied Associate Degree, with at least 50% of course credits drawn from a single technical specialty. A Level 1 Certificate must be designed for a student to complete in one calendar year or less time and consists of at least 15 semester credit hours and no more than 42 semester credit hours.

(20) Level 2 Certificate--A certificate consisting of at least 30 semester credit hours and no more than 51 semester credit hours. Students enrolled in Level 2 Certificates must demonstrate meeting college readiness standards set forth in chapter 4, subchapter C, §4.57 of this title and other eligibility requirements determined by the institution.

(21) Local Share--The amount determined to be the institution's contribution of local funds to the Instruction and Operations (I&O) amount for each public junior college. The amount consists of estimated ad valorem maintenance and operations tax revenue and tuition and fees revenue, as determined by the Board.

(22) Non-Formula Support Item--An amount appropriated by line item in the General Appropriations Act to a single public junior college or limited group of colleges for a specific, named purpose.

(23) Occupational Skills Award--A sequence of courses that meet the minimum standard for program length specified by the Texas Workforce Commission for the federal Workforce Innovation and Opportunity Act (WIOA) program (9-14 SCH for credit courses or 144-359 contact hours for workforce continuing education courses). An OSA must possess the following characteristics:

(A) The credential is TSI-waived under chapter 4, subchapter C, §4.54 of this title;

(B) The content of the credential must be recommended by an external workforce advisory committee, or the occupation must appear on the Local Workforce Development Board's Demand Occupations list;

(C) In most cases, the credential should be composed of Workforce Education Course Manual (WECM) courses only. However, non-stratified academic courses may be used occasionally if recommended by the external committee and if appropriate for the content of the credential;

(D) The credential complies with the Single Course Delivery guidelines for WECM courses; and

(E) The credential prepares students for employment in accordance with guidelines established for WIOA.

(24) Structured Co-Enrollment Fundable Outcome--A student who earns at least 15 semester credit hours at the junior college district in a Coordinating Board-recognized program structured through a binding written agreement between a general academic teaching institution and a community college. Under such a program, students will be admitted to both institutions and recognized as having matriculated to both institutions concurrently.

(25) Transfer Fundable Outcome--A student who enrolls in a general academic teaching institution, as defined in Texas Education Code, §61.003, after earning at least 15 semester credit hours from a single public junior college district during the period including the fiscal year in which they enroll at the general academic teaching institution and the four fiscal years prior.

(26) Weighted Full-Time Student Equivalent (Weighted FTSE or WFTSE)--A synthetic measure of enrollment equal to the number of instructional hours delivered by an institution of higher education divided by the number of hours associated with full-time enrollment for the time period in question, where the hours delivered to students with certain characteristics carry a value other than one.

(27) Weighted Outcomes Completion--A synthetic count of completions of designated student success outcomes where outcomes achieved by students with certain characteristics carry a value other than one. The synthetic count may also represent a calculation, such as an average or maximizing function, other than a simple sum.

§13.473. Base Tier Allotment.

(a) Board staff will calculate Base Tier funding for each public junior college district (district) as the greater of the Instruction and Operations (I&O) amount minus Local Share and zero.

(b) A district's I&O amount is the sum of the number of Weighted Full-Time Student Equivalents (Weighted FTSE) enrolled at the district multiplied by the Basic Allotment amount of \$1,275 and the district's total Contact Hour Funding as determined by the Coordinating Board.

(1) Weighted FTSE for each district is the sum of the district's full-time student equivalents weighted for the student characteristics under subparagraph (B) of this paragraph and the scale adjustment as provided in Texas Education Code, §130A.054.

(A) For purposes of determining annual Weighted FTSE as a component of Fiscal Year (FY) 2024 formula funding under this section, a district's full-time student equivalents (FTSE) is equal to the sum of:

(i) the total semester credit hours in which for-credit students were enrolled at the district as of the census dates of all academic semesters or other academic terms that were reported for FY 2022, divided by 30; and

(ii) the total contact hours in which continuing education students were enrolled at the district as of the census dates of all academic semesters or other academic terms that were reported for FY 2022, divided by 900.

(B) The Coordinating Board shall additively weight the calculation of Weighted FTSE as follows:

(i) if a student is classified as economically disadvantaged during FY 2022, FTSE generated by that student shall have an additional value of 25%;

(ii) if a student is classified as academically disadvantaged during FY 2022, FTSE generated by that student shall have an additional value of 25%; and

(iii) if a student is classified as an adult learner during FY 2022, FTSE generated by that student shall have an additional value of 50%.

(C) The Coordinating Board calculates a district's scale adjustment weight as the greater of the difference between 5,000 and the number of FTSE as defined in subparagraph (A) of this paragraph multiplied by .40, and zero.

(2) For the purpose of calculating FY 2024 formula funding amounts, Coordinating Board staff will calculate Contact Hour Funding for a public junior college district by first multiplying the number of reported certified fundable contact hours generated by the district in each discipline during the 2023 Base Year, consisting of the Summer I and II 2022, Fall 2022, and Spring 2023 academic terms, by the average cost of delivery per contact hour for each discipline respectively as described in the Report of Fundable Operating Expenses for FY 2022 in accordance with subchapter R, §13.524(c) of this chapter (relating to Required Reporting) and summing across all disciplines. Contact hours attributable to students enrolled in a junior-level or senior-level course are weighed in the same manner as a lower division course in a corresponding field. That sum will then be multiplied by 21.3%, which is a rate derived from appropriations made for Base Tier Funding in the 2024-2025 General Appropriations Act, to calculate the district's Contact Hour Funding.

(c) For the purpose of calculating FY 2024 formula funding amounts, the Local Share for each public junior college district equals the sum of:

(1) the estimated amount of revenue that would have been generated by the district if it had assessed a \$0.05 maintenance and operations ad valorem tax on each \$100 of taxable property value in its taxing district, as reported under subchapter R, §13.524 of this chapter, which the Coordinating Board will calculate as the district's current tax collection for FY 2022 multiplied by the ratio of the maintenance and operations tax rate to the total tax rate, divided by the product of the maintenance and operations tax rate and 100 and multiplied by five; and

(2) the amount of tuition and fee revenue calculated as the sum of:

(A) the district's FY 2022 FTSE as defined in subsection (b)(1)(A) of this section, except for semester credit hours derived from students enrolled in dual credit or dual enrollment courses, multiplied by \$2,828, which is the FY 2021 statewide average of tuition and fees assessed to full-time students residing within the district of the public junior college they attend; and

(B) the total semester credit hours of dual credit or dual enrollment courses in which students were enrolled as of the census dates of all academic semesters or other academic terms that were reported in FY 2022, multiplied by \$55, which is the dollar amount per dual credit semester credit hour determined by the Coordinating Board pursuant to Texas Education Code, §28.0095. §13.474. Performance Tier Funding.

(a) Each public junior college district shall receive Performance Tier funding under Texas Education Code, Chapter 130A, Subchapter C. The Coordinating Board shall calculate a district's Performance Tier funding as the sum of Weighted Outcome Completions multiplied by the respective funded values of the outcomes.

(b) For the purposes of calculating formula funding amounts for Fiscal Year (FY) 2024, the Coordinating Board shall fund the Weighted Outcome Completions described below as follows:

[Figure: 19 TAC §13.474\(b\) \(.pdf\)](#)

<u>Funded Outcome</u>	<u>Funded Value</u>	<u>Funded Value for Completion in a High-Demand Field</u>
<u>(1) Dual Credit or Dual Enrollment Fundable Outcome</u>	<u>\$1,700</u>	<u>n/a</u>
<u>(2) Transfer Fundable Outcome or Structured Co-Enrollment Fundable Outcome</u>	<u>\$3,500</u>	<u>n/a</u>
<u>(3) Fundable Credentials</u>	<u>See subtypes below</u>	<u>See subtypes below</u>
<u>(A) Licensure/Certification, as defined in 13.472(16)(C)(iii)</u>	<u>\$1,000</u>	<u>\$1,250</u>
<u>(B) Institutional Credential Leading to a Licensure/Certification</u>	<u>\$1,000</u>	<u>\$1,250</u>
<u>(C) Occupational Skills Award</u>	<u>\$750</u>	<u>\$1,000</u>
<u>(D) Certificate (Advanced Technical Certificate, Level 1 or Level 2 Certificate)</u>	<u>\$1,750</u>	<u>\$3,500</u>
<u>(E) Associate Degree</u>	<u>\$3,500</u>	<u>\$4,500</u>
<u>(F) Baccalaureate Degree</u>	<u>\$3,500</u>	<u>\$4,500</u>

(c) For the purposes of calculating formula funding amounts for FY 2024, the Coordinating Board shall additively weight the calculation of outcomes in §13.473(b)(2), (3)(D), (E), and (F) of this subchapter (relating to Base Tier Allotment), as follows to calculate Weighted Outcome Completions.

(1) When an outcome is achieved by a student classified as economically disadvantaged, that outcome shall have an additional value of 25%.

(A) For purposes of calculating economically disadvantaged for transfer and credential fundable outcomes, the student must be classified as economically disadvantaged at any point during the fiscal year in which the outcome was achieved or the four fiscal years prior at the institution in which the outcome was achieved.

(B) For purposes of calculating economically disadvantaged for Structured Co-Enrollment Fundable Outcome, the student must be classified as economically disadvantaged in the initial semester of enrollment in the Structured Co-Enrollment Program at either the community college or general academic institution.

(2) When an outcome is achieved by a student classified as academically disadvantaged, that outcome shall have an additional value of 25%.

(A) For purposes of calculating academically disadvantaged for transfer and credential fundable outcomes, the student must be classified as academically disadvantaged at any point during the fiscal year in which the outcome was achieved or the four fiscal years prior at the institution in which the outcome was achieved.

(B) For purposes of calculating academically disadvantaged for Structured Co-Enrollment Fundable Outcome, the student must be classified as academically disadvantaged in the initial semester of enrollment in the Structured Co-Enrollment Program at the institution in which the outcome was achieved.

(3) When an outcome is achieved by a student classified as an Adult Learner, that outcome shall have an additional value of 50%.

(A) For purposes of calculating an Adult Learner for a transfer fundable outcome, the student must be classified as an Adult Learner in the year of last enrollment at the community college district prior to the transfer to a general academic institution.

(B) For purposes of calculating an Adult Learner for a fundable credential, the student must be classified as an Adult Learner in the fiscal year in which the fundable credential was awarded.

(C) For purposes of calculating an Adult Learner for Structured Co-Enrollment Fundable Outcome, the student must be classified as an Adult Learner in the initial semester of enrollment in the Structured Co-Enrollment Program at the institution in which the outcome was achieved.

(d) For the purposes of calculating Weighted Outcome Completions for formula funding amounts for FY 2024, the Coordinating Board shall calculate the funded number of Weighted Outcome Completions as the greater of the average of the district's Weighted Outcome Completion counts for FY 2020, FY 2021, and FY 2022 and the district's count for FY 2022.

§13.475. Formula Transition Funding.

In FY 2024, for purposes of transitioning to the new formula model, if the sum of a public junior college district's Base and Performance Tier funding as calculated in §13.473(a) and §13.474(a) of this subchapter (relating to Base Tier Allotment and Performance Tier Funding, respectively) would result in the district receiving less in General Revenue formula funding than the district received through the sum of appropriations made in the core operations strategy, student success strategy, contact hour funding strategy, and, if applicable, the need-based supplement and bachelor of

applied technology strategies, as provided for FY 2023 in the 2022-23 General Appropriations Act, then the Coordinating Board will add transitional funding in the amount of the difference to the district's formula funding for FY 2024.

§13.476. Payment Schedule.

(a) Non-Formula Support Items. For the purpose of distributing state appropriations to a public junior college district in Fiscal Year (FY) 2024, the Coordinating Board shall distribute the full amounts of all FY 2024 non-formula support items to the district to which they are appropriated in accordance with the provisions of the General Appropriations Act for 2024-2025 by September 25, 2023. The Coordinating Board shall recover any overallocation or adjust any installment required to comply with state law or chapter 13 of this title (relating to Financial Planning).

(b) Formula Funding Amounts: Fall. For the purpose of distributing state appropriations to a public junior college district in FY 2024, the Coordinating Board shall distribute to each district by October 15, 2023, one-half of the formula funding amount it determines the district may be entitled to receive in FY 2024 pursuant to the provisions of the General Appropriations Act for 2024-2025, Texas Education Code, and all other pertinent statutes and rules.

(c) Formula Funding Amounts: Spring. For the purpose of distributing state appropriations to a public junior college district in FY 2024, the Coordinating Board shall distribute to each district by February 15, 2024, one-quarter of the formula funding amount it determines the district may be entitled to receive in FY 2024 pursuant to the provisions of the General Appropriations Act for 2024-2025, Texas Education Code, and all other pertinent statutes and rules.

(d) Formula Funding Amounts: Summer. For the purpose of distributing state appropriations to a public junior college district in FY 2024, the Coordinating Board shall distribute to each district by June 15, 2024, one-quarter of the formula funding amount it determines the college may be entitled to receive in FY 2024 pursuant to the provisions of the General Appropriations Act for 2024-2025, Texas Education Code, and all other pertinent statutes and rules, and in odd-numbered years shall distribute the formula funding amount likewise determined as soon as is practicable after June 15 in accordance with the appropriations process.

(e) The Coordinating Board may modify any installment under this schedule as necessary to provide an institution with the amounts to which the institution is entitled under Texas Education Code, Chapters 130 and 130A, the General Appropriations Act, or chapter 13 of this title.

§13.477. Close Out.

(a) On October 1 of each year, the Coordinating Board shall close out the prior fiscal year (FY) by reviewing, reconciling, and verifying distributions of formula funding to public junior colleges in the prior fiscal year.

(1) As applicable, the Coordinating Board shall adjust a public junior college's first payment under subsection (b) of this section by an amount necessary to deliver the correct funding owed to the public junior college under Texas Education Code, Chapters 130 and 130A, or this subchapter for the prior fiscal year.

(2) The Coordinating Board will determine the correct funding for a public junior college based on the final certified data reported by the institution that serves as the basis of formula funding for that year, as provided by this chapter.

(3) This close out process may result in additional or reduced funding to the college based on the reported data and funding delivered for the fiscal year that is being closed out.

(b) If the Commissioner of Higher Education in his or her sole discretion determines that an adjustment under subsection (a) of this section will have a substantial negative impact on the operations of the institution or the education of students, the Coordinating Board may correct the institution's funding by recovering payments as an overallocation pursuant to subchapter R, §13.528(d)(1) or (2) of this chapter (relating to Recovery of Overallocated Funds). For the purpose of FY24, the Coordinating Board will not adjust formula funding for a public junior college for a fiscal year subsequent to close out except as set out in this section and subchapter R of this chapter (relating to State Public Junior College Finance Program Reporting, Audit, and Overallocation).

§13.478. Effective Date of Rules.

The rules in this subchapter apply to funding for fiscal year 2024 only and will expire on August 31, 2024.

AGENDA ITEM VIII-D (9)

Consideration and possible action to adopt new Board Rules, Chapter 13, Subchapter Q, Sections 13.500-13.506, concerning the Financial Aid for Swift Transfer (FAST) Program

RECOMMENDATION: Approval

Background Information:

Specifically, these new sections outline the authority and purpose, definitions, institutional eligibility requirements, student eligibility requirements, tuition rate, funding formula, and the handling of overallocations, which are necessary to administer the FAST Program.

Rule 13.500 indicates the specific sections of the Texas Education Code (TEC) that provide the Coordinating Board with authority to issue these rules, as well as the purpose of the FAST Program.

Rule 13.501 provides definitions for words and terms within FAST rules. The definitions are adopted to provide clarity for words and terms that are integral to the understanding and administration of the FAST rules. The definition of "dual credit course" is revised from what was published in the *Texas Register* and a definition for "career and technical education course" is added. This provides greater clarity that the FAST program includes dual credit offered through either academic courses or career and technical education courses. The definition of "equivalent of a semester credit hour" is revised from what was published in the *Texas Register* and definitions for "credit" and "semester credit hour" are also added. This provides greater clarity to the process for converting continuing education enrollment to semester credit hours.

Rule 13.502 outlines the requirements that institutions must fulfill to participate in the FAST Program. The requirements are adopted to: (a) gather in one place both statutory requirements, such as the requirement that an institution must meet the definition of institution of higher education outlined in TEC, Section 61.003, and rule requirements implementing the FAST Program; (b) clarify aspects of the statutory requirements, such as the institution's responsibility to provide dual credit coursework at no cost to eligible students attending high school in Texas school districts or charter schools; and (c) provide rules specific to requirements the Coordinating Board is proposing to ensure effective administration of the FAST Program, such as the requirement that each participating institution enter into an agreement with the Coordinating Board.

Rule 13.503 outlines the eligibility requirements that students must meet to allow an institution to enroll the student in dual credit coursework at no cost to the student under the FAST Program. The requirements are adopted to: (a) gather in one place the statutory

requirements for the FAST Program, including the requirements related to a student's enrollment and their prior status as educationally disadvantaged; (b) clarify aspects of the statutory requirements, such as the student needing to be enrolled in and eligible for Foundation School Program funding at a high school in a Texas school district or charter school; (c) provide rules to clarify eligible dual credit enrollment, which requires that participating institutions must have entered into a Dual Credit Agreement with the student's school district; (d) provide rules specific to requirements the Coordinating Board is proposing to ensure effective administration of the FAST Program, such as the requirement that school districts and charter schools will fulfill their reporting requirements for the educationally disadvantaged status through notice to the Texas Education Agency; and (e) request reporting from institutions necessary to identify students as "educationally disadvantaged" from data provided by Texas Education Agency (TEA). The rule is revised from what was published in the Texas Register to add the word "mandatory" as a clarifying descriptor regarding other course-related expenses. This is done to better delineate between the costs specifically related to taking the course and other costs a student might incur based on their own actions (e.g., fines, penalties, etc.).

Rule 13.504 sets the FAST maximum tuition rate for the 2023-2024 academic year and is based on a review of average dual credit tuition rates, to allow for the FAST Program to begin in the fall 2023 semester. The adopted rule provides how an annual inflationary adjustment to the tuition rate will be calculated, the timeline in which the annual rate will be determined and announced to institutions of higher education and when the announced rate goes into effect.

Rule 13.505 establishes the mechanisms by which the Coordinating Board will disburse funding to each participating institution to support their participation in the FAST Program, as well as the institutions' participation in the process. The adopted rule provides the frequency of disbursements to each institution; the way the disbursement amount will be calculated for each institution; the data that will be used to complete the calculation; the way institutions will have the opportunity to review the calculation for accuracy; and the true-up process, which confirms a student's attendance in high school during the dual credit course enrollment and requires reductions to future disbursements of FAST funding once an amount is calculated.

Rule 13.506 references the overallocation rules for the FAST Program. The rule acknowledges that the program is one aspect of the larger effort to provide funding to support institutions in their work to successfully educate students and is thus subject to the overallocation rules outlined in Texas Administrative Code, Title 19, Part 1, Chapter 13, Subchapter R.

Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, will present this item and be available to answer questions.

Date Published in the *Texas Register*: October 13, 2023.

The 30-day comment period with the *Texas Register* ended on: November 12, 2023.

The following comments were received regarding this rule.

Comment: An institution commented on the Coordinating Board's interpretation of "eligible students [being able] to enroll at no cost" (Texas Education Code §28.0095(b)), indicating that the legislation focuses on the "cost to enroll," which they view as clearly defined because the funding formula for the last several decades was enrollment based. The institution indicates that the cost to enroll includes the cost of placement testing, vaccinations, tuition and fees. In accordance with CBM reporting requirements, students who pay those costs are counted as being enrolled, and those who do not are not counted. The proposed rules, however, include the cost of books, supplies, and other course-related expenses that are not related to enrollment and are part of the cost of attendance or course completion. While the institution appreciates the desire to remove barriers for educationally disadvantaged students, they view the proposed rules as exceeding the scope of the legislation. The rules should be revised so that they accurately reflect the legislation and are limited to the costs that are required to enroll as specified in HB8 and the CBM Reporting Manual.

Response: The Coordinating Board appreciates this comment, but respectfully disagrees. The statute provides that a student who is educationally disadvantaged must be permitted to take a dual credit course at no cost to the student at an institution that elects to participate in the FAST program. While the Coordinating Board appreciates the institution's comment that cost to enroll should exclude books, supplies, or other costs that may be necessary for a high school student to successfully enroll in and complete a dual credit course, the Board respectfully disagrees that this interpretation exceeds the authority of the FAST program.

Education Code chapter 28 does not define "cost to enroll." Reading the statute to permit an educationally disadvantaged high school student to enroll in, but be unable to successfully complete, a dual credit course at no cost to the student would undermine the policy of the FAST program. Interpreting the statute to require an institution to permit a high student to enroll and earn credit in a course without incurring any cost as necessary to earn course credit does not conflict with the text of Education Code §28.0095 and harmonizes all provisions of the dual credit and FAST programs to ensure that each educationally disadvantaged high school student has the opportunity to attempt and earn credit in college-level course work.

An institution of higher education may elect whether to participate in the FAST program. The Coordinating Board rules, chapter 4, subchapter D, requires an institution of higher education and a school district to establish agreements governing payment for dual credit course, which includes how costs related to participation in the FAST program are apportioned. While the Coordinating Board disagrees that the rule exceeds the authority of the applicable statutes, the Board looks forward to continued partnership with institutions to ensure clarity in the rules governing participation in the FAST program.

Comment: An institution commented that the proposed rules do not cover incarcerated students in Windham ISD and recommended revising the rules to include those students.

Response: The Coordinating Board agrees with the institution that students from Windham ISD are excluded from eligibility in the program. Texas Education Code (TEC), Section

19.004, provides that no school district-specific TEC provisions outside of Chapter 19 apply to Windham unless specifically indicated in Chapter 19 or in statutes outside of the chapter. Windham ISD is not mentioned in TEC Section 28.0095, so students at Windham ISD would not be eligible for the FAST program. As such, no change is being made in response to this comment.

CHAPTER 13 FINANCIAL PLANNING

SUBCHAPTER Q FINANCIAL AID FOR SWIFT TRANSFER (FAST) PROGRAM

§13.500. Authority and Purpose.

(a) Unless otherwise noted in a section, the authority for these provisions is provided by Texas Education Code, §§28.0095 and 48.308.

(b) This subchapter establishes rules relating to the administration of the Financial Aid for Swift Transfer (FAST) Program. The program provides institutions with funding to support their ability to allow educationally disadvantaged students to enroll in dual credit coursework at no cost to the student.

§13.501. Definitions.

In addition to the words and terms defined in §13.1 of this chapter (relating to Definitions) the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise. In the event of conflict, the definitions in this subchapter shall control.

(1) Career and Technical Education Course—A workforce or continuing education college course offered by an institution of higher education for which a student may earn credit toward satisfaction of a requirement necessary to obtain an industry-recognized credential, certificate, or associate degree.

(A) A career and technical education course is listed in the Workforce Education Course Manual (WECM).

(B) For the purpose of this subchapter, this definition excludes:

(i) an avocational course;

(ii) a continuing education course that is ineligible for conversion as articulated college credit; and

(iii) a continuing education course that does not meet the institution's program or instructor accreditation standards.

(2) Charter School--a public charter school authorized to operate under Texas Education Code, Chapter 12.

(3) Credit--College credit earned through the successful completion of a college career and technical education or academic course that fulfills specific requirements necessary to obtain an industry-recognized credential, certificate, associate degree, or other academic degree.

(4) Dual Credit Course--A course that meets the following requirements:

(A) The course is offered pursuant to an agreement under §4.84 of this subchapter (relating to Institutional Agreements).

(B) A course for which the student may earn one or more of the following types of credit:

(i) joint high school and junior college credit under Texas Education Code, §130.008, or

(ii) another course offered by an institution of higher education, for which a high school student may earn semester credit hours or equivalent of semester credit hours toward satisfaction of:

(I) a course defined in paragraph (1) of this section that satisfies a requirement necessary to obtain an industry-recognized credential, certificate, or an associate degree;

(II) a foreign language requirement at an institution of higher education;

(III) a requirement in the core curriculum, as that term is defined by Texas Education Code, §61.821, at an institution of higher education; or

(IV) a requirement in a field of study curriculum developed by the Coordinating Board under Texas Education Code, §61.823.

(5) Educationally disadvantaged--as defined in Texas Education Code, §5.001(4), eligible to participate in the national free or reduced-price lunch program.

(6) Equivalent of a semester credit hour--A unit of measurement for a continuing education course, determined as a ratio of one continuing education unit to 10 contact hours of instruction, which may be expressed as a decimal. 1.6 continuing education units of instruction equals one semester credit hour of instruction. In a continuing education course, not fewer than 16 contact hours are equivalent to one semester credit hour.

(7) Program--the Financial Aid for Swift Transfer (FAST) Program.

(8) School Year--the twelve month-period of high school enrollment starting in August.

(9) Semester Credit Hour--A unit of measure of instruction, represented in intended learning outcomes and verified by evidence of student achievement, that reasonably approximates one hour of classroom instruction or direct faculty instruction and a minimum of two hours out of class student work for each week over a 15-week period in a semester system or the equivalent amount of work over a different amount of time. An institution is responsible for determining the appropriate number of semester credit hours awarded for its programs in

accordance with Federal definitions, requirements of the institution's accreditor, and commonly accepted practices in higher education.

§13.502. Eligible Institution.

(a) A public institution of higher education, as the term is defined in Texas Education Code, §61.003(8), is eligible to participate in the Program.

(b) A participating institution may not charge students attending high school in a Texas school district or charter school a tuition rate for dual credit courses in excess of the tuition rate outlined in §13.504 of this subchapter (relating to FAST Tuition Rate).

(c) A participating institution must ensure that an eligible student incurs no cost for their enrollment in any dual credit course at the institution. This includes, but is not limited to, tuition, fees, books, supplies, or other mandatory course-related expenses. This subsection does not prohibit a participating institution from charging a school district for course-related expenses, other than tuition, for an eligible student.

(d) Agreement. Each eligible institution must enter into an agreement with the Coordinating Board, the terms of which shall be prescribed by the Commissioner prior to being approved to participate in the program.

§13.503. Eligible Students.

(a) A student is eligible to enroll at no cost to the student in a dual credit course under the program if the student:

(1) is enrolled in and eligible for Foundation School Program funding at a high school in a Texas school district or charter school under the rules of the Texas Education Agency;

(2) is enrolled in a dual credit course at a participating institution of higher education that has entered into a Dual Credit Agreement with the student's school district as set out in §4.84 of this title (relating to Institutional Agreements); and

(3) was educationally disadvantaged at any time during the four school years preceding the student's enrollment in the dual credit course described by paragraph (2) of this subsection, as certified to the institution by the eligible student's school district or charter school, or other means authorized by rule.

(b) A school district's or charter school's notice to the institution regarding a student's status as educationally disadvantaged shall occur through the school district's or charter school's notice to the Texas Education Agency, unless otherwise provided by rule.

(c) A participating institution shall submit to the Coordinating Board identifying information, as outlined by the Coordinating Board, for students registered for or enrolled in dual credit courses. The Coordinating Board will compare the identifying information to data provided by the Texas Education Agency and will notify the institution as to which students fulfill the requirement outlined in subsection (a)(3) of this section.

§13.504. FAST Tuition Rate.

(a) The maximum tuition rate prescribed for a dual credit course through this program is \$55 per semester credit hour or equivalent of a semester credit hour in the 2023-2024 academic year.

(b) The Commissioner shall use the Consumer Price Index for the preceding 12 months as calculated by the U.S. Bureau of Labor Statistics, to apply an annual inflationary adjustment to the FAST tuition rate.

(c) The Commissioner shall determine and announce the annual FAST tuition rate not later than the final day of January prior to the start of each fiscal year.

(d) The annual tuition rate announced per subsection (c) of this section takes effect in the fall semester following the announcement.

§13.505. FAST Funding Formula.

(a) Frequency of Disbursements. The Coordinating Board will provide each participating institution with a disbursement for each fall, spring, and summer semester upon the certification of the institution's eligible enrollments. The Coordinating Board will combine enrollment periods under this subsection when a semester includes more than one enrollment period (for example, a Summer 1 and a Summer 2 session).

(b) Disbursement Calculation. Each disbursement will equal the amount outlined in §13.504 of this subchapter (relating to FAST Tuition Rate) for the relevant semester multiplied by the number of semester credit hours or equivalent in which students who met the eligibility criteria in §13.503 of this subchapter (relating to Eligible Students) were enrolled in dual credit courses at the institution for the relevant semester.

(c) Data Sources. The source of data for the disbursement calculation will be reports collected by Board staff and certified by the institution for the relevant semester which provide an eligible student's dual credit enrollment in semester credit hours or their equivalent and the student's Texas Student Data System (TSDS) unique identification number issued by the Texas Education Agency, combined with data regarding

educationally disadvantaged students, as reported by the Texas Education Agency, unless otherwise provided by rule.

(d) Verification of Data. The Coordinating Board will share each semester's calculation with the participating institution for comment and verification prior to disbursement. The institution will be given ten business days, beginning the day of the notice's distribution, and excluding State holidays, to confirm that the calculation accurately reflects the data they submitted or to advise the Coordinating Board of any inaccuracies.

(e) True-Up. Upon receipt of attendance data for the full school year from the Texas Education Agency, the Coordinating Board will review all eligible students used in the calculation outlined in subsection (d) of this section to verify that those students were in attendance at the high school during the period of dual credit enrollment. If any student is identified as not having been in attendance in high school during the period of dual credit enrollment, then the Coordinating Board will calculate the amount of funding the institution received for that student's dual credit enrollment. The Coordinating Board shall reduce each institution's subsequent disbursement under subsection (a) of this section by the amount calculated in this subsection.

§13.506. Overallocation.

Funding provided to an institution under this subchapter shall be subject to subchapter R of this chapter (relating to State Public Junior College Finance Program Reporting, Audit, and Overallocation).

AGENDA ITEM VIII-D (10)

Consideration and possible action to adopt new Board Rules in Chapter 13, Subchapter R, 13.520 through 13.529, relating to reporting, audit, and overallocation for community colleges

RECOMMENDATION: Approval

Background Information:

The Texas Higher Education Coordinating Board (THECB) staff proposes the adoption of new rules in Texas Administrative Code, Title 19, Part 1, Chapter 13, Subchapter R, Sections 13.520-529, concerning the certification of compliance, required reporting, correction of errors, audit, and overallocation for the new State Public Junior College Finance Program. As authorized by HB 8, this rule was adopted on an emergency basis at the August Special Called Board Meeting because all rules necessary for HB 8 implementation were required to be adopted prior to the start of fiscal year 2024.

Specifically, proposed rules set out policies and procedures for public junior colleges to submit certifications of compliance and submit required reporting through various reporting collection mechanisms established by the Coordinating Board. The rules also describe how the Coordinating Board will conduct audits, review of required reporting for data errors, and correct those errors through either a payment of under-allocated funds or the recovery of over-allocated funds.

Rule 13.520 and 13.521 sets out the purpose and authority of the subchapter, relating to compliance, data reporting, audit, and correction of error requirements, as well as over-allocation and under-allocation procedures. Rule 13.522 contains definitions used in the subchapter.

Rule 13.523 contains the policy and procedures necessary for public junior colleges to submit certifications of compliance with statute and rules. Under state law, public junior colleges must submit attestations of compliance, including compliance with all state laws and Coordinating Board rules, as a condition of receiving state funds. Rule 13.523 establishes clear guidelines for institutions to comply with statute.

Rule 13.524 describes the required financial and academic reporting for institutions to submit the data necessary for the Coordinating Board to administer the State Public Junior College Finance Program. The Coordinating Board collects data through a variety of established mechanisms: the Community College Annual Reporting and Analysis Tool, Annual Financial Report Reporting, the Report of Fundable Operating Expenses, Education Data Systems reporting, and through ad hoc reporting as necessary. The data from these tools

provides a cornerstone of the financial modeling necessary to determine precise funding amounts for the public junior colleges.

Rule 13.525 establishes the process for the Commissioner to review required reporting for errors and formally establish when a data reporting error resulting in a material impact in formula funding was made. This section establishes parameters and expectations for the methods the Coordinating Board will use to detect data errors, as well as how the Commissioner will make a formal determination of a data reporting error requiring a funding adjustment.

Rule 13.526 provides for compliance monitoring and auditing of funds disbursed under the new finance model for public junior colleges. This section establishes parameters and expectations of internal audit offices at institutions for data collection and examination assistance by the internal audit offices as institutional resources allow, as well as expectations for ongoing or completed audits.

Rule 13.527 states that institutions must retain records for a period of no less than seven years for purposes of Coordinating Board review, which mirror the timeline of seven years in HB 8.

Rule 13.528 lays out the process for the Coordinating Board to recover overallocated funds in the event a public junior college has received more funding than was due. This section provides how the Coordinating Board will provide notice to institutions of an error finding and lays out an appeal process for institutions, in accordance with HB 8.

This rule establishes a fair procedure with due process for institutions of higher education, giving them notice and the opportunity to submit a written appeal in the case that the Commissioner may need to make an adverse funding adjustment. The procedures established for overallocation under 13.528(d) ensure that the Coordinating Board is accurately disbursing appropriated funds as intended by the Legislature, while also providing flexibility for the method used to recoup the funds. This flexibility includes providing an option to recover a sum in a lump payment under 13.528(d)(1)(B), or alternatively over a five-year timespan under 13.528(d)(2). The flexibility is intended to limit extreme adverse financial impacts to public junior colleges that might detrimentally impact institutional operations, local communities, and students served by the institution, while still carrying out the Coordinating Board's obligation to disburse appropriated funds according to law.

Rule 13.529 likewise establishes how the Coordinating Board may make a financial adjustment in light of finding that an institution was allocated less in funding than was due, as provided by law.

Subsequent to the posting of the rules in the Texas Register, THECB staff recommends amendments to 13.522, 13.524, 13.528, and 13.529. Specifically, the proposed rule amendments would accomplish two objectives: establishing a reporting requirement for the Integrated Financial Reporting System in Coordinating Board rules; and updating cross-references

throughout the subchapter to include the Coordinating Board's forthcoming community college finance subchapter, which will govern from fiscal year 2025 forward.

Sections 13.522, 13.528, and 13.529 contain amendments reflecting the Coordinating Board's future intended organization of the Community College Finance Program rules. While Chapter 13, Subchapter P contains most rules governing this system, that subchapter will cease effectiveness at the end of the 2024 fiscal year, to be replaced by new language in Chapter 13, Subchapter S.

Section 13.524 describes the required reporting mechanisms through which institutions must submit data for the Community College Finance Program, in accordance with Texas Education Code, §130A.006. The Coordinating Board proposes to amend this rule by adding the Integrated Fiscal Reporting System – an existing reporting program already in use by the Coordinating Board – to give Board staff more accurate and timely data to use for the tuition and fees calculation required to determine Base Tier allotments.

Arby Gonzales, Assistant Commissioner, Internal Audit and Compliance, and Paul Maeyaert, Director of Compliance, Internal Audit and Compliance, will present this item and be available to answer questions.

Date Published in the *Texas Register*: October 13, 2023

The 30-day comment period with the *Texas Register* ended on: November 11, 2023.

Summary of comments received:

No comments were received regarding this rule.

CHAPTER 13. FINANCIAL PLANNING

SUBCHAPTER R. STATE PUBLIC JUNIOR COLLEGE FINANCE PROGRAM REPORTING,
AUDIT, AND OVERALLOCATION13.520. Purpose.

The purpose of this subchapter is to establish the definitions, certification of compliance, data reporting, audit, and correction of error requirements for institutions of higher education, as well as over-allocation and under-allocation procedures, under the State Public Junior College Finance Program (the Program). The subchapter further specifies the process for recovery of overallocated funds as required by statute. These provisions additionally apply to audit and overallocation of funds under the Financial Aid for Swift Transfer (FAST) Program.

13.521. Authority.

The Coordinating Board adopts this subchapter pursuant to its authority under Texas Education Code, §§28.0095, 61.035, 61.063, 61.065, 130.003, and 130A.006-130A.009.

13.522. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings:

(1) Audit--An engagement to audit the program conducted by the Coordinating Board's Internal Auditor and internal audit or compliance monitoring staff pursuant to either Texas Education Code, §§130A.006(4) or 61.035. This term may include a site visit, desk review, or examination of the institution's use of funds allocated by the Coordinating Board and data reported to the Coordinating Board. The term includes auditing undertaken to obtain evidence to sufficiently examine or verify data submitted to the Coordinating Board to be used by the Coordinating Board for funding or policymaking decisions, including data used for formula funding allocations, to ensure the data is reported accurately.

(2) Census Date--Prior to September 1, 2024, as defined in subchapter P, §13.472, of this chapter (relating to Definitions). On or after September 1, 2024, as defined in subchapter S, §13.553, of this chapter (relating to Definitions).

(3) Chief Audit Executive--The Internal Auditor hired by the Coordinating Board to perform internal auditing and compliance monitoring on behalf of the Coordinating Board pursuant to Texas Education Code, Chapters 61, 130, and 130A.

(4) Compliance Monitoring--A risk-based audit and compliance function conducted by the Coordinating Board pursuant to either Texas Education Code, §§130A.006(4) or 61.035, for the purpose of reviewing and assessing programmatic, legal, and fiscal compliance. This function may include conducting audits, site visits, desk reviews, or other examinations, to ensure that funds allocated or distributed by the Coordinating Board are allocated, distributed, and used in accordance with applicable law and Coordinating Board rule. The function includes obtaining evidence to sufficiently examine or verify data submitted to the Coordinating Board to be used by the Coordinating Board for funding or policymaking decisions, including data used for formula funding allocations, to ensure the data is reported accurately.

(5) Data Reporting Error--An error in data or other information reported and certified by a public junior college to the Coordinating Board that the Commissioner of Higher Education in his or her discretion determines may result in a material impact in the formula funding a public junior college was entitled to or received.

(6) Desk Review--An administrative review by the Coordinating Board that is based on information reported by an institution of higher education or a private or independent institution of higher education, including supplemental information required by the Coordinating Board for purposes of compliance monitoring, except that the term does not include information or accompanying notes gathered by the Coordinating Board during a site visit.

(7) Full-Time Student Equivalent (FTSE)--Prior to September 1, 2024, as defined in subchapter P, §13.472, of this chapter. On or after September 1, 2024, as defined in subchapter S, §13.553, of this chapter.

(8) Funding Adjustment--Any increase or decrease in funding by the Coordinating Board to an institution of higher education based on an over- or under-allocation of funds.

(9) Over-allocation--The over-payment of funds to a public junior college due to a data reporting error or other error by either the institution or the Coordinating Board that results in payments beyond what the institution is due.

(10) Site Visit--An announced or unannounced in-person visit by a representative of the Coordinating Board or its agent to an institution of higher education or a private or independent institution of higher education for the purposes of conducting an audit.

(11) Under-allocation--The under-payment of funds to a public junior college due to a data reporting error or other error by either the institution or the Coordinating Board that results in payments less than what the institution was owed for the fiscal year.

13.523. Certification of Compliance.

(a) A public junior college is not eligible to receive funds under this subchapter unless that public junior college submits a certification of compliance with the requirements of Texas Education Code, §130.003(b,) and as stated herein.

(b) A public junior college must submit an attestation via email to CTC@highered.texas.gov certifying to compliance with Texas Education Code, §130.003(b), to the Coordinating Board by August 1 of each year. The certification must be signed by the public junior college's president, or Chief Executive Officer, as applicable. The certification must certify the following:

(1) That the public junior college is currently in compliance with each provision of Texas Education Code, §130.003; and

(2) The public junior college has complied with all laws and Coordinating Board rules for the establishment and operation of a public junior college.

(c) If a junior college district has an unresolved or ongoing audit finding that the certifying official determines may preclude the district's certification under Texas Education Code, §130.003(b), the district shall disclose the finding(s) and provide an explanation of the finding(s) and proposed resolution.

(1) The Commissioner of Higher Education shall determine whether the junior college district can demonstrate that the district will be in compliance for the purpose of receiving a scheduled payment.

(2) Any payment that the Coordinating Board makes to an institution pursuant to this subchapter is subject to recovery or recoupment if the certifying official does not make the required certification for the fiscal year for which the certification was required.

13.524. Required Reporting.

(a) Required Reporting. A public junior college must submit data through required reporting mechanisms established by the Coordinating Board. The Coordinating Board may use information obtained through required reporting for:

(1) calculating funding disbursed under this chapter;

(2) providing timely data and analyses to inform management decisions by the governing body of each public junior college district;

(3) administering or evaluating the effectiveness of programs; or

(4) auditing the program.

(b) Financial Reporting: The Community College Annual Reporting and Analysis Tool (CARAT) and Annual Financial Report (AFR) Reporting.

(1) Standards. Each public junior college district must submit their Annual Financial Report (AFR) for the preceding fiscal year by January 1. The public junior college must submit the AFR following the requirements provided in the Coordinating Board's Budget Requirements and Annual Financial Reporting Requirements for Texas Public Community Colleges, also known as the AFR Manual, for that fiscal year, in accordance with Texas Education Code, §61.065.

(2) Format. Each public junior college must report AFR data for each completed fiscal year as prescribed in the Community College Reporting and Analysis Tool (CARAT) by January 31 of the following fiscal year.

(3) Review Process. The Commissioner of Higher Education will update the AFR Manual, as required by Texas Education Code, §61.065. The AFR Manual will conform to Governmental Accounting Standards Board (GASB) statements and guidance.

(c) Financial Reporting: Report of Fundable Operating Expenses (RFOE).

(1) Standards. Each public junior college must report all instructional expenses from each completed fiscal year for each institutional discipline and unallocated administrative expenses as defined in the RFOE by January 31 of the following fiscal year.

(2) Coordinating Board staff shall use the data provided on expenses at public junior colleges to produce a study of costs for each instructional discipline each year. This study will review all expenses made by institutions for instruction and administration from all unrestricted sources of funds, including appropriated general revenue, tuition and fees, contract instruction, other educational and general revenue, and local tax revenue.

(d) Financial Reporting: Integrated Fiscal Reporting System (IFRS).

(1) Standards. Each public junior college must report comprehensive tuition and fee financial data each fiscal year through IFRS.

(2) Coordinating Board staff may use data reported through IFRS to establish average annual tuition and fee charges as necessary to implement this chapter.

(e[~~d~~]) Academic Reporting: Education Data System reporting.

(1) Standards. Each public junior college must use data standards established by the Commissioner of Higher Education to submit required information relating to the delivery of educational programs. The Commissioner of Higher Education shall adopt

and publish annually data standards in official Coordinating Board publications, including through the Coordinating Board Management (CBM) Reporting and Procedures Manual for Texas Community, Technical, and State Colleges. The Coordinating Board will widely disseminate this publication, which will include:

(A) descriptions of the data collections and submission requirements;
(B) descriptions of data elements and the codes used to report them, including data used to calculate Full-Time Student Equivalent enrollments, Texas Success Initiative eligibility of students, student transfer, dual credit or dual enrollment, the number and type of credentials conferred, and other relevant student characteristics;
(C) detailed responsibilities of public junior colleges in connection to the data submission process, including each deadline for submission and resubmission; and
(D) descriptions of data submission requirements, including submission record layout specifications and data edit specifications.

(2) A public junior college may report a student in attendance on the approved course census date for the purpose of funding under this subchapter, in accordance with Texas Education Code, §130A.008.

(3) Review Process. The Commissioner of Higher Education shall review the CBM Reporting and Procedures Manuals annually. The Commissioner of Higher Education may approve changes to the data and reporting standards outside of the annual review process to expedite implementation of data collections and reporting.

(4) Certification. The reporting official for each public junior college must certify the accuracy of the report by a certification statement submitted to the Coordinating Board's Educational Data Center in accordance with the template and instructions provided in the CBM Reporting and Procedures Manual.

(f)(d) Academic Reporting: Ad Hoc Reporting Requests. As necessary to implement this chapter, the Commissioner of Higher Education may determine the need for additional, limited, supplemental requests for data and information from public junior colleges. To the extent Ad Hoc Reporting Requests may determine or influence funding disbursements under this subchapter, the Coordinating Board shall require the reporting official or another Coordinating Board designated official for each public junior college to certify the accuracy of the information contained in the report.

13.525. Commissioner Review of Required Reporting; Data Reporting Errors.

(a) The Commissioner of Higher Education at his or her discretion or upon recommendation of the Chief Audit Executive may direct Coordinating Board staff to review the accuracy of the data reported to the Coordinating Board by public junior colleges under this subchapter using any of the following methods or combination thereof:

(1) The Chief Audit Executive or Coordinating Board staff may conduct periodic file reviews, desk-reviews, site visits, or audits of the accuracy of the data and information submitted for funding purposes, including regular reviews of submitted data carried out through standard data management, supporting data, audits conducted under this subchapter, or as a result of any other audit. Upon identifying a data reporting error that may impact formula funding, Coordinating Board staff shall notify the Commissioner of Higher Education as soon as practicable.

(2) Upon receiving a notification from the Chief Audit Executive or Coordinating Board staff of a potential data reporting error, the Commissioner of Higher Education may:
(A) direct staff to continue to gather additional information;
(B) determine that the discrepancy does not rise to the level of a data reporting error as defined in this chapter due to the materiality impact of the error; or
(C) determine that the discrepancy rises to the level of a data reporting error that requires a funding adjustment due to the materiality impact of the error or the amount of overallocation or under-allocation.
(b) The Coordinating Board may review and or require correction of a data reporting error that occurred not more than seven years prior to a review conducted by Coordinating Board staff.
(c) Upon the Commissioner of Higher Education's determination that the discrepancy constitutes a data reporting error requiring a funding adjustment, staff will notify the public junior college within 30 business days.
(d) The Commissioner of Higher Education may use any method provided in §§13.528 or 13.529 of this subchapter to make the necessary funding adjustments to correct an over- or under-allocation.

13.526. Public Junior College Audits.

(a) A public junior college shall report financial and academic data to the Coordinating Board under §13.524 of this subchapter (relating to Required Reporting).
(b) The Chief Audit Executive may conduct compliance monitoring or audits of public junior colleges' compliance with Texas Education Code, Chapter 130A, the General Appropriations Act, and other related formula funding statutes.
(c) In conducting an audit or compliance monitoring under this section, the Coordinating Board may request the assistance of the internal audit office at an institution of higher education and private or independent institution of higher education, as institutional resources allow, to examine the institution's use of funds allocated by, and data reported to, the Coordinating Board.
(d) To avoid duplication of effort and assist the Coordinating Board in identifying risk, an internal auditor at an institution shall notify the Coordinating Board of any audits conducted by the institution's internal or external auditor involving funds allocated or administered by the Coordinating Board or data reported to the Coordinating Board.

13.527. Records Retention.

An institution of higher education shall retain records related to financial and educational data and information reported to the Coordinating Board under Chapter 13 for a period of not less than seven years.

13.528. Recovery of Overallocated Funds.

(a) If the Coordinating Board determines after closing out a fiscal year pursuant to subchapter P, §13.477, of this chapter (relating to Close Out), or any close-out or settle-up provisions contained in subchapter S of this chapter, that a data reporting error or any other error resulted in an overallocation of funds to the institution, the Coordinating Board shall use any method authorized under statute or this rule to make a funding adjustment necessary to correct the over-allocation.

(b) The Coordinating Board shall notify the institution not later than 30 business days after the Commissioner of Higher Education makes a determination of a data reporting error under §13.525 of this subchapter (relating to Commissioner Review of Required Reporting; Data Reporting Errors) or otherwise identifies an error requiring a funding adjustment to recover an overallocation. This notification must contain the amount of the overallocation and the basis for the determination.

(c) The institution may submit a written appeal to the Commissioner of Higher Education within 30 business days of receiving notification of an overallocation. The institution may attach any data or other written documentation that supports its appeal. The Commissioner of Higher Education shall review the appeal and determine in his or her sole discretion whether to affirm, deny, or modify the determination of overallocation within 30 business days of receipt. The Commissioner of Higher Education or Chief Audit Executive shall make an annual report of overallocation determinations to the Board.

(d) If the institution does not appeal or the Commissioner of Higher Education affirms the determination that an overallocation requiring a funding adjustment has occurred, the Coordinating Board shall recover an amount equal to the amount overallocated to the public junior college through one of the following methods:

(1) The Coordinating Board shall:

(A) withhold an amount equivalent to the overallocation by withholding from subsequent allocations of state funds for the current fiscal year as part of the close out of the current fiscal year; or

(B) request and obtain a refund from the public junior college during the current fiscal year an amount equivalent to the amount of the overallocation; or

(C) If the Commissioner of Higher Education in his or her sole discretion determines that the recovery of an overallocation in the current or subsequent fiscal year will have a substantial negative impact on the operations of the institution or the education of students, the Commissioner of Higher Education may instead recover the overallocation pursuant to subsection (d)(2) of this section.

(2) If the Commissioner of Higher Education in his or her sole discretion determines that an overallocation pursuant to subsections (1) or (2) of this section was the result of exceptional circumstances reasonably caused by statutory changes to Texas Education Code, Chapters 130 or 130A, and related reporting requirements, the Coordinating Board may recover the overallocation over a period not to exceed the subsequent five fiscal years.

(e) In addition to the recovery of an over-allocation under this section, the Commissioner of Higher Education may establish a corrective action plan for a public junior college that has received an overallocation of funds.

(f) If the public junior college fails to comply with an agreement to submit a refund established under this section, the Coordinating Board must report to the Comptroller of Public Accounts for recovery pursuant to Texas Education Code, Section 130A.009.

13.529. Payment of Under-allocated Funds.

If the Commissioner of Higher Education determines that a data reporting error or any other error resulted in an under-allocation of funds, the Coordinating Board shall provide the funds to the institution pursuant to the close-out process in subchapter P,

§13.477, of this chapter (relating to Close Out), any close-out or settle up provisions contained in subchapter S of this chapter, or as otherwise authorized by law.

AGENDA ITEM VIII-D (11)

Consideration and possible action to adopt the repeal of Board Rules, Chapter 13, Subchapter G, Sections 13.120-13.127, concerning Restricted Research Expenditures

RECOMMENDATION: Approval

Background Information:

Texas Higher Education Coordinating Board (Coordinating Board) staff proposes the repeal of Texas Administrative Code, Title 19, Part 1, Chapter 13, Subchapter G, Sections 13.120-13.127, concerning Restricted Research Expenditures. Specifically, the Coordinating Board plans to repeal this subchapter in accordance with changes made by House Bill (HB) 1595, 88th Legislature, Regular Session. Voters approved Proposition 5, relating to research funds at general academic institutions, on November 7, 2023, which allowed the provisions of HB 1595 to take effect on January 1, 2024. The Coordinating Board convened a negotiated rulemaking committee comprised of higher education institutional representatives in accordance with Texas Education Code, Section 61.0331, on August 3, 2023, to develop the proposed rules.

Rules 13.120-13.122 establish the purpose, authority, and definitions related to restricted research. Rules 13.123-13.124 establish a restricted research committee to review restricted research awards and the applicable standards and accounting methods for restricted research. Rules 13.125-13.126 establish reporting requirements of the institutions and the Coordinating Board related to restricted research awards and expenditures. Rule 13.127 provides for audits of research records reported by institutions.

Statute previously provided for the use of restricted research expenditures in the allocation of funding under the Comprehensive Research Fund and Core Research Support Fund as an eligibility criterion for the National Research University Fund. Due to its use in state funding allocations, statute charged the Coordinating Board with setting standards and accounting methods for determining restricted research expenditures, providing for a committee process to verify reported awards, and auditing research records.

As part of the changes to be enacted under HB 1595, statute no longer includes restricted research expenditures as part of any state funding allocations. HB 1595 provides for the distribution of the Comprehensive Research Fund based on an institution's federal and private research expenditures. The bill also provides for the redesignation of the Core Research Support Fund as the National Research Support Fund and provides for funding distributions based on an institution's federal and private research expenditures and awards of research doctorates.

Additionally, HB 1595 eliminated the National Research University Fund and recreates it as the Texas University Fund (TUF). The TUF provides for new eligibility criteria and uses federal and private research expenditures, rather than restricted research expenditures, as part of its eligibility criteria and allocation methodology.

Emily Cormier, Assistant Commissioner for Funding, will be available to answer questions.

Date Published in the *Texas Register*: October 13, 2023

The 30-day comment period with the *Texas Register* ended on: November 11, 2023.

Summary of comments received: No comments were received regarding this rule.

CHAPTER 13 FINANCIAL PLANNING

SUBCHAPTER G RESTRICTED RESEARCH EXPENDITURES

~~[Section 13.120 Purpose and Scope]~~

~~[The purpose of this subchapter is to establish standards and accounting methods for determining restricted research expenditures, for reporting verified restricted research expenditures to the Comptroller of Public Accounts, for reporting how funds were expended during the fiscal year, for auditing the reported restricted research expenditures, and for appealing decisions relating to restricted research expenditures.]~~

~~[Section 13.121 Authority]~~

~~[Texas Education Code, §62.091, establishes the Texas Comprehensive Research Fund and Texas Education Code, §62.131, establishes the Core Research Support Fund to promote increased research capacity at eligible general academic teaching institutions. Texas Education Code, §62.096, authorizes the Coordinating Board, with the assistance of a committee, to prescribe standards and accounting methods for determining the amount of restricted research funds expended by an eligible institution in a state fiscal year and to consider appeals.]~~

~~[Section 13.122 Definitions]~~

~~[The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:~~

- ~~–(1) Coordinating Board or Board—The Texas Higher Education Coordinating Board.~~
- ~~–(2) Clinical Trial Agreement—An externally sponsored agreement for the administration of a specifically mandated patient protocol (sometimes in multiple clinical sites involving other institutions), in which some costs typically are paid from patient charges or other sources.~~
- ~~–(3) Commissioner—Commissioner of Higher Education.~~
- ~~–(4) Comptroller—The Texas Comptroller of Public Accounts.~~
- ~~–(5) Core Research Support Fund (CRSF)—A funding mechanism established to promote increased research capacity at emerging research universities under Texas Education Code, §§62.131—62.137.~~
- ~~–(6) Demonstration Projects—Projects in which the primary purpose is to apply previous Research and Development findings in new settings and to demonstrate their utility.~~
- ~~–(7) Development—The systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes.~~
- ~~–(8) Indirect Costs—Costs incurred for certain overhead related to administering a particular sponsored project, an instructional activity, or any other institutional activity. Indirect costs are synonymous with "facilities and administrative (F&A) costs."~~

- ~~—(9) Industrial Collaboration Agreements—Agreements with universities, colleges, centers, or institutes under which funds are provided for collaborative R&D activities. The activity must be sponsored by private philanthropic organizations and foundations, for-profit businesses, or individuals.~~
- ~~—(10) Multiple Function Awards—Awards that have multiple goals, such as research, instruction, and public service.~~
- ~~—(11) Other Sponsored Activities—Programs and projects financed by Federal and non-federal agencies and organizations may be R&D for restricted research under certain conditions:
 - ~~—(A) travel grants, only if in sole support of research activities;~~
 - ~~—(B) support for conferences or seminars, only if in sole support of research activities;~~
 - ~~—(C) support for projects pertaining to library collections, acquisitions, bibliographies or cataloging, only if their purpose is primarily for documented research activities; and~~
 - ~~—(D) programs to enhance institutional resources, including computer enhancements, etc., only if their purpose is primarily for documented research activities.~~~~
- ~~—(12) Pass-through funds—External award funds that are passed from one entity to a sub-recipient. The sub-recipient expends the award funds on behalf of or in connection with the pass-through entity.~~
- ~~—(13) Research—A systematic study directed toward fuller scientific knowledge or understanding of the subject studied.~~
- ~~—(14) Research and Development (R&D)—All research activities, both basic and applied, and all development activities that are supported at universities, colleges, and other non-profit institutions.~~
- ~~—(15) Restricted Funds—Funds for which some external agency, business entity, individual, or organization has placed limitations on the uses for which the funds may be spent.~~
- ~~—(16) Restricted Gifts for R&D—A gift provided by an external entity (a foundation, a business, or an individual) for a specific purpose and for which:
 - ~~—(A) there is documented evidence that the gift is restricted for research, such as a donor's restriction for research; or~~
 - ~~—(B) there is separate evidence that the gift is restricted for research through:
 - ~~—(i) documentation by the donor that the gift is restricted (e.g., endowed chair, fellowship); and~~
 - ~~—(ii) more than half of the earnings are budgeted for research through the institutional accounting process.~~~~~~
- ~~—(17) Restricted Research Committee or Committee—The Coordinating Board's Restricted Research Committee.~~
- ~~—(18) Restricted Research Expenditure—An expenditure of funds which an external entity has placed limitations on (Restricted Funds) and for which the use of the funds qualifies as research and development.~~
- ~~—(19) Sponsored Instruction and Training—Specific instructional or training activity established by grant, contract, or cooperative agreement with federal, state, or local government agencies; private philanthropic organizations and foundations; for-profit businesses; or individuals. Sponsored Instruction and Training may be R&D for restricted research under certain conditions:~~

~~—(A) curriculum development projects if the primary purpose of the project is developing and testing an instructional or educational model through appropriate research methodologies (i.e., data collection, evaluation, dissemination, and publication); or~~

~~—(B) activities involving the training of individuals in R&D techniques, commonly called R&D training, if such activities utilize the same facilities as other R&D activities and if such activities are not included in the instruction function. Such activities include thesis and dissertation research and capstone research projects for R&D.~~

~~—(20) Sources and Uses template—An annual survey of Texas general academic and health-related institutions to detail financial information and provide specific information about revenues and expenditures.~~

~~—(21) Sponsored Research and Development (Sponsored R&D)—Activity funded by grants, gifts, and/or contracts, including sponsored research contracts, that are externally awarded funds designated by the sponsor as primarily for R&D purposes. The activity must be sponsored by federal, state, or local governmental agencies; private philanthropic organizations and foundations; for-profit businesses; or individuals. Sponsored R&D includes:~~

~~—(A) awards to university faculty to support R&D activities;~~

~~—(B) competitively awarded grants and contracts funded by state appropriations specifically identified by the legislature as for research, but not state appropriations made directly to the institution for R&D through formula or special item funding;~~

~~—(C) external faculty "career awards" to support the R&D efforts of the faculty;~~

~~—(D) external funding to maintain facilities or equipment and/or operation of a center or facility that will be used for R&D;~~

~~—(E) external support for the writing of books when the purpose of the writing is to publish R&D results;~~

~~—(F) the research portion of expenditures in the federal work-study program, in accordance with instructions for preparing the annual financial report that is submitted by an institution to the Comptroller after each fiscal year ends;~~

~~—(G) industrial collaboration agreements with universities, colleges, centers, or institutes may qualify as R&D if at least half of the funds are explicitly designated as research support;~~

~~—(H) clinical trial agreements in which data collection and analysis are the primary components of the institution's role in the trial, excluding costs of data collection and analysis performed by other institutions under subcontract and excluding costs that are covered by patient charges or similar sources; and~~

~~—(I) demonstration projects may be R&D only if they include a new R&D component that is at least one-half of the scope of the project.~~

~~—(22) Texas Comprehensive Research Fund (TCRF)—A funding mechanism established to promote increased research capacity at eligible general academic institutions that are neither research universities nor emerging research institutions under Texas Education Code, §§62.091–62.098.}]~~

~~[Section 13.123 Restricted Research Committee]~~

~~{The Commissioner shall convene, on an as needed basis, a committee to review and recommend changes to standards and accounting methods for determining restricted research expenditures and to consider appeals under §13.125 of this title (relating to Report on Restricted Research Awards).~~

~~-(1) The committee shall consist of representatives from higher education institutions eligible for either TCRF or CRSF.~~

~~-(2) Presidents of institutions eligible for either TCRF or CRSF shall designate members for the Restricted Research Committee.}~~

~~{Section §13.124 Standards and Accounting Methods for Determining Restricted Research Expenditures}~~

~~{(a) Only expenditures from restricted research awards made from the following types of projects and activities and sponsored by federal, state, or local governmental agencies; private philanthropic organizations and foundations; industry associations, for-profit businesses; or individuals shall be classified as restricted research expenditures:~~

~~-(1) Sponsored R&D, as defined in §13.122 of this title (relating to Definitions).~~

~~-(2) Sponsored instruction and training, as defined in §13.122 of this title.~~

~~-(3) Restricted gifts for R&D as defined in §13.122 of this title.~~

~~-(4) Other sponsored activities as defined in §13.122 of this title.~~

~~-(5) Pass-through funds as defined in §13.122 of this title, that are to entities other than institutions eligible for either TCRF or CRSF.~~

~~-(6) Multiple Function Awards, as defined in §13.122 of this title if the scope or activities of the restricted awards include R&D, these are subject to the following limitation: if the purpose of a restricted award is primarily (more than 50 percent) research, then all expenditures, unless prohibited in §13.126 of this title (relating to Reporting of Restricted Research Expenditures), made from that award qualify as restricted research expenditures. If the purpose of the restricted award is not primarily research (less than 50 percent), then none of the expenditures may be counted as restricted research. Primary purpose will normally be demonstrated by more than half of the funds having been budgeted for research, but may be demonstrated by the sponsor's statement of purpose or other documented evidence.~~

~~(b) Institutions shall document the process for determining restricted research awards and shall maintain documentation justifying the rationale used to classify the awards as restricted research.~~

~~(c) For reporting purposes, institutions shall use the accrual accounting method as required by the Texas Comptroller for the Government-wide Financial Statements for the restricted research expenditure report.}~~

~~{Section §13.125 Report on Restricted Research Awards}~~

~~{(a) Each eligible institution shall provide to the Commissioner, at a date specified by the Commissioner, a verified report of all restricted research awards for the current state fiscal year. Only those projects or activities described in §13.124 of this title~~

~~(relating to Standards and Accounting Methods for Determining Restricted Research Expenditures) shall be included in the report.~~

~~-(1) Classified military projects or any sponsored program deemed confidential or proprietary by funding entities shall not be included in the award lists.~~

~~-(2) The report shall be in a format and with the specific content prescribed by the Commissioner.~~

~~-(3) The report shall indicate the person or persons who determined that the projects or activities were restricted research projects or activities.~~

~~-(4) The Commissioner shall provide the reports made under this section to each institution eligible for either TCRF or CRSF.~~

~~(b) The Commissioner shall convene the Restricted Research Committee under §13.123 of this title (relating to Restricted Research Committee).~~

~~-(1) The Commissioner shall provide each committee member with a copy of each institution's report on restricted research awards.~~

~~-(2) The committee shall examine the institutions' reports on restricted research awards and make a final determination of those awards from which expenditures may be classified as restricted research expenditures.~~

~~-(3) The Commissioner shall make public the committee's determinations of awards from which expenditures may be classified as restricted research expenditures.}~~

~~{Section §13.126 Reporting of Restricted Research Expenditures}~~

~~{(a) Each institution eligible for either TCRF or CRSF shall provide a verified report of its restricted research expenditures to the Commissioner through the Sources and Uses template.~~

~~-(1) The report will include restricted research expenditures from the awards approved by the Commissioner under §13.125 of this title (relating to Report on Restricted Research Awards):~~

~~-(2) Certain expenditures related to any award classified as restricted research are prohibited to be recorded as restricted research expenditures: indirect costs; capital construction; and costs associated with entertainment or any direct individual benefit. Examples of costs associated with entertainment or any direct individual benefit include costs for shows, sports events, meals, lodging, rentals for personal use, gratuities, or personal, non-research related travel. Travel reimbursement and costs associated with research workshops or other events to disseminate research is permitted as allowed by award-specific award conditions or limitations.~~

~~(b) Not later than December 1, each institution that received a TCRF or CRSF appropriation in the preceding fiscal year shall provide the Commissioner and the Legislative Budget Board with a report that describes how the institution used the appropriated funds in the preceding fiscal year. The report shall include a description of expenditures of appropriated funds received during prior fiscal years.}~~

~~{Section §13.127 Audits}~~

~~{The Commissioner may require an audit of the restricted research records of an institution eligible for either TCRF or CRSF to verify the submitted information.}~~

AGENDA ITEM VIII-D (12)

Consideration and possible action to adopt proposed amendments to Board Rules, Chapter 13, Subchapter M, Sections 13.300-13.304, and new Section 13.305, concerning Total Research Expenditures

RECOMMENDATION: Approval

Background Information:

The Texas Higher Education Coordinating Board (Coordinating Board) proposes amendments to Texas Administrative Code (TAC), Title 19, Part 1, Chapter 13, Subchapter M, Sections 13.300-13.304 and new Section 13.305, concerning Total Research Expenditures. Specifically, this amendment and new rule will revise the reporting of total research expenditures to the Coordinating Board for use in state research funding allocations for the Comprehensive Research Fund, National Research Support Fund, and Texas University Fund, in accordance with changes made by House Bill (HB) 1595, 88th Texas Legislature, Regular Session. Voters approved Proposition 5, relating to research funds at general academic institutions, on November 7, 2023, which allowed the provisions of HB 1595 to take effect on January 1, 2024. The Coordinating Board convened a negotiated rulemaking committee comprised of higher education institutional representatives in accordance with Texas Education Code, Section 61.0331, on August 3, 2023, to develop the proposed rules.

Rules 13.300 and 13.301 note the purpose and authority of the subchapter. Proposed revisions now prescribe the requirement of total research expenditures to be submitted by fund source and lay out the use of the data in the allocation of the Texas Comprehensive Research Fund, National Research Support Fund, Texas Research University Fund, Texas University Fund (TUF), and formula funding for research. The rule also establishes the portions of TEC that authorize the Coordinating Board to adopt rules pertaining to the TUF.

Rule 13.302 lists definitions pertinent to research expenditure reporting. The revisions add paragraphs (1), (5), (8), (10), (12), and (23) to include fund sources by which institutions must report expenditures to the Coordinating Board. The fund sources align with the Higher Education Research and Development (HERD) Survey conducted by the National Center for Science and Engineering Statistics under the National Science Foundation. Paragraphs (24) and (25) provide a more granular breakout of funding sources for State and Local Government Expenditures to appropriately implement funding formulas for the health-related institutions.

Paragraph (15) establishes that private expenditures include expenditures of funds reported as Business Expenditures, Nonprofit Organization Expenditures, and All Other

Expenditures. This definition matches the definition under TAC, Chapter 15, Subchapter B, Texas University Fund for use in the allocation of certain state funding.

Paragraphs (9), (11), and (13) define certain sectors of Texas public institutions of higher education.

Paragraphs (4), (6), and (7) specify three distinct entities: "Board," meaning the nine-member appointed governing body of the Texas Higher Education Coordinating Board; "Coordinating Board," meaning the state agency as a whole; and "Coordinating Board Staff or Board Staff," meaning the staff of the agency. Separating these terms allows the Coordinating Board to make a distinction between actions taken by the governing body, agency staff, and the agency as a whole.

Revisions to paragraph (16) and the addition of paragraph (18) align definitions of research and development (R&D) with the HERD Survey. The revision of paragraph (19) clarifies what is included on the research expenditure survey, and the addition of paragraph (22) adds clarity on what is considered a sponsored project.

The revision of Section 13.303 removes a provision made unnecessary due to the addition of Section 13.305 and clarifies that pass-throughs to other agencies of higher education also do not meet the narrow definition of R&D expenditures. Other revisions include clarification that total research expenditures may only include recovered indirect costs and clarification on the treatment of counting expenditures where the dollars expended are reported on an institution's annual financial report but the actual work is conducted at a separate entity.

The revision of Section 13.304 clarifies that Coordinating Board staff will post the report of total research expenditures and the source of information for a legislatively required report.

The addition of Section 13.305 provides for the explicit direction of reporting total research expenditures to the Coordinating Board. The rule provides the breakout of fund source categories and requires a subset reporting of State of Texas Source Expenditures and State Contracts and Grants to accurately implement certain funding formulas for health-related institutions. The rule specifies that unrecovered indirect costs and pass-throughs to certain sectors of higher education do not meet the narrow definition of R&D expenditures. Pass-throughs to these sectors of higher education would result in the state including certain research expenditures in multiple funding formulas, so separating these expenditures out in reporting allows the state to only include the research expenditure in funding formulas for the institution who received the pass-through funding.

Subsequent to the posting of the rules in the Texas Register, THECB staff found the text was missing a letter "(b)" in the ordering of §13.303. Standards and Accounting Methods for Determining Total Research Expenditures. The text proposed for adoption has been corrected.

Emily Cormier, Assistant Commissioner for Funding, will be available to answer questions.

Date Published in the *Texas Register*: October 27, 2023

The 30-day comment period with the *Texas Register* ended on: November 25, 2023.

Summary of comments received: No comments were received regarding this rule.

CHAPTER 13 FINANCIAL PLANNING

SUBCHAPTER M TOTAL RESEARCH EXPENDITURES

§13.300. Purpose and Scope.

The purpose of this subchapter is to establish standards and accounting methods for determining total research expenditures, by fund source, based on all research conducted at Texas institutions of higher education. These amounts are for use in the allocation of the Texas Comprehensive Research Fund, National Research Support Fund, Texas Research University Fund, Texas University Fund, and formula funding for research, as authorized in an applicable biennium's General Appropriations Act.

§13.301. Authority.

Texas Education Code, §61.0662, requires the Coordinating Board to maintain an inventory of all institutional and programmatic research activities being conducted by all institutions of higher education. Texas Education Code, §62.051, establishes the Texas Research University Fund and §62.053, authorizes the Coordinating Board to prescribe standards and accounting methods for determining the amount of total research funds expended. Texas Education Code §62.152 authorizes the Board to adopt rules as necessary to implement chapter 62, subchapter G (Texas University Fund).

§13.302. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

(1) All Other Expenditures--Expenditures of all other funds not reported under the expenditure categories of Business, Nonprofit Organizations, Institutional Funds, State and Local Government or Federal Expenditures, as defined in this section. All Other Expenditures includes funds from foreign universities, foreign governments, portions of gifts designated for research by the donors (including from the reporting institution's 501(c)(3)), and nonfederal and nonstate funds received from other institutions of higher education.

(2) [(4)] Annual Financial Report (AFR)--Institutional financial report for one fiscal year as required by Texas Education Code, §51.005.

(3) [(2)] Areas of Special Interest--Major research topics important to the public, or required by statute, as listed in the Research Expenditure Survey.

[(3) Coordinating Board or Board--The Texas Higher Education Coordinating Board.]

(4) Board--The governing body of the Texas Higher Education Coordinating Board.

[(4) Research Expenditures or Expenditures--In a specific fiscal year, expenditure of funds paid out by an institution to support institutional Research and Development activities.]

(5) Business Expenditures--Expenditures of funds from domestic or foreign for-profit organizations.

(6) Coordinating Board--The agency known as the Texas Higher Education Coordinating Board, including agency staff.

(7) Coordinating Board Staff or Board Staff--Agency staff acting under the direction of the Board and the Commissioner.

(8) Federal Expenditures--Expenditures of funds received by the reporting institution from any agency of the United States government for research and development. These include reimbursements, contracts, grants, and any identifiable amounts spent on research and development from Federal programs including Federal monies passed through state agencies to the reporting institution and federal funds that were passed through to the reporting institution from another institution.

(9) General Academic Teaching Institution--Any public general academic teaching institution as defined in Texas Education Code, §61.003(3).

(10) Institutional Fund Expenditures--This includes funds expended for R&D that are controlled at the institutional level, such as Available University Fund (AUF) or other funding held locally used for R&D, excluding institution research administration and support. This category includes cost sharing from unrestricted sources (cost sharing from restricted sources should be classified according to the underlying source), unrestricted funds from the reporting institution's 501(c)(3), and unrecovered indirect costs. Unrecovered indirect costs may not exceed the institution's federally negotiated Facilities and Administrative rate.

(11) Medical and Dental Unit--Any public health related institution as defined in Texas Education Code, §61.003(5).

(12) Nonprofit Organization Expenditures--Expenditures of funds from domestic or foreign non-profit foundations and organizations, except universities and colleges.

(13) Other Agency of Higher Education--Any public agency of higher education as defined in Texas Education Code, §61.003(6).

(14) ~~[(5)]~~ Pass-through to Sub-recipient--Sponsored project ~~[External award]~~ funds that are passed from one entity to a sub-recipient. The sub-recipient expends the ~~[award]~~ funds to carry out part of the sponsored project on behalf of ~~[, or in connection with,]~~ the pass-through entity.

(15) Private Expenditures--Expenditures of funds reported as Business Expenditures, Non-profit Organization Expenditures, and All Other Expenditures. Amounts exclude R&D expenditures that do not meet the narrow definition of R&D expenditures used in the Coordinating Board's Research Expenditure Survey.

(16) ~~[(6)]~~ Research and Development (R&D)--R&D activity is creative and systematic work undertaken in order to increase the stock of knowledge "including knowledge of humankind, culture, and society" and to devise new applications of available knowledge. R&D covers three activities: basic research, applied research, and experimental development. R&D does not include public service or outreach programs, curriculum development (unless included as part of an overall research project), or non-research training grants. R&D does not include capital projects (i.e., construction or renovation of research facilities). ~~[All research activities, both basic and applied, and all development activities that are supported at universities, colleges, and other non-profit institutions:]~~

~~[(A) Research--The systematic study directed toward fuller scientific knowledge or understanding of the subject studied.]~~

~~[(B) Development--The systematic use of knowledge or understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes.]~~

~~[(C) R&D Training--R&D also includes activities involving the training of individuals in research techniques where such activities utilize the same facilities as other research~~

~~and development activities and where such activities are not included in the instruction function.]~~

(17) R&D Training--Activities involving the training of individuals in research techniques are included in R&D, where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.

(18) Research Expenditures or Expenditures--In a specific fiscal year, expenditures of funds paid out by an institution to support institutional Research and Development activities. Expenditures do not include in-kind donations.

(19) [(7)] Research Expenditure Survey--The mandatory survey instrument administered by the Coordinating Board pursuant to Texas Education Code, §61.0662, that establishes total R&D expenditures for each institution by research field and areas of special interest, both accounted by funding source. The survey includes a Research Expenditure Survey, specific definition of R&D, and reporting guidelines for R&D activities. The survey separately accounts for unrecovered indirect costs and pass-through expenditures to other general academic teaching institutions, medical and dental units, or other agencies of higher education, by funding source. [Instrument that establishes total R&D expenditures for each institution by research field and areas of special interest, both accounted by funding source. The survey includes a Research Expenditure Survey, specific definition of R&D, and reporting guidelines for R&D activities.]

(20) [(8)] Research fields--Subject areas for R&D, as listed in the Research Expenditure Survey.

(21) [(9)] Sources and Uses Template--An annual survey of Texas general academic and health-related institutions to detail financial information and provide specific information about revenues and expenditures.

(22) Sponsored Projects--Sponsored projects include grants, contracts, cooperative agreements and other legally binding means of transfer under which an entity provides a return benefit to, or agrees to provide a defined deliverable or complete a specified set of activities for, an external sponsor in exchange for funds. External sponsors are those that are not part of the entity.

(23) State and Local Government Expenditures--Expenditures of funds received for R&D via appropriations from the state of Texas, including non-formula support items, and funds received from any state, county, municipality, or other local government entity in the United States, including state health agencies. Expenditures include state funds that support R&D at agricultural and other experiment stations.

(24) State Contracts and Grants--A subset of State and Local Government Expenditures that includes only expenditures of interagency contracts, contracts with Texas local governments, and other such state funding sources for R&D.

(25) State of Texas Source Expenditures--A subset of State and Local Government Expenditures that includes only expenditures of funds appropriated by the state of Texas for research, including state appropriated research non-formula support items and research formula funding.

§13.303. Standards and Accounting Methods for Determining Total Research Expenditures.

~~[(a) Each institution reports R&D expenditures annually in the Research Expenditure Survey.]~~

~~(a) [(b)]~~ R&D expenditures for Texas A&M University include consolidated expenses from Texas A&M University and its service agencies.

~~(b) [(c)]~~ Research expenses from the AFR shall be ~~[are]~~ reconciled to the total R&D expenditures of the Research Expenditure Survey by a:

(1) Decrease of the AFR total by the amount of R&D expenses that do not meet the narrow definition of R&D expenditures used in the Coordinating Board's Research Expenditure Survey. Pass-throughs to other general academic teaching institutions, medical or dental units, and other agencies of higher education ~~[public academic or health-related entities]~~ do not meet the narrow definition of R&D expenditures.

(2) Increase of the AFR total by the amount of recovered indirect costs associated with expenses for R&D as reported through the Research Expenditure Survey.

(3) Increase of the AFR total by the amount of capital outlay for research equipment, not including R&D plant expenses or construction.

(4) Increase of the AFR total by the amount of expenditures for conduct of R&D made by an institution's research foundation, or 501(c) corporation on behalf of the institution, and not reported in the institution's AFR, including indirect costs.

(5) Increase of the AFR total to include expenses related to research performed by the agency or institution but recognized on the AFR of a separate agency or institution who received and expended the funding. The agency or institution who received and expended the funding but did not perform the research must make a corresponding decrease of its AFR total for this amount. This accounting event is not a pass-through to subrecipient ~~[by the amount of pass-throughs from Texas Engineering Experiment Station, as defined for the Research Expenditure Survey].~~

§13.304. Reporting of Total Research Expenditures.

(a) Coordinating ~~[The]~~ Board staff shall annually post a report of total research expenditures of all public institutions of higher education on its website.

(b) Not later than January 1 of each year, the Board shall submit to the legislature information regarding human stem cell research reported by the institutions ~~to [obtained by]~~ the Coordinating Board in the Research Expenditure Survey from reports required by this subsection.

§13.305. Institutional Reporting of Total Research Expenditures by Funding Source.

(a) Institutions shall report all research expenditures on the Research Expenditure Survey using the following categories:

(1) Federal Expenditures;

(2) State and Local Government Expenditures;

(3) Business Expenditures;

(4) Nonprofit Organization Expenditures;

(5) Institutional Fund Expenditures; and

(6) All Other Expenditures.

(b) Institutions shall report State of Texas Source Expenditures and State Contracts and Grants as subsets of State and Local Government Expenditures.

(c) Institutions shall report the original source of expenditures, when possible. Institutions shall report each category and show adjustments by the amount of R&D expenses that do not meet the narrow definition of R&D expenditures used in the Coordinating Board's Research Expenditure Survey. Unrecovered indirect costs and pass-throughs to other general academic teaching institutions, medical and dental units, and other agencies of higher education do not meet the narrow definition of R&D expenditures.

AGENDA ITEM VIII-D (13)

Consideration and possible action to adopt new Board Rules, Chapter 15, Subchapter B, Sections 15.20-15.30, concerning the Texas University Fund

RECOMMENDATION: Approval

Background Information:

The Texas Higher Education Coordinating Board (Coordinating Board) proposes new rules in Texas Administrative Code (TAC), Title 19, Part 1, Chapter 15, Subchapter B, Sections 15.20-15.30, concerning the Texas University Fund (TUF). Specifically, this will create rules to govern the eligibility, distribution methodology, and reporting for the TUF and implementation of eligibility requirements for the National Research Support Fund (NRSF) in accordance with changes made by House Bill (HB) 1595, 88th Texas Legislature, Regular Session. Voters approved Proposition 5, relating to research funds at general academic institutions, on November 7, 2023, which allowed the provisions of HB 1595 to take effect on January 1, 2024. The Coordinating Board convened a negotiated rulemaking committee comprised of higher education institutional representatives in accordance with Texas Education Code (TEC), Section 61.0331, on August 3, 2023, to develop the proposed rules.

TAC Chapter 15 is amended to revise the name from National Research Universities to Research Funds to more accurately reflect the rules in this section of administrative code.

Rule 15.20 establishes the purpose of the subchapter to govern the receipt and allocation of funds distributed from the TUF. The rule also establishes the portions of the TEC that authorize the Coordinating Board to adopt rules pertaining to the TUF and rules governing the eligibility threshold of research expenditures for the NRSF.

Rule 15.21 lists definitions pertinent to the TUF. Paragraphs (2), (3), and (5) specify three distinct entities: "Board," meaning the nine-member appointed governing body of the Texas Higher Education Coordinating Board; "Coordinating Board," meaning the state agency as a whole; and "Coordinating Board Staff or Board Staff," meaning the staff of the agency. Separating these terms allows the Coordinating Board to make a distinction between actions taken by the governing body, agency staff, and the agency as a whole.

Paragraphs (6) and (10) establish the federal and private expenditures eligible for inclusion in the TUF eligibility and distribution criteria. Institutions report federal and private expenditures to the Coordinating Board under TAC, Chapter 13, Subchapter M, Total Research Expenditures. Federal and private expenditures exclude amounts that do not

meet the Coordinating Board's narrow definition of research and development expenditures, including unrecovered indirect administration and pass-through funds to other public institutions of higher education. Pass-throughs to certain sectors of higher education would result in the state including certain research expenditures in multiple funding formulas, so separating these expenditures out in reporting allows the state to only include the research expenditure in funding formulas for the institution who received the pass-through funding.

Paragraphs (7), (8), and (9) define the Texas public institutions of higher education that are subject to the exclusion pertaining to pass-through funding.

Paragraph (12) defines a TUF-eligible institution as one listed in HB 1595 or an institution that becomes eligible by reaching the statutorily required thresholds.

Rules 15.22 and 15.23 define the institutions eligible to receive distributions from the TUF in a fiscal year in accordance with TEC 62.145, as amended by HB 1595. This includes listed institutions in statute as well as the eligibility requirements for a new institution to become TUF-eligible in future years. This provision provides that the Coordinating Board shall annually calculate and publish an increased threshold of research expenditures based on the increase in the Consumer Price Index for All Urban Consumers as published by the United States Department of Labor, in accordance with statutory requirements.

Rule 15.24 describes the allocation of distributions of the TUF to the Permanent Endowment for Education and Research (PEER) and the Research Performance Funding, in accordance with TEC 62.148(c), as amended by HB 1595.

Rule 15.25 provides for the calculation of PEER base funding for TUF-eligible institutions, in accordance with TEC 62.1481, as added by HB 1595, and for the Coordinating Board to confer with the Legislative Budget Board each fiscal year to determine the allocation of funding. The rule establishes two levels of Base Funding: Level 1 and Level 2. Level 1 Base Funding recipients receive the maximum allocation of PEER base funding; Level 2 Base Funding recipients receive half the amount of Level 1 Base Funding. The rule establishes the criteria an institution must meet to receive Level 1 Base Funding. The rule provides that the Coordinating Board shall annually calculate and publish an increased threshold of research expenditures as part of the entry into Level 1 Base Funding based on the increase in the Consumer Price Index for All Urban Consumers as published by the United States Department of Labor, in accordance with statutory requirements.

Rule 15.26 provides for the calculation of the Research Performance Funding, in accordance with TEC 62.1482, as added by HB 1595, and for the Coordinating Board to confer with the Legislative Budget Board each fiscal year to determine the allocation of funding. The rule provides that 85% of research performance funds shall be allocated in each fiscal year proportional to an institution's share of the most recent three-year average of federal and private research expenditures. The rule defines private expenditures used in the calculation of funding to include business expenditures, nonprofit expenditures, and all

other expenditures. Eligible expenditures shall exclude unrecovered indirect costs and pass-through funds to other general academic teaching institutions, medical and dental units, and other agencies of higher education.

The rule provides that 15% of Research Performance Funds shall be allocated in each fiscal year proportional to an institution's share of the most recent three-year average of research doctoral degrees awarded. The Coordinating Board shall annually publish a list of eligible research doctoral degrees that qualify for purposes of calculation; these degrees include an academic degree beyond the level of a master's degree that typically represents the highest level of formal study or research in a given field and that requires completion of original research. This list shall be updated by Coordinating Board staff to reflect all degree titles included in the most recently published National Science Foundation Survey of Earned Doctorates and any additional degree titles identified by the Commissioner of Higher Education.

Rule 15.27 provides for the calculation of the legislative appropriations required to be appropriated for a new institution to become TUF-eligible or for a Level 2 Base Funding institution to receive Level 1 Base Funding. The calculation maintains existing TUF-eligible institutions or Level 1 Base Funding recipients' share of the Permanent Endowment for Education and Research.

Rule 15.28 defines the percentage share of the market value of the TUF that may be reported by TUF-eligible institutions for financial reporting purposes. The percentage share is based on an institution's receipt of Level 1 or Level 2 Base Funding from the PEER and the market value as of August 31 of the reported fiscal year, as determined by the Comptroller of Public Accounts.

Rule 15.29 requires the Coordinating Board to annually publish the metrics pertaining to the TUF for all general academic institutions each fiscal year.

Rule 15.30 provides that the Coordinating Board shall annually calculate and publish an increased threshold of research expenditures as part of the eligibility requirements for the NRSF based on the increase in the Consumer Price Index for All Urban Consumers as published by the United States Department of Labor, in accordance with TEC 62.132, as amended by HB 1595.

Emily Cormier, Assistant Commissioner for Funding, will be available to answer questions.

Date Published in the *Texas Register*: October 27, 2023

The 30-day comment period with the *Texas Register* ended on: November 25, 2023.

Summary of comments received: No comments were received regarding this rule.

CHAPTER 15 Research Funds [~~NATIONAL RESEARCH UNIVERSITIES~~]SUBCHAPTER B Texas University FundCHAPTER 15. RESEARCH FUNDS [~~NATIONAL RESEARCH UNIVERSITIES~~].SUBCHAPTER B. TEXAS UNIVERSITY FUND.§15.20. Authority and Purpose.

(a) This subchapter establishes rules for eligible institutions to receive funds through the Texas University Fund and the allocation of funds distributed from the Texas University Fund each state fiscal year. The Texas University Fund is established to support general academic teaching institutions to achieve national prominence as major research universities and drive the state economy.

(b) The Board adopts subchapter B pursuant to Texas Education Code, §62.152, requiring the Board to adopt rules to implement Texas Education Code, Chapter 62, subchapter G, Texas University Fund. Texas Education Code, §62.132, provides that the Board specify the eligibility threshold of research expenditures for receipt of the National Research Support Fund.

§15.21. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Available University Fund (AUF)--A fund established in Article 7, §18, of the Texas Constitution to receive all interest and earnings of the Permanent University Fund (PUF) and used to pay the debt service on PUF-backed bonds.

(2) Board--The governing body of the Texas Higher Education Coordinating Board.

(3) Commissioner--The Texas Commissioner of Higher Education.

(4) Coordinating Board--The agency known as the Texas Higher Education Coordinating Board, including agency staff.

(5) Coordinating Board Staff or Board Staff--Agency staff acting under the direction of the Board and the Commissioner.

(6) Federal Expenditures--Expenditures of funds reported as Federal Expenditures, as defined in §13.302 of this title (relating to Definitions). Amounts exclude R&D expenditures that do not meet the narrow definition of R&D expenditures used in the Coordinating Board's Research Expenditure Survey.

(7) General Academic Teaching Institution--Any college, university, or institution so classified in Texas Education Code, §61.003(3).

(8) Medical and Dental Unit--Any public health related institution as defined in Texas Education Code, §61.003(5).

(9) Other Agency of Higher Education--Any agency of higher education as defined in Texas Education Code, §61.003(6).

(10) Private Expenditures--Expenditures of funds reported as Business Expenditures, Non-profit Organization Expenditures, and All Other Expenditures as defined in §13.302 of this title. Amounts exclude R&D expenditures that do not meet the narrow definition of R&D expenditures used in the Coordinating Board's Research Expenditure Survey.

(11) Research Expenditure Survey--Instrument administered by the Coordinating Board that establishes total R&D expenditures for each institution by research field and areas of special interest, both accounted by funding source, as defined in §13.302 of this title.

(12) Texas University Fund (TUF)-Eligible Institution--An institution listed in Texas Education Code, §62.145(a), or an institution that becomes eligible by meeting the requirements listed in Texas Education Code, §62.145(b).

§15.22. Eligible Institutions.

(a) The following general academic teaching institutions are eligible to receive distributions from the Texas University Fund in a state fiscal year:

(1) Texas State University;

(2) Texas Tech University;

(3) University of Houston; and

(4) University of North Texas.

(b) A general academic teaching institution not listed above may become a TUF-eligible institution in a state fiscal year if it meets the statutory requirements.

§15.23. Eligibility to Receive a Distribution from the Texas University Fund.

(a) General academic teaching institutions may become a TUF-eligible institution in a state fiscal year if, based on most recently available data, the institution:

(1) Is not entitled to participate in funding through the Available University Fund;

(2) Expends an average of \$20.0 million in combined Federal Expenditures and Private Expenditures during the prior three fiscal years, adjusted in accordance with subsection (b);

(3) Awards an average of at least 45 research doctoral degrees, as determined by §15.26 of this subchapter (relating to Research Performance Funding), per academic year during the prior three fiscal years; and

(4) The legislature provides an appropriation to the Texas University Fund, as defined in §15.27 of this subchapter (relating to Percentage Share for Legislative Appropriation).

(b) For the purpose of calculating the combined Federal Expenditures and Private Expenditures threshold amount in subsection (a)(2), beginning in state fiscal year 2025, and in each subsequent fiscal year, the Coordinating Board shall adjust the research expenditure threshold by any increase in the Consumer Price Index for All Urban Consumers (CPI-U) published by the United States Department of Labor during the preceding state fiscal year.

(c) The Coordinating Board staff shall annually publish the threshold of combined Federal Expenditures and Private Expenditures for TUF eligibility.

(d) Once an institution meets the criteria in subsection (a), an institution remains eligible to receive a distribution in each subsequent fiscal year.

§15.24. Allocation of Distributions.

In a state fiscal year, the allocation of funds distributed from the Texas University Fund shall be as follows:

(1) Seventy-five (75) percent to the Permanent Endowment for Education and Research Base Funding; and

(2) Twenty-five (25) percent to Research Performance Funding.

§15.25. Permanent Endowment for Education and Research Base Funding.

(a) In a state fiscal year, the Coordinating Board shall confer with the Legislative Budget Board to determine Permanent Endowment for Education and Research Base Funding for TUF-eligible institutions based on the following categories:

(1) Level 1 Base Funding for TUF-eligible institutions that are eligible to receive the maximum allocation of base funding as calculated in subsection (b); and

(2) Level 2 Base Funding for TUF-eligible institutions that are not eligible to receive the maximum allocation of base funding.

(b) A TUF-eligible institution shall receive Level 1 Base funding if it meets the following criteria:

(1) The institution expended at least \$45.0 million in combined Federal Expenditures and Private Expenditures in fiscal years 2021 and 2022; or

(2) The institution expends at least \$45.0 million in combined Federal Expenditures and Private Expenditures, adjusted in accordance with subsection (c), per state fiscal year during the prior two fiscal years and the legislature provides an appropriation to the Texas University Fund, as defined in §15.27 of this subchapter (relating to Percentage Share for Legislative Appropriation).

(c) For the purpose of calculating the threshold of research funding under subsection (b), beginning in state fiscal year 2025, and in each subsequent fiscal year, the qualifying amount of combined Federal Expenditures and Private Expenditures will be adjusted by any increase in the Consumer Price Index for All Urban Consumers (CPI-U) published by the United States Department of Labor during the preceding state fiscal year.

(d) Coordinating Board staff shall annually publish the threshold of combined Federal Expenditures and Private Expenditures required for an allocation of funding under subsection (b)(2).

(e) Once an institution meets the criteria in subsection (b), an institution remains eligible to receive Level 1 Base Funding in each subsequent state fiscal year. All other TUF eligible institutions shall receive Level 2 Base Funding in each state fiscal year.

(f) TUF-eligible institutions that are eligible for Level 1 Base funding shall receive the following share of the Permanent Endowment for Education and Research Base Funding. Two divided by the sum of:

(1) the number of TUF-eligible institutions eligible for Level 1 funding multiplied by two; and

(2) the number of TUF-eligible institutions that are not eligible to receive Level 1 funding.

(g) Level 2 Base Funding shall be half the share of Level 1 Base Funding.

(h) The percentage share for Level 1 and Level 2 Base Funding is then multiplied by the total amount distributed for the Permanent Endowment for Education and Research to determine each individual institution's funding amount.

§15.26. Research Performance Funding.

(a) In a state fiscal year, the Coordinating Board shall confer with the Legislative Budget Board to determine Research Performance Funding allocations for each TUF-eligible institution based on the following:

(1) Eighty-five percent (85%) of the Research Performance Funds shall be allocated based on the most recent three-year average of combined Federal Expenditures and Private Expenditures. The allocation shall be proportional based on the institutions' share of total combined Federal Expenditures and Private Expenditures.

(A) Federal Expenditures and Private Expenditures are as reported in each state fiscal year on the Research Expenditure Survey as required by §13.303 of this title (relating to Standards and Accounting Methods for Determining Total Research Expenditures). Private research expenditures include business expenditures, nonprofit organization expenditures, and all other expenditures.

(B) For purposes of the allocation of the Research Performance funds, Federal Expenditures and Private Expenditures shall exclude unrecovered indirect costs and pass through funds to other general academic teaching institutions, medical and dental units, and other agencies of higher education.

(2) Fifteen percent (15%) of the Research Performance Funds shall be allocated based on the most recent three-year average of research doctoral degrees awarded. The allocation shall be proportional based on the institutions' share of the total research doctoral degrees awarded.

(A) Research doctoral degrees that qualify for purposes of calculation are those that are reflected on a list of research doctoral degrees published annually by Coordinating Board staff on March 1 of each fiscal year. Research doctoral degrees include an academic degree beyond the level of a master's degree that typically represents the highest level of formal study or research in a given field and that requires completion of original research.

(B) The list of research doctoral degrees shall be annually updated by Coordinating Board staff to reflect all degree titles included in the most recently published National

Science Foundation Survey of Earned Doctorates and any additional degree titles identified by the Commissioner.

§15.27. Percentage Share for Legislative Appropriation.

(a) For the purposes of calculating the legislative appropriation required for an individual institution to become TUF-eligible or to receive Level 1 Base Funding, the legislature must appropriate an amount to the Texas University Fund not less than the difference between:

(1) the quotient of:

(A) the market value of the Texas University Fund on September 1 of the state fiscal year; and

(B) one minus an incoming institution's percentage share of the Texas University Fund; and

(2) the market value of the Texas University Fund on September 1 of the state fiscal year.

(b) For purposes of calculating the legislative appropriation to become a TUF-eligible institution, an institution's percentage share of the Texas University Fund for a state fiscal year shall equal the following calculation:

(1) If the institution meets the research expenditure criteria to receive Level 1 Base Funding upon entry, as defined in §15.25 of this subchapter (relating to Permanent Endowment for Education and Research Base Funding), the percentage share shall equal the share of Level 1 Base funding an institution would have received in Permanent Endowment for Education and Research Base Funding, as calculated in §15.25 of this subchapter, had an additional institution been included in the allocation as a recipient of Level 1 Base Funding.

(2) If the institution does not meet the research expenditure criteria to receive Level 1 Base Funding upon entry, as defined in §15.25 of this subchapter, the percentage share shall equal the share of Level 2 Base funding an institution would have received in Permanent Endowment for Education and Research Base Funding, as calculated in §15.25 of this subchapter, had an additional institution been included in the allocation as a recipient of Level 2 Base Funding.

(c) For purposes of calculating the legislative appropriation for a currently TUF-eligible institution to receive Level 1 Base Funding, an institution's percentage share of the Texas University Fund for a state fiscal year shall equal the difference between the share of Level 1 Base Funding and Level 2 Base Funding an institution would have received in Permanent Endowment for Education and Research Base Funding, as

calculated in §15.25 of this subchapter, had an additional institution been included in the allocation as a recipient of Level 1 Base Funding, instead of a recipient of Level 2 Base Funding.

§15.28. Endowment Calculation.

(a) A TUF-eligible institution may report a percentage share of the market value of the Texas University Fund as a true endowment for financial reporting purposes.

(b) An institution shall calculate its percentage share as seventy-five percent of the market value of the Texas University Fund multiplied by the institution's share of the Permanent Endowment for Education and Research base funding, as calculated in §15.25 of this subchapter (relating to Permanent Endowment for Education and Research Base Funding).

(c) The market value of the Texas University Fund shall be as of August 31 of the reported fiscal year as determined by the Comptroller of Public Accounts.

§15.29. Reporting.

Coordinating Board staff shall annually publish the most recent three state fiscal years of combined Federal Expenditures and Private Expenditures and research doctorates awarded, as defined under this subchapter, for general academic teaching institutions.

§15.30. National Research Support Fund.

Coordinating Board staff shall annually publish the adjusted threshold of combined Federal Expenditures and Private Expenditures needed to establish eligibility to receive a distribution from the National Research Support Fund. The amount shall align with the threshold established and published for §15.23(a)(2) of this subchapter (relating to Eligibility to Receive a Distribution from the Texas University Fund).

AGENDA ITEM VIII-D (14)

Consideration and possible action to adopt the repeal of Board Rules, Chapter 15, Subchapter C, Sections 15.40-15.44, concerning the National Research University Fund

RECOMMENDATION: Approval

Background Information:

The Texas Higher Education Coordinating Board (Coordinating Board) proposes the repeal of Texas Administrative Code, Title 19, Part 1, Chapter 15, Subchapter C, Sections 15.40-15.44, concerning the National Research University Fund (NRUF). Specifically, the Coordinating Board plans to repeal this subchapter in accordance with changes made by House Bill (HB) 1595, 88th Legislature, Regular Session. Voters approved Proposition 5, relating to research funds at general academic institutions, on November 7, 2023, which allowed the provisions of HB 1595 to take effect on January 1, 2024. The Coordinating Board convened a negotiated rulemaking committee comprised of higher education institutional representatives in accordance with Texas Education Code, Section 61.0331, on August 3, 2023, to develop the proposed rules.

Rules 15.40-15.42 establish the purpose, authority, and definitions related to the NRUF. Rule 15.43 establishes the precise criteria for eligibility to receive a distribution from the NRUF, and Rule 15.44 provides for the process by which institutions report data on the criteria to the Coordinating Board and the Coordinating Board certifies eligibility of an institution to receive an NRUF distribution to the Comptroller of Public Accounts and State Auditor's Office.

As part of the changes enacted by HB 1595, statute eliminates the NRUF and recreates it as the Texas University Fund (TUF). The Coordinating Board therefore repeals the NRUF rules and replaces them with a new section outlining the eligibility, distribution methodology, and reporting requirements for the TUF.

Emily Cormier, Assistant Commissioner for Funding, will be available to answer questions.

Date Published in the *Texas Register*: October 13, 2023

The 30-day comment period with the *Texas Register* ended on: November 11, 2023.

Summary of comments received: No comments were received regarding this rule.

CHAPTER 15 NATIONAL RESEARCH UNIVERSITIES

SUBCHAPTER C NATIONAL RESEARCH UNIVERSITIES FUND

~~[Section 15.40 Purpose]~~

~~[This subchapter establishes rules for eligible institutions to receive funds under the National Research University Fund, which is established to support emerging research universities to achieve national prominence as major research universities.]~~

~~[Section 15.41 Authority]~~

~~[Authority for this subchapter is provided by Texas Education Code, §§62.145—62.146, which directs the Coordinating Board to adopt standards for the purposes of determining an institution's eligibility for funding from the National Research University Fund (NRUF) and authorizes the Board to adopt rules for the standard methods of accounting and standard methods of reporting information for the purpose of determining eligibility of institutions to receive funds under the NRUF.]~~

~~[Section 15.42 Definitions]~~

~~[The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:~~

- ~~—(1) Coordinating Board or Board—The Texas Higher Education Coordinating Board.~~
- ~~—(2) Doctoral degree—An academic degree beyond the level of a master's degree that typically represents the highest level of formal study or research in a given field, e.g., a Doctor of Philosophy, Doctor of Education, Doctor of Musical Arts, Doctor of Engineering, Doctor of Public Health, Doctor of Nursing Practice.~~
- ~~—(3) Eligible institution—A general academic teaching institution that is eligible and meets the Coordinating Board's standards to receive distributions of money under the NRUF.~~
- ~~—(4) Emerging research university—A public institution of higher education designated as an emerging research university under the Board's accountability system.~~
- ~~—(5) Endowment funds—Funds treated as total endowment funds under the Board's accountability system.~~
- ~~—(6) Fund—The National Research University Fund (NRUF).~~
- ~~—(7) General academic teaching institution—As defined in Texas Education Code, §61.003.~~
- ~~—(8) Graduate-level program—Degree programs leading to master's, professional, and/or doctoral degree.~~
- ~~—(9) Master's degree—An academic degree that requires the successful completion of a program of study of at least 30 semester credit hours or the equivalent at the post-baccalaureate, graduate, or professional level.~~

~~—(10) Master's Graduation Rate—The Master's Graduation Rate is the percent of students in an entering fall and spring cohort for a specific degree program who graduate within five years.~~

~~—(11) Doctoral Graduation Rate—The Doctoral Graduation Rate is the percent of students in an entering fall cohort for a specific degree program who graduate within 10 years. Doctoral graduation rates do not include students who received a master's degree.~~

~~—(12) Restricted funds (restricted awards)—As defined in §13.122 of this title (relating to Definitions).~~

~~—(13) Restricted research expenditures—As defined in §13.122 of this title and further developed in §§13.123–13.127 of this title (relating to Research Development Fund).]~~

~~[Section 15.43-Eligibility]~~

~~[(a) The eligibility criteria for a general academic teaching institution to receive distributions from the Fund include: having an entering freshman class of high academic achievement; receiving recognition of research capabilities and scholarly attainment of the institution; having a high-quality faculty; and demonstrating commitment to high-quality graduate education.~~

~~(b) A general academic teaching institution is eligible to receive an initial distribution from the Fund appropriated for each state fiscal year if:~~

~~—(1) the institution is designated as an emerging research university under the coordinating board's accountability system;~~

~~—(2) in each of the two state fiscal years preceding the state fiscal year for which the appropriation is made, the institution expended at least \$45 million in restricted research funds; and~~

~~—(3) the institution satisfies at least four of the following six criteria:~~

~~—(A) the value of the institution's endowment funds is at least \$400 million in each of the two state fiscal years preceding the state fiscal year for which the appropriation is made;~~

~~—(B) the institution awarded at least 200 doctor of philosophy degrees during each of the two academic years preceding the state fiscal year for which the appropriation is made;~~

~~—(C) in each of the two academic years preceding the state fiscal year for which the appropriation is made, the entering freshman class of the institution demonstrated high academic achievement as reflected in the following criteria:~~

~~—(i) At least 50 percent of the first-time entering freshman class students at the institution are in the top 25 percent of their high school class; or~~

~~—(ii) The average SAT score of first-time entering freshman class students at or above the 75th percentile of SAT scores was equal to or greater than 1210 prior to fall 2017, consisting of the Critical Reading (CR) and Mathematics (M) Components, or equal to or greater than 1280 starting with fall 2017, consisting of the Evidence-Based Reading and Writing (ERW) and Mathematics (M) Components, or the average ACT score of first-time entering freshman class students at or above the 75th percentile of ACT scores was equal to or greater than 26; and~~

- ~~— (iii) The composition of the institution's first-time entering freshman class demonstrates progress toward reflecting the population of the state or the institution's region with respect to underrepresented students and shows a commitment to improving the academic performance of underrepresented students. One way in which this could be accomplished is by active participation in one of the Federal TRIO Programs, such as having one or more McNair Scholars in a particular cohort.~~
- ~~— (D) the institution is designated as a member of the Association of Research Libraries; has a Phi Beta Kappa chapter, or is a member of Phi Kappa Phi;~~
- ~~— (E) in each of the two academic years preceding the state fiscal year for which the appropriation is made, the faculty of the institution was of high quality as reflected in the following:~~
 - ~~— (i) There must be five or more recognitions of national or international distinction of tenured/tenure-track faculty through membership in one of the National Academies (including National Academy of Sciences, National Academy of Engineering, and National Academy of Medicine), the American Academy of Arts and Sciences, or through receiving a Nobel Prize; or~~
 - ~~— (ii) The annual number of awards of national and international distinction received by tenured/tenure-track faculty during a given academic year in any of the following categories is equal to or greater than 7 for each year:~~
 - ~~— (I) American Academy of Nursing Fellows~~
 - ~~— (II) American Council of Learned Societies Fellows~~
 - ~~— (III) American Law Institute Members~~
 - ~~— (IV) Beckman Young Investigators~~
 - ~~— (V) Burroughs Wellcome Fund Career Award Winners~~
 - ~~— (VI) Cottrell Scholars~~
 - ~~— (VII) Getty Scholars in Residence~~
 - ~~— (VIII) Guggenheim Fellows~~
 - ~~— (IX) Howard Hughes Medical Institute Investigators~~
 - ~~— (X) Lasker Medical Research Award Winners~~
 - ~~— (XI) MacArthur Foundation Fellows~~
 - ~~— (XII) Andrew W. Mellon Foundation Distinguished Achievement Award Winners~~
 - ~~— (XIII) National Endowment for the Humanities Fellows~~
 - ~~— (XIV) National Humanities Center Fellows~~
 - ~~— (XV) National Institutes of Health MERIT (R37) Winners~~
 - ~~— (XVI) National Medal of Science Winners~~
 - ~~— (XVII) National Medal of Technology and Innovation Winners~~
 - ~~— (XVIII) National Science Foundation CAREER Award Winners (excluding those who are also PECASE-winners)~~
 - ~~— (XIX) Newberry Library Long-term Fellows~~
 - ~~— (XX) Pew Scholars in Biomedicine~~
 - ~~— (XXI) Pulitzer Prize Winners~~
 - ~~— (XXII) Presidential Early Career Awards for Scientists and Engineers (PECASE) Winners~~
 - ~~— (XXIII) Robert Wood Johnson Health Policy Fellows~~
 - ~~— (XXIV) Searle Scholars~~
 - ~~— (XXV) Sloan Research Fellows~~

~~— (XXVI) Fellows of the Woodrow Wilson Center~~

~~— (iii) In lieu of meeting either clause (i) or (ii) of this subparagraph, an institution may request that a comprehensive review of the faculty in five of the institution's Doctoral degree programs be conducted by external consultants selected by Coordinating Board staff in consultation with the institution and said review must demonstrate that the faculty are comparable to and competitive with faculty in similar programs at public institutions in the Association of American Universities. Costs for the review shall be borne by the institution. This review is only available if the institution has already met or, as determined by Coordinating Board staff, is on track to meet three of the other eligibility criteria listed in subparagraphs (A) — (D) of this paragraph;~~

~~— (F) in each of the two academic years preceding the state fiscal year for which the appropriation is made, the institution has demonstrated a commitment to high quality graduate education as reflected in the following:~~

~~— (i) The number of Graduate level programs at the institution is equal to or greater than 50;~~

~~— (ii) The Master's Graduation Rate at the institution is 56 percent or higher and the Doctoral Graduation Rate is 58 percent or higher; and~~

~~— (iii) The institution must demonstrate that the overall commitment to five Doctoral degree programs, including the financial support for Doctoral degree students, is competitive with that of comparable high quality programs at public institutions in the Association of American Universities. The five Doctoral degree programs selected for this review must be those selected in subparagraph (E)(iii) of this paragraph or, if subparagraph (E)(iii) of this paragraph is not chosen by the institution, then any five Doctoral degree programs at the institution. Costs for the review shall be borne by the institution.]~~

~~[Section 15.44 Accounting and Reporting]~~

~~[(a) Emerging research universities shall report data pertaining to this subchapter according to the procedures outlined in the Coordinating Board's reporting manuals.~~

~~(b) As soon as practicable in each state fiscal year, the Coordinating Board shall certify to the comptroller and the legislature verified information relating to the criteria established by Texas Education Code §62.145, which are addressed in this subchapter, to be used to determine which institutions are eligible for distributions of money from the Fund.~~

~~(c) Information submitted by institutions for the purpose of establishing eligibility is subject to a mandatory audit by the state auditor in accordance with Government Code, Chapter 321. The Coordinating Board reserves the right to request additional audits by the state auditor as deem necessary and appropriate at any time after an eligible institution begins receiving distributions.]~~

AGENDA ITEM VIII-D (15)

Consideration and possible action to adopt new Board Rules, Chapter 22, Subchapter K, Sections 22.200-22.210, concerning the Texas Transfer Grant Program

RECOMMENDATION: Approval

Background Information:

These new sections will outline the authority and purpose, definitions, institutional eligibility requirements, student eligibility requirements, satisfactory academic progress requirements, discontinuation of eligibility, hardship provisions, priorities in making grants, grant amounts, allocation of funds, and disbursement of funds, which are necessary to administer the Texas Transfer Grant Program.

Rule 22.200 indicates the specific sections of the Texas Government Code that provide the agency with authority to issue these rules, as well as the purpose of the Texas Transfer Grant Program.

Rule 22.201 provides definitions for words and terms within the Texas Transfer Grant Program rules. The definitions provide clarity for words and terms that are integral to the understanding and administration of the rules. The republished rule also captures changes to the text regarding the correction of a reference to the phrase “Coordinating Board” to align with amendments being adopted in Rule 22.1.

Rule 22.202 outlines the eligibility requirements that institutions must fulfill to participate in the program. The requirements are adopted to align with the Toward EXcellence, Access, and Success (TEXAS) Grant Program, as both programs serve students in the same institutional sector.

Rule 22.203 outlines the eligibility requirements that a student must meet to allow an institution to provide the students with a grant through the program. The requirements include expectations that exist within the TEXAS Grant program, such as the requirement to be a Texas resident, to show financial need, to be enrolled in a baccalaureate degree program, to make satisfactory academic progress, and to comply with applicable Selective Service registration expectations. The requirements also include expectations that are specifically targeted toward achieving the public benefit of the program, such as full-time enrollment, having completed an associate degree with at least a 2.5 grade point average at a public two-year institution to include completion of the core curriculum or an abbreviated core curriculum related to a specific approved field of study curriculum, and enrolling in a baccalaureate degree program at an eligible institution within one year of ceasing to be enrolled in a two-year public institution.

Rule 22.204 outlines the satisfactory academic progress that students must achieve to receive a grant through the program. The requirement allows the participating institution to use satisfactory academic progress guidelines already in place for determining eligibility for federal financial aid programs.

Rule 22.205 outlines the situations in which a student is not eligible to receive a grant through the program. To acknowledge the goal of assisting students in completing degrees, a student may not receive a grant after completion of a baccalaureate degree. To acknowledge the limited state resources available for financial aid programs, a student may not simultaneously receive a grant through this program and the TEXAS Grant program. To encourage timely completion of a baccalaureate degree, a student may not receive a grant after having been enrolled in the baccalaureate program for two years (three years if the degree program is more than four years), nor may the student receive the grant after attempting 135 semester credit hours.

Rule 22.206 outlines provisions that permit an institution to develop a policy that allows an otherwise ineligible student to receive a grant through the program when unique hardships justify an exception. The provisions are adopted to align with similar provisions in the TEXAS Grant program. When justified and documented, these provisions may be used in relation to a student enrolling less than full time, failing to meet satisfactory academic progress requirements, maintaining enrollment for more than two years (three years if the degree program is more than four years), attempting more than 135 semester credit hours, or failing to enroll in a baccalaureate program within one year of ceasing to be enrolled in a two-year public institution.

Rule 22.207 outlines priorities that institutions will use in determining how to select grant recipients when funding does not allow for all eligible recipients to receive grants through the program. Similar justifications exist in the TEXAS Grant program. Priority would first go toward prior recipients. For first-time recipients, priority would go to those who have demonstrated an Expected Family Contribution that does not exceed the Expected Family Contribution used for similar purposes in the TEXAS Grant program, with highest priority given to eligible students with the highest levels of academic achievement before transfer as determined by the participating institution.

Rule 22.208 outlines the maximum grant amount that a participating institution may provide to an eligible student. The maximum grant amount will be aligned with the maximum grant amounts calculated for the TEXAS Grant program under Section 22.234 of this chapter.

Rule 22.209 provides the allocation formula that will be used to determine the amount of funding that each participating institution will be provided for the program. The allocation formula is modeled after the criteria utilized in the allocation methodology for first-time recipients of the TEXAS Grant program.

Rule 22.210 outlines the way the Texas Higher Education Coordinating Board (Coordinating Board) will disburse funding to participating institutions. This rule aligns with the way the Coordinating Board disburses funding for other state financial aid grant programs.

Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, will present this item and be available to answer questions.

Date Published in the *Texas Register*: October 13, 2023.

The 30-day comment period with the *Texas Register* ended on: November 12, 2023.

The following comments were received regarding this rule.

Comment: An institution indicated that the eligibility requirements in Rule 22.203 are unclear on how an institution would handle a situation where the student received an associate degree through the reverse transfer process after they enrolled at the institution.

Response: The Coordinating Board acknowledges the lack of clarity. As such, Rule 22.203(a)(7)(C) has been added to provide clarity that the associate degree coursework must have been completed prior to enrollment in a baccalaureate degree program at the institution offering a Texas Transfer Grant.

Comment: An institution indicated that confirmation of the associate degree may not be received until after the student enrolls and/or begins classes. As a result, the determination required for Rule 22.203(a)(7) may not occur in time for the student to be notified about grant eligibility before enrollment in the baccalaureate degree program.

Response: The Coordinating Board acknowledges the concern raised and notes that institutions face a similar challenge regarding associate degrees in the Toward EXcellence, Access, and Success (TEXAS) Grant Program. As such, Rule 22.203(b) has been added to provide guidance on situations where the institution offers the grant based on the expectation that the student will meet the requirements in Rule 22.203(a)(7).

Comment: An institution indicated that the language of Rule 22.208(b)(2) does not align with the comparable language in Rule 22.234 for the TEXAS Grant Program.

Response: The Coordinating Board acknowledges that the preamble indicates that Rule 22.208 is meant to align with the TEXAS Grant Program. As such, Rule 22.208(b)(2) has been revised to align with the TEXAS Grant Program.

CHAPTER 22 STUDENT FINANCIAL AID PROGRAMS
SUBCHAPTER K TEXAS TRANSFER GRANT PROGRAM

§22.200. Authority and Purpose.

(a) Unless otherwise noted in a section, the authority for these provisions is provided by Texas Administrative Procedure Act, Texas Government Code §2001.003(6).

(b) This subchapter establishes rules relating to the administration of the Texas Transfer Grant Program. The program provides need-based grants to enable eligible students to transfer from two-year institutions of higher education to four-year institutions of higher education in this state.

§22.201. Definitions.

In addition to the words and terms defined in §22.1 of this chapter (relating to Definitions), the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise. In the event of conflict, the definitions in this subchapter shall control.

(1) Encumbered Funds--Funds ready for disbursal to the institution, based on the institution having submitted to the Coordinating Board the required documentation to request funds.

(2) Grant--A Texas Transfer Grant provided through the Texas Transfer Grant Program.

(3) Program--The Texas Transfer Grant Program.

§22.202. Eligible Institutions.

(a) Eligibility.

(1) Institutions eligible to make grants through the program are medical or dental units, as the term is defined in Texas Education Code, §61.003(5), and general academic teaching institutions, other than public state colleges, as the term is defined in Texas Education Code, §61.003(16).

(2) No participating institution may, on the grounds of race, color, national origin, gender, religion, age, or disability exclude an individual from participation in, or deny the benefits of the program described in this subchapter.

(3) Each participating institution must follow the Civil Rights Act of 1964, Title VI (Public Law 88-353) in avoiding discrimination in admissions or employment.

(b) Approval.

(1) Agreement. Each eligible institution must enter into an agreement with the Coordinating Board, the terms of which shall be prescribed by the Commissioner, prior to being approved to participate in the program.

(2) Approval Deadline.

(A) An institution must indicate an intent to participate in the program by June 1 and enter into an agreement with the Coordinating Board by August 31 for qualified students enrolled in that institution to be eligible to receive grants in the following biennium.

(B) Notwithstanding subsection (A), for the 2023-2024 academic year, an institution may indicate intent to participate in the program by the administrative deadline established by the Commissioner.

(c) Responsibilities. A participating institution is required to abide by the General Provisions outlined in subchapter A of this chapter.

§22.203. Eligible Students.(a) To qualify for a grant through the Program, a student must:

(1) have Texas resident status, as determined by chapter 21, subchapter B of this title (relating to Determination of Resident Status);

(2) show financial need in the semester(s) in which a grant is offered;

(3) have applied for any available financial aid assistance;

(4) be enrolled in a baccalaureate degree program at an eligible institution;

(5) be enrolled full-time in the semester(s) in which a grant is offered unless granted a hardship waiver of this requirement under §22.206 of this subchapter (relating to Hardship Provisions);

(6) make satisfactory academic progress toward the baccalaureate degree at the eligible institution, as defined in §22.204 of this subchapter (relating to Satisfactory Academic Progress) unless the student is granted a hardship extension in accordance with §22.206 of this subchapter (relating to Hardship Provisions);

(7) have been awarded an associate degree by a public junior college as defined in Texas Education Code, §61.003(2); public technical institute as defined in Texas Education Code, §61.003(7); or public state college as defined in Texas Education Code, §61.003(16), and credit hours earned toward completion of the associate degree must:

(A) include completion of the core curriculum or an abbreviated core curriculum related to a specific approved field of study curriculum transferable to one or more general academic teaching institutions; and

(B) have been completed with at least a 2.5 grade point average; and

(C) have been completed prior to enrolling in a baccalaureate degree program at the institution offering a grant through this Program.

(8) unless granted a hardship postponement in accordance with §22.206 of this subchapter (relating to Hardship Provisions), have enrolled in the baccalaureate degree program at the eligible institution on a full-time basis not later than the end of the 12th month after the calendar month in which the student ceased being enrolled in a public junior college as defined in Texas Education Code, §61.003(2); public technical institute as defined in Texas Education Code, §61.003(7); or public state college as defined in Texas Education Code, §61.003(16); and

(9) meet applicable standards outlined in §22.3 of this chapter (relating to Student Compliance with Selective Service Registration).

(b) If a student's eligibility was based on the expectation that the student would meet the requirements in subsection (a)(7), and the student failed to do so, then the student is no longer eligible for a grant through this Program.

(1) If the institution offers the grant based on the expectation that the student would meet the requirements in subsection (a)(7) and does not become aware that the student failed to meet these requirements until after the first disbursement of the grant has been made to the student, then the institution reserves the right to require the student to repay the amount that was previously received.

(2) In no case may a student receive a subsequent disbursement of a grant through the Program after the institution has become aware that the student failed to meet the requirements in subsection (a)(7).

§22.204. Satisfactory Academic Progress.

To qualify for a grant, each recipient of the grant shall meet the satisfactory academic progress requirements as utilized by the financial aid office of the eligible institution to determine eligibility for federal financial aid programs.

§22.205. Discontinuation of Eligibility or Non-Eligibility.

(a) A student may not receive a grant after having already being granted a baccalaureate degree by any institution.

(b) A student may not receive a grant while simultaneously receiving a Toward EXcellence, Access, and Success (TEXAS) Grant.

(c) Unless granted a hardship postponement in accordance with §22.206 of this subchapter (relating to Hardship Provisions), a student's eligibility for a grant ends:

(1) two years from the start of the semester in which the student enrolls in the baccalaureate degree program at the eligible institution on a full-time basis, if the student is enrolled in a degree program of four years or less; or

(2) three years from the start of the semester in which the student enrolls in the baccalaureate degree program at the eligible institution on a full-time basis if the student is enrolled in a degree program of more than four years.

(d) A student's eligibility for a grant ends once he or she has attempted 135 semester credit hours or the equivalent unless the student is granted a hardship extension in accordance with §22.206 of this subchapter (relating to Hardship Provisions).

(e) Other than as described in §22.206 of this subchapter (relating to Hardship Provisions), if a student fails to meet any of the requirements for receiving a continuation grant as outlined in §22.203 of this subchapter (relating to Eligible Students) after completion of any semester, the student may not receive a grant until he or she completes a semester while not receiving a grant and meets all the requirements as outlined in §22.203 of this subchapter (relating to Eligible Students) as of the end of that semester.

§22.206. Hardship Provisions.

(a) In the event of a hardship, the Program Officer at an eligible institution may allow an otherwise eligible student to receive a grant under the following conditions:

(1) while enrolled in fewer semester credit hours than required in §22.203(5) of this subchapter (relating to Eligible Students);

(2) if the student fails to meet the satisfactory academic progress requirements of §22.203(6) of this subchapter (relating to Eligible Students);

(3) if the student requires an extension of the limits found in §22.205(c) of this subchapter (relating to Discontinuation of Eligibility or Non-Eligibility) to complete his or her degree; or

(4) if the student has attempted more hours than allowed under §22.205(d) of this subchapter (relating to Discontinuation of Eligibility or Non-Eligibility). However, the total number of hours paid for, at least in part, with grant funds may not exceed 150 semester credit hours or the equivalent.

(b) Hardships are not limited to, but include:

(1) a showing of a severe illness or other debilitating condition that may affect the student's academic performance;

(2) an indication that the student is responsible for the care of a sick, injured, or needy person and that the student's provision of care may affect his or her academic performance; or

(3) the requirement of fewer than twelve hours to complete one's degree plan.

(c) The Program Officer may allow a student to receive a grant after the time limits described in Section 22.203(8) (relating to Eligible Students) if the student and/or the student's family has suffered a hardship that would now make the student rank as one of the institution's neediest.

(d) Documentation justifying the eligibility granted through the hardship provisions outlined in this rule must be kept in the student's file. Each institution must identify to the Coordinating Board those students granted eligibility through hardship provisions so that the Coordinating Board may appropriately monitor each student's period of eligibility.

(e) Each participating institution shall adopt a hardship policy under this section and have the policy available in writing in the financial aid office for public review upon request.

§22.207. Priorities in Grants to Students.

(a) If state appropriations for the program are insufficient to allow grants to all eligible students, each institution shall give priority to eligible students who have previously received a grant through the program.

(b) In determining first-time recipients of grants through the program, an institution shall give priority to those students who have an expected family contribution that does not exceed 60 percent of the average statewide amount of tuition and fees for general academic teaching institutions, other than public state colleges, as the term is defined in Texas Education Code, §61.003(16), for the relevant academic year. The Coordinating Board shall determine and announce this value for a given state fiscal year by January 31 of the prior fiscal year.

(c) In determining first-time recipients of grants through the program, an institution shall give highest priority to eligible students meeting criteria specified under subsection §22.207(b) (relating to Priorities in Grants to Students) who have also demonstrated the highest levels of academic achievement prior to transfer as determined by the participating institution.

§22.208. Grant Amounts.

(a) Funding. The Coordinating Board may not award through this program an amount that exceeds the amount of state appropriations and other funds that are available for this use.

(b) Grant Amounts.

(1) The Commissioner shall determine and announce the maximum grant amounts in a given state fiscal year by January 31 of the prior fiscal year. The calculation of the maximum amount will be consistent with the maximum grant forward for TEXAS Grant for the semester as set out in subchapter L of this chapter (relating to Toward Excellence, Access, and Success (TEXAS) Grant Program).

(2) The amount of a Grant offered through an eligible public institution may not be reduced by any gift aid for which the person receiving the grant is eligible, unless the total amount of a person's grant plus any aid other than loans received equals or exceeds the student's financial need.

(c) The Commissioner shall make grant calculations in accordance with §22.11 of this chapter (relating to Provisions specific to the TEXAS Grant, TEOG, TEG, and Texas Work-Study Programs).

§22.209. Allocation of Funds.

(a) The Commissioner shall determine allocations on an annual basis as follows:

(1) The allocation base for each eligible institution will be the number of students it reported in the most recent certified Financial Aid Database submission who met the following criteria:

(A) were enrolled as undergraduate students and had not yet received a Bachelor's degree;

(B) were classified as having resident status, as determined by chapter 21, subchapter B of this title (relating to Determination of Resident Status);

(C) were enrolled full-time in either the fall or spring semester; and

(D) have a nine-month Expected Family Contribution, less than or equal to the amount established in §22.207(b) of this subchapter (relating to Priorities in Grants to Students) for the year reported in the Financial Aid Database submission.

(2) Each institution's percentage of the available funds will equal its percentage of the state-wide number of students who meet the criteria in paragraph (1) of this subsection.

(3) The Commissioner will complete allocations for both years of the biennium at the same time. The Coordinating Board will use the three most recent certified Financial Aid Database submissions to forecast the data utilized in the calculation of the allocation for the second year of the biennium. The Coordinating Board will provide each

institution with notification of their allocations for both years of the biennium at the same time.

(b) Verification of Data. The Coordinating Board will share allocation calculations with each participating institution for comment and verification prior to final posting. Each institution will have ten business days, beginning the day of the notice's distribution, and excluding State holidays, to confirm that the allocation report accurately reflects the data the institution submitted or to advise the Coordinating Board of any inaccuracies.

(c) Reductions in Funding.

(1) If annual funding for the program is reduced after the start of a fiscal year, the Commissioner may use any method necessary to distribute the impact of reduced funding across all participating institutions by an across-the-board percentage decrease in each institution's allocation.

(2) If annual funding is reduced prior to the start of a fiscal year, the Commissioner may recalculate the allocations according to the allocation methodology outlined in this rule for the affected fiscal year based on available dollars.

§22.210. Disbursement of Funds.

Upon request by an institution throughout the academic year, the Coordinating Board shall forward to each participating institution a portion of its allocation of funds for timely disbursement to students. Each institution shall have until the close of business on August 1, or the first working day thereafter if it falls on a weekend or holiday, to encumber program funds from their allocation. After that date, an institution may lose any funds in the current fiscal year not yet drawn down from the Coordinating Board for timely disbursement to students. Funds released in this manner in the first year of the biennium become available to the institution for use in the second year of the biennium. Funds released in this manner in the second year of the biennium are deemed returned to the Coordinating Board.

AGENDA ITEM VIII-D (16)

Consideration and possible action to adopt amendments to Board Rules, Chapter 22, Subchapter L, Section 22.226, concerning the Texas EXcellence, Access, and Success (TEXAS) Grant

RECOMMENDATION: Approval

Background Information:

This amendment makes nonsubstantive conforming changes based on the consensus reached by the negotiated rulemaking committee on Texas Educational Opportunity Grant Program (August 2, 2023). Rule 22.226, Definitions, is amended to add the definition of "entering undergraduate." This definition is being removed from Chapter 22, Subchapter A, General Provisions, and added to Chapter 22, Subchapter L, TEXAS Grant Program, verbatim to maintain consistency in the TEXAS Grant Program.

Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, will present this item and be available to answer questions.

Date Published in the *Texas Register*: October 13, 2023.

The 30-day comment period with the *Texas Register* ended on: November 12, 2023.

No comments were received regarding this rule.

CHAPTER 22 STUDENT FINANCIAL AID PROGRAMS

SUBCHAPTER L TOWARD EXCELLENCE, ACCESS, AND SUCCESS (TEXAS) GRANT

§22.226. Definitions.

In addition to the words and terms defined in §22.1 of this chapter (relating to Definitions) ~~[Chapter]~~, the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

- (1) Continuation grant--A TEXAS Grant offered to a person who has previously received an initial year grant.
- (2) Degree program of four years or less--A baccalaureate degree program, other than a program determined by the Board to require more than four years to complete.
- (3) Degree program of more than four years--A baccalaureate degree program determined by the Board to require more than four years to complete.
- (4) Encumbered Funds--Funds ready for disbursement to the institution, based on the institution having submitted to the Board the required documentation to request funds.
- (5) Entering undergraduate--A student enrolled in the first 30 semester credit hours or their equivalent, excluding hours taken during dual enrollment in high school and courses for which the student received credit through examination.
- (6) [(5)] General Academic Teaching Institution--As the term is defined in Texas Education Code, §61.003(3).
- (7) [(6)] Initial year grant--The TEXAS Grant offered in the student's first year in the TEXAS Grant Program, typically made up of a fall and spring disbursement.
- (8) [(7)] Medical or dental unit--As the term is defined in Texas Education Code, §61.003(5).
- (9) [(8)] Public Institution--As the term, institution of higher education, is defined in Texas Education Code, §61.003(8).
- (10) [(9)] Prior-prior year--For allocation purposes, the state fiscal year that began two years earlier than the fiscal year for which the allocation is being calculated.
- (11) [(10)] Private Institution--As the term, private or independent institution of higher education, is defined in Texas Education Code, §61.003(15).
- (12) [(11)] Program--The Toward EXcellence, Access and Success (TEXAS) Grant program.
- (13) [(12)] Public state college--As the term is defined in Texas Education Code, §61.003(16).
- (14) [(13)] Required fees--A mandatory fee (required by statute) or discretionary fee (authorized by statute, imposed by the governing board of a public institution) and that a public institution charges to a student as a condition of enrollment at the public institution or in a specific course.
- (15) [(14)] Target grant amount--An amount set by the Coordinating Board, in consultation with public institutions participating in the TEXAS Grant Program, and used as the recommended average grant amount for the TEXAS Grant Program for a biennium and in establishing renewal year allocations to participating public institutions as described in §22.236(a)(1) of this title (relating to Allocation and Reallocation of Funds).
- (16) [(15)] Tuition--Statutory tuition, designated and/or Board-authorized tuition.

AGENDA ITEM VIII-D (17)

Consideration and possible action to adopt amendments to Board Rules Chapter 22, Subchapter A, Section 22.1, concerning the General Provisions for Student Financial Aid Programs

RECOMMENDATION: Approval

Background Information:

This amendment will modify the definitions based on the consensus reached by the negotiated rulemaking committee on the Texas Educational Opportunity Grant (August 2, 2023). The amended rule removes the definition of "entering undergraduate." The definition has been moved to the individual subchapters that are affected by the definition. The amendment also adds the definition for "equivalent of a semester credit hour." The definition is added to bring clarity to the multiple references to this equivalency in Subchapter M.

The definitions of "Board", "Commissioner", and "Coordinating Board" are also amended to provide greater clarity to these terms. The definition of "equivalent of a semester credit hour" is revised from what was published in the *Texas Register* and definitions for "credit" and "semester credit hour" are added. These changes are made to provide greater clarity to the process for converting continuing education enrollment to semester credit hours. The definition of "expected family contribution" is corrected from what was published in the *Texas Register* to reflect the definition as it was amended to be effective May 18, 2023.

Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, will present this item and be available to answer questions.

Date Published in the *Texas Register*: October 13, 2023.

The 30-day comment period with the *Texas Register* ended on: November 12, 2023.

No comments were received regarding this rule.

CHAPTER 22 STUDENT FINANCIAL AID PROGRAMS

SUBCHAPTER A GENERAL PROVISIONS

§22.1. Definitions.

The following words and terms, when used in Chapter 22, shall have the following meanings, unless otherwise defined in a particular subchapter:

(1) Academic Year--The combination of semesters defined by a public or private institution of higher education to fulfill the federal "academic year" requirement as defined by 34 CFR 668.3.

(2) Attempted Semester Credit Hours--Every course in every semester for which a student has been registered as of the official Census Date, including but not limited to, repeated courses and courses the student drops and from which the student withdraws. For transfer students, transfer hours and hours for optional internship and cooperative education courses are included if they are accepted by the receiving institution towards the student's current program of study.

(3) Awarded--Offered to a student.

(4) Board ~~[or Coordinating Board]~~--The governing body of the agency known as the Texas Higher Education Coordinating Board ~~[The Texas Higher Education Coordinating Board]~~.

~~[(5) Board Staff--The staff of the Texas Higher Education Coordinating Board.]~~

(5) [(6)] Categorical Aid--Gift aid that the institution does not award to the student, but that the student brings to the school from a non-governmental third party.

(6) [(7)] Commissioner--~~[The]~~ Commissioner of Higher Education ~~[, the Chief Executive Officer of the Board]~~.

(7) Coordinating Board--The agency known as the Texas Higher Education Coordinating Board and its staff.

(8) Cost of Attendance/Total Cost of Attendance--An institution's estimate of the expenses incurred by a typical financial aid recipient in attending a particular institution of higher education. It includes direct educational costs (tuition and fees) as well as indirect costs (room and board, books and supplies, transportation, personal expenses, and other allowable costs for financial aid purposes).

(9) Credit--College credit earned through the successful completion of a college career and technical education or academic course that fulfills specific requirements necessary to obtain an industry-recognized credential, certificate, associate degree, or other academic degree.

(10) [(9)] Degree or certificate program of four years or less--A baccalaureate degree, associate degree, or certificate program other than a program determined by the Board to require four years or more ~~[less]~~ to complete.

(11) [(10)] Degree or certificate program of more than four years--A baccalaureate degree or certificate program determined by the Board to require more than four years to complete.

(12) [(11)] Encumber--Program funds that have been officially requested by an institution through procedures developed by the Coordinating Board.

(13) Equivalent of a semester credit hour-- A unit of measurement for a continuing education course, determined as a ratio of one continuing education unit to 10 contact

hours of instruction, which may be expressed as a decimal. 1.6 continuing education units of instruction equals one semester credit hour of instruction. In a continuing education course, not fewer than 16 contact hours are equivalent to one semester credit hour.

~~[(12) Entering undergraduate--A student enrolled in the first 30 semester credit hours or their equivalent, excluding hours taken during dual enrollment in high school and courses for which the student received credit through examination.]~~

(14) ~~[(13)]~~ Expected Family Contribution (EFC)-- A measure utilized to calculate a student's financial need as regulated and defined by the methodology used for federal student financial aid.

(15) ~~[(14)]~~ Financial Need--The Cost of Attendance at a particular public or private institution of higher education less the Expected Family Contribution. The Cost of Attendance and Expected Family Contribution are to be determined in accordance with Board guidelines.

(16) ~~[(15)]~~ Full-Time--For undergraduate students, enrollment or expected enrollment for the equivalent of twelve or more semester credit hours per semester. For graduate students, enrollment or expected enrollment for the normal full-time course load of the student's program of study as defined by the institution.

(17) ~~[(16)]~~ Gift Aid--Grants, scholarships, exemptions, waivers, and other financial aid provided to a student without a requirement to repay the funding or earn the funding through work.

(18) ~~[(17)]~~ Graduate student--A student who has been awarded a baccalaureate degree and is enrolled in coursework leading to a graduate or professional degree.

(19) ~~[(18)]~~ Half-Time--For undergraduates, enrollment or expected enrollment for the equivalent of at least six but fewer than nine semester credit hours per regular semester. For graduate students, enrollment or expected enrollment for the equivalent of 50 percent of the normal full-time course load of the student's program of study as defined by the institution.

(20) ~~[(19)]~~ Period of enrollment--The semester or semesters within the current state fiscal year (September 1 - August 31) for which the student was enrolled in an approved institution and met all eligibility requirements for an award through this program.

(21) ~~[(20)]~~ Program Officer--The individual named by each participating institution's chief executive officer to serve as agent for the Board. The Program Officer has primary responsibility for all ministerial acts required by the program, including the determination of student eligibility, selection of recipients, maintenance of all records, and preparation and submission of reports reflecting program transactions. Unless otherwise indicated by the institution's chief executive officer, the director of student financial aid shall serve as Program Officer.

(22) ~~[(21)]~~ Residency Core Questions--A set of questions developed by the Coordinating Board to be used to determine a student's eligibility for classification as a resident of Texas, available for downloading from the Coordinating Board's website, and incorporated into the ApplyTexas application for admission.

(23) ~~[(22)]~~ Resident of Texas--A resident of the State of Texas as determined in accordance with Chapter 21, Subchapter B of this title (relating to Determination of Resident Status). Nonresident students who are eligible to pay resident tuition rates are not residents of Texas.

(24) [~~(11)~~~~(23)~~] Semester--A payment period, as defined by 34 CFR 668.4(a) or 34 CFR 668.4(b)(1).

(25) Semester Credit Hour--A unit of measure of instruction, represented in intended learning outcomes and verified by evidence of student achievement, that reasonably approximates one hour of classroom instruction or direct faculty instruction and a minimum of two hours out of class student work for each week over a 15-week period in a semester system or the equivalent amount of work over a different amount of time. An institution is responsible for determining the appropriate number of semester credit hours awarded for its programs in accordance with Federal definitions, requirements of the institution's accreditor, and commonly accepted practices in higher education.

(26) [~~(24)~~] Three-Quarter-Time--For undergraduate students, enrollment or expected enrollment for the equivalent of at least nine but fewer than 12 semester credit hours per semester. For graduate students, enrollment or expected enrollment for the equivalent of 75 percent of the normal full-time course load of the student's program of study as defined by the institution.

(27) [~~(25)~~] Timely Distribution of Funds--Activities completed by institutions of higher education related to the receipt and distribution of state financial aid funding from the Board and subsequent distribution to recipients or return to the Board.

(28) [~~(26)~~] Undergraduate student--An individual who has not yet received a baccalaureate degree.

AGENDA ITEM VIII-D (18)

Consideration and possible action to adopt new Board Rules, Chapter 22, Subchapter M, Section 22.265, and amendments to Board Rules, Chapter 22, Subchapter M, Sections 22.254, 22.256-22.259, 22.261, 22.262, and 22.264, concerning the Texas Educational Opportunity Grant Program

RECOMMENDATION: Approval

Background Information:

The adopted amendments are necessary to implement the substantive changes upon which the Negotiated Rulemaking Committee on Texas Educational Opportunity Grant reached consensus (August 2, 2023).

Rule 22.254 is amended to add the definition of "certificate program." The negotiated rulemaking committee defined "certificate program" to acknowledge the role that certificate programs play in achieving the state's goals as outlined in Building a Talent Strong Texas. The definition provides institutions with greater flexibility to acknowledge the broadening range of credentials that support the success of Texans. The definition of "certificate program" is revised from what was published in the *Texas Register* and a definition for "technical and career education" is added. These changes are made to provide even greater clarity that certificate programs eligible for TEOG consideration may be offered through either academic courses or career and technical education courses.

Rule 22.254 is also amended to alter the definition of "entering undergraduate." The negotiated rulemaking committee increased the number of credit hours under which a student will be considered an entering undergraduate. The change provides eligible institutions with greater flexibility to acknowledge the variety of pathways that students may take to starting an associate degree or certificate program.

Rule 22.261 is amended to alter the calculation of the maximum grant program. The amended calculation recognizes both in-district and out-of-district resident students. The negotiated rulemaking committee views this change as a better representation of the grant calculation outlined in Texas Education Code, Section 56.407(a). The amendment will require an alteration to the manner in which institutions calculate a data element submitted through the Coordinating Board's Integrated Fiscal Reporting system which is used for this purpose. The rule is also amended to reflect the statutory change enacted by House Bill 8, 88th Texas Legislature, Regular Session. The amendment provides eligible institutions clarity regarding the statutory change and its effective date.

Rule 22.265 is added regarding the placement of text within subchapter M. The text captured in this section, related to Disbursement of Funds to Institutions, is being removed from §22.262 and §22.264 and added in §22.265 verbatim to maintain consistency in the rule structure used in the subchapters of chapter 22.

Rules 22.257 and 22.259 are amended to include language acknowledging semester credit hour equivalency and certificate programs. These acknowledgments exist throughout subchapter M but had been inadvertently left out of these two rules.

Rules 22.256, 22.258, 22.262, and 22.264 are amended to make non-substantive changes that correct grammar, improve consistency, and remove outdated references.

The rules will be republished to capture changes to the proposed text regarding the correction of references to the phrase “Coordinating Board” to align with amendments being adopted in Rule 22.1 in conjunction with this negotiated rulemaking effort.

Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, will present this item and be available to answer questions.

Dates Published in the *Texas Register*: October 13 and November 3, 2023.

The 30-day comment periods with the *Texas Register* ended on: November 12 and December 3, 2023.

Two comments were received regarding the amendments to these rules.

Comment: A comment was received recommending that the Coordinating Board further define a “half-time” contact hour equivalency specifically for continuing education students pursuing certificates or short-term credentials.

Response: Amendments being adopted in Rule 22.1 in conjunction with this negotiated rulemaking effort provide the definition for the “equivalent of a semester credit hour.” The Coordinating Board has determined that this new definition, in combination with the existing definition of “half-time” in Rule 22.1, adequately accomplishes the intended goal of the comment. As such, no change is being made in response to this comment.

Comment: A comment was received recommending the Coordinating Board change all references to “expected family contribution” with references to “student aid index,” in response to changes in terminology occurring at the federal level.

Response: In May 2023, Rule 22.1 was amended to update the definition of “expected family contribution” for the entirety of Title 19, Part 1, Chapter 22. The definition now reads as follows, “A measure utilized to calculate a student's financial need as regulated and defined by the methodology used for federal student financial aid.” The Coordinating Board has determined that this updated definition accomplished the goal of reflecting the changes in the

new terminology in the federal methodology. As such, no change is being made in response to this comment.

CHAPTER 22 STUDENT FINANCIAL AID PROGRAMS

SUBCHAPTER M TEXAS EDUCATIONAL OPPORTUNITY GRANT PROGRAM

§22.254. Definitions.

In addition to the words and terms defined in §22.1 of this chapter (relating to Definitions), the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Career and Technical Education Course--A workforce or continuing education college course offered by an institution of higher education for which a high school student may earn credit toward satisfaction of a requirement necessary to obtain an industry-recognized credential, certificate, or associate degree.

(A) A career and technical education course is listed in the Workforce Education Course Manual (WECM).

(B) For the purpose of this subchapter, this definition excludes:

(i) an avocational course;

(ii) a continuing education course that is ineligible for conversion as articulated college credit; and

(iii) a continuing education course that does not meet the institution's program or instructor accreditation standards.

(2) Certificate Program--For purposes of the Texas Educational Opportunity Grant Program, Level 1 and Level 2 certificates, Occupational Skills Awards, and other credentials of value as defined in §13.472 of this chapter (relating to Definitions). These include programs offered through academic courses or career and technical education courses, as defined in paragraph (1).

(3) [(4)] Continuation Award--A grant awarded to a person who has previously received an initial year award.

(4) Entering undergraduate--A student enrolled in the first 45 semester credit hours or their equivalent, excluding hours taken during dual enrollment in high school and courses for which the student received credit through examination.

(5) [(2)] Forecast--The FORECAST function in Microsoft Excel.

(6) [(3)] Grant--Funds awarded to a student through the Texas Educational Opportunity Grant Program.

(7) [(4)] Initial year award--The grant award made in the student's first year in the Program.

(8) [(5)] Program--The Texas Educational Opportunity Grant Program.

§22.256. Eligible Students.

(a) To receive an initial year award through the Program, a student must:

- (1) be a resident of Texas;
- (2) show financial need;
- (3) have applied for any available financial aid assistance;
- (4) be enrolled at a participating institution on at least a half-time basis as an entering student ~~[which is a student enrolled in the first 30 semester credit hours or their equivalent, excluding hours taken during dual enrollment in high school and courses for which the student received credit through examination];~~ and
- (5) be enrolled in an associate degree or certificate program at a participating institution.

(b) To receive a continuation award through the Program, a student must:

- (1) have previously received an initial year award through this program;
- (2) show financial need;
- (3) be enrolled on at least a half-time basis;
- (4) be enrolled in an associate degree or certificate program at an eligible institution; and
- (5) make satisfactory academic progress towards an associate degree or certificate, as defined in §22.257 of this subchapter (relating to Satisfactory Academic Progress).

§22.257. Satisfactory Academic Progress.

(a) Eligibility at End of Initial Year Award. Students who complete their first year receiving a grant in compliance with their institutions' financial aid academic progress requirements are eligible to receive continuation awards in the following year if they meet the other requirements listed in §22.256 of this subchapter (relating to Eligible Students).

(b) Eligibility at End of a Continuation Award. Students shall, unless granted a hardship provision in accordance with §22.259 of this subchapter (relating to Hardship Provisions), as of the end of an academic year in which the student receives a continuation award:

(1) complete at least 75% of the semester credit hours or their equivalent attempted in the student's most recent academic year; and

(2) maintain an overall cumulative grade point average of at least 2.5 on a four-point scale or its equivalent.

(c) The calculation of a student's GPA is to be completed in accordance with Subchapter A of this chapter (relating to General Provisions).

(d) The completion rate calculations may be made in keeping with institutional policies.

§22.258. Discontinuation of Eligibility or Non-Eligibility.

(a) A student may not receive a grant while concurrently receiving a TEXAS Grant.

(b) A student may not receive a grant after having been granted an associate or baccalaureate degree.

(c) A student's eligibility for the program ends once a student has attempted 75 semester credit hours or the equivalent, unless the student is granted a hardship extension in accordance with §22.259 of this subchapter (relating to Hardship Provisions).

(d) A student's eligibility for the program ends four years from the start of the semester in which the student received an initial year award, unless the student is granted a hardship extension in accordance with §22.259 of this subchapter.

(e) A person is not eligible to receive a grant if the person has been convicted of a felony or an offense under Chapter 481, Health and Safety Code (Texas Controlled Substances Act), or under the law of any other jurisdiction involving a controlled substance as defined by Chapter 481, Health and Safety Code, unless the person has met the other applicable eligibility requirements under this subchapter and has:

(1) received a certificate of discharge by the Texas Department of Criminal Justice or a correctional facility or completed a period of probation ordered by a court, and at least two years have elapsed from the date of the receipt or completion; or

(2) been pardoned, had the record of the offense expunged from the person's record, or otherwise been released from the resulting ineligibility to receive a grant.

(f) Other than as described in §22.259 of this subchapter, if a person fails to meet any of the requirements for receiving a continuation award as outlined in §22.256 of this subchapter (relating to Eligible Students) after completion of any year, the person may not receive a grant until after completing a semester of at least half-time coursework while not receiving a grant and meeting ~~[meets]~~ all the requirements of §22.256 of this subchapter as of the end of that semester.

§22.259. Hardship Provisions.

(a) In the event of a hardship or for other good cause, the Program Officer at a participating institution may allow an otherwise eligible student to receive a grant;

(1) while maintaining a grade point average below the required level, as defined in §22.257 of this subchapter (relating to Satisfactory Academic Progress);

(2) while maintaining a completion rate below the required level, as defined in §22.257 of this subchapter;

(3) while enrolled less than half time;

(4) while enrolled in semester credit hours in excess of the attempted hour limit, as defined in §22.258(c) of this subchapter (relating to Discontinuation of Eligibility and Non-Eligibility), though the total number of semester credit hours paid for, at least in part, with program funding may not exceed 75 or its equivalent; or

(5) while enrolled beyond the time limit restrictions, as defined in §22.258(d) of this subchapter.

(b) Hardship conditions may include, but are not limited to:

(1) a showing of a severe illness or other debilitating condition that may affect the student's academic performance;

(2) an indication that the student is responsible for the care of a sick, injured, or needy person and that the student's provision of care may affect his or her academic performance; or

(3) the requirement of fewer than six semester credit hours or their equivalent to complete one's degree or certificate plan.

(c) Documentation of the hardship circumstances approved for a student to receive a grant must be kept in the student's files, and the institution must identify students approved for a grant based on a hardship to the Coordinating Board, so that it may appropriately monitor each student's period of eligibility.

(d) Each institution shall adopt a hardship policy under this section and have the policy available in writing in the financial aid office for public review upon request.

§22.261. Grant Amounts [and Adjustments].

(a) Funding. Funds awarded through this program may not exceed the amount of appropriations, grants, and other funds that are available for this use.

(b) Grant Amounts.

(1) The amount of a grant may not be reduced by any gift aid for which the person receiving the grant is eligible, unless the total amount of a person's grant plus any gift aid received exceeds the student's cost of attendance. However, no student's grant shall be greater than the amount of the student's financial need.

(2) The Coordinating Board shall determine and announce the maximum grant amount in a given state fiscal year by January 31 of the prior fiscal year. The calculation of the maximum grant amount for a semester will be based on the average statewide amount of tuition and required fees at eligible institutions that a ~~[an in-district]~~ resident student enrolled full-time in an associate degree or certificate program measured in semester credit hours would be charged for that semester (Texas Education Code, §56.407).

(3) In determining the maximum grant amount, the average amount of tuition and required fees is determined by institution type (public junior colleges, public state colleges, and public technical institutes) [for an in-district resident student enrolled full-time in an associate degree or certificate program], utilizing the most recent Integrated Fiscal Reporting System reports to project the value.

(c) An approved institution may not charge a person receiving a grant through that institution an amount of tuition and required fees in excess of the grant received by the person. Nor may it deny admission to or enrollment in the institution based on a person's eligibility to receive or actual receipt of a grant. If an institution's tuition and fee charges exceed the grant, it may address the shortfall in one of two ways:

(1) it may use other available sources of financial aid ~~[, other than a loan or Pell grant]~~ to cover any difference in the amount of the grant and the student's actual amount of tuition and required fees at the institution, provided that:

(A) for grants offered for semesters prior to the 2024 fall semester, the other available sources of financial aid do not include a loan or Pell Grant; and

(B) for grants offered beginning with the 2024 fall semester, the other available sources of financial aid do not include a loan; or

(2) it may waive the excess charges for the student. However, if a waiver is used, the institution may not report the recipient's tuition and fees in a way that would increase the general revenue appropriations to the institution.

(d) Grant calculations ~~[Adjustments to grants and late disbursements]~~ are to be completed in accordance with Subchapter A of this chapter (relating to General Provisions).

§22.262. Allocation ~~[and Disbursement]~~ of Funds - Public Junior Colleges.

(a) ~~[Allocations for public junior colleges for Fiscal Year 2016 and Later.]~~ Allocations are to be determined on an annual basis as follows:

(1) The allocation base for each eligible institution will be the number of students it reported in the most recent certified Financial Aid Database submission who met the following criteria:

(A) were classified as Texas residents,

(B) were enrolled as undergraduates in an associate degree or certificate program half-time, three-quarter time or full-time, and

(C) have a 9-month Expected Family Contribution, calculated using federal methodology, less than or equal to the Federal Pell Grant eligibility Expected Family Contribution cap for the year reported in the Financial Aid Database submission.

(2) Each institution's percent of the available funds will equal its percent of the state-wide need as determined by multiplying each institution's enrollments by the respective award maximums of students who meet the criteria in subsection (a)(1) of this section.

(3) Allocations ~~[Beginning with allocations for Fiscal Year 2020, allocations]~~ for both years of the state appropriations' biennium will be completed at the same time. The three most recent certified Financial Aid Database submissions will be utilized to forecast the data utilized in the calculation of the allocation for the second year of the biennium. Institutions will receive notification of their allocations for both years of the biennium at the same time.

(4) Allocation calculations will be shared with all participating institutions for comment and verification prior to final posting and the institutions will be given 10 working days, beginning the day of the notice's distribution and excluding State holidays, to confirm that the allocation report accurately reflects the data they submitted or to advise the Coordinating Board ~~[staff]~~ of any inaccuracies.

~~[(b) Disbursement of Funds to Institutions. As requested by institutions throughout the academic year, the Board shall forward to each participating institution a portion of its allocation of funds for timely disbursement to students. Institutions will have until the close of business on August 1, or the first working day thereafter if it falls on a weekend or holiday, to encumber program funds from their allocation. After that date, institutions lose claim to any funds in the current fiscal year not yet drawn down from the Board for timely disbursement to students. Funds released in this manner in the first year of the biennium become available to the institution for use in the second year of the biennium. Funds released in this manner in the second year of the biennium become available to the Board for utilization in grant processing. Should these unspent funds result in additional funding available for the next biennium's program, revised allocations, calculated according to the allocation methodology outlined in this rule, will be issued to participating institutions during the fall semester.]~~

(b) ~~[(e)]~~ Reductions in Funding.

(1) If annual funding for the program is reduced after the start of a fiscal year, the Coordinating Board may take steps to help distribute the impact of reduced funding across all participating institutions by an across-the-board percentage decrease in all institutions' allocations.

(2) If annual funding is reduced prior to the start of a fiscal year, the Coordinating Board may recalculate the allocations according to the allocation methodology outlined in this rule for the affected fiscal year based on available dollars.

§22.264. Allocation ~~[and Disbursement]~~ of Funds - Public Technical and State Colleges.

(a) ~~[Allocations for public technical colleges and public state colleges for Fiscal Year 2016 and Later.]~~ Allocations are to be determined on an annual basis as follows:

(1) The allocation base for each eligible institution will be the number of students it reported in the most recent certified Financial Aid Database submission who met the following criteria:

(A) were classified as Texas residents;

(B) were enrolled as undergraduates in an associate degree or certificate program half-time, three-quarter time, or full-time; and

(C) have a 9-month Expected Family Contribution, calculated using federal methodology, less than or equal to the Federal Pell Grant eligibility Expected Family Contribution cap for the year reported in the Financial Aid Database submission.

(2) Each institution's percent of the available funds will equal its percent of the state-wide need as determined by multiplying each institution's enrollments by the respective award maximums of students who meet the criteria in subsection paragraph (1) of this subsection.

(3) Allocations ~~[Beginning with allocations for Fiscal Year 2020, allocations]~~ for both years of the state appropriations' biennium will be completed at the same time. The three most recent certified Financial Aid Database submissions will be utilized to forecast the data utilized in the calculation of the allocation for the second year of the biennium. Institutions will receive notification of their allocations for both years of the biennium at the same time.

(4) Verification of Data. Allocation calculations will be shared with all participating institutions for comment and verification prior to final posting, and the institutions will be given 10 working days, beginning the day of the notice's distribution and excluding State holidays, to confirm that the allocation report accurately reflects the data they submitted or to advise the Coordinating Board ~~[staff]~~ of any inaccuracies.

~~[(b) Disbursement of Funds to Institutions. As requested by institutions throughout the academic year, the Board shall forward to each participating institution a portion of its allocation of funds for timely disbursement to students. Institutions will have until the close of business on August 1, or the first working day thereafter if it falls on a weekend or holiday, to encumber program funds from their allocation. After that date, institutions lose claim to any funds in the current fiscal year not yet drawn down from the Board for timely disbursement to students. Funds released in this manner in the first year of the biennium become available to the institution for use in the second year of the biennium. Funds released in this manner in the second year of the biennium become available to the Board for utilization in grant processing. Should these unspent funds result in additional funding available for the next biennium's program, revised allocations, calculated according to the allocation methodology outlined in this rule, will be issued to participating institutions during the fall semester.]~~

(b) ~~[(e)]~~ Reductions in Funding.

(1) If annual funding for the program is reduced after the start of a fiscal year, the Coordinating Board may take steps to help distribute the impact of reduced

funding across all participating institutions by an across-the-board percentage decrease in all institutions' allocations.

(2) If annual funding is reduced prior to the start of a fiscal year, the Coordinating Board may recalculate the allocations according to the allocation methodology outlined in this rule for the affected fiscal year based on available dollars.

§22.265. Disbursement of Funds to Institutions.

As requested by institutions throughout the academic year, the Coordinating Board shall forward to each participating institution a portion of its allocation of funds for timely disbursement to students. Institutions will have until the close of business on August 1, or the first working day thereafter if it falls on a weekend or holiday, to encumber program funds from their allocation. After that date, institutions lose claim to any funds in the current fiscal year not yet drawn down from the Coordinating Board for timely disbursement to students. Funds released in this manner in the first year of the biennium become available to the institution for use in the second year of the biennium. Funds released in this manner in the second year of the biennium become available to the Coordinating Board for utilization in grant processing. Should these unspent funds result in additional funding available for the next biennium's program, revised allocations, calculated according to the allocation methodology outlined in this rule, will be issued to participating institutions during the fall semester.

AGENDA ITEM VIII-D (19)

Consideration and possible action to adopt amendments to Board Rules, Chapter 23, Subchapter D, Sections 23.93-23.101, concerning Loan Repayment Program for Mental Health Professionals

RECOMMENDATION: Approval

Background Information:

These amendments align the eligible specialties, selection of recipients, eligibility for the program, and amount of repayment assistance in the Mental Health Professionals Loan Repayment Program with statutory changes enacted by House Bill (HB) 1211, HB 2100, and Senate Bill (SB) 532, 88th Texas Legislature, Regular Session. The amendments also delineate between applicants who first establish eligibility for the program before September 1, 2023, and applicants who first establish eligibility for the program on or after September 1, 2023, as required. The amendments also include nonsubstantive changes to align text.

Rule 23.93 amends the description of the purpose of the program to align with the program's expansion.

Rule 23.94 amends definitions for words and terms within the Mental Health Professionals Loan Repayment Program rules. Specifically, definitions for community-based mental health services, local mental health authority, state hospitals, and Title I schools are added, and the definition of full-time service is amended, as these changes are necessary for the understanding and administration of additional eligibility.

Rule 23.95 amends the list of eligible practice specialties, adding licensed specialist in school psychology.

Rule 23.96 amends the requirements for conditional approval into the program. The amendment adds the requirements for mental health professionals who provide mental health services to patients in state hospitals, individuals receiving community-based mental health services from a local mental health authority, or students enrolled in an eligible district or school.

Rule 23.97 amends the selection process within each practice specialty to account for applications from mental health professionals who provide mental health services to patients in state hospitals that may not be located in Mental Health Professional Shortage Areas.

Rule 23.98 amends the requirements to receive disbursements of loan repayment assistance. The amendment delineates between the requirements for licensed specialists in school psychology and the requirements for other providers.

Rule 23.100 amends the amount of repayment assistance a participant may receive through the program. The rule also amends the percentage of the maximum funding that a participant may receive for each year of participation in the program.

Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, will present this item and be available to answer questions.

Date Published in the *Texas Register*: October 27, 2023

The 30-day comment period with the *Texas Register* ended on: November 26, 2023.

The following comments were received regarding this rule:

Comment: An association indicated that the proposed amendments fail to address the limitations on providing funding to licensed marriage and family therapists, as dictated by Texas Education Code, Section 61.604(d)-(e).

Response: The Coordinating Board acknowledges that the rules lack clarity regarding the limitation of funding for licensed marriage and family therapists. As such, Rule 23.97(d) and 23.97(e) have been updated to reflect that they apply to eligible practice subspecialties other than licensed marriage and family therapists, and Rule 23.97(f) has been added regarding situations when available funding allows for licensed marriage and family therapists to receive funding through the program.

Comment: An association noted that the published text in Rules 23.98(a)(1) and 23.98(b)(1) did not match the current text in the Texas Education Code, nor did it indicate that the text was changing.

Response: The Coordinating Board acknowledges the error in the published text. No change was intended for these two subsections, and the adopted rule corrects this error to reflect the current text in the Education Code for the two subsections indicated.

CHAPTER 23 EDUCATION LOAN REPAYMENT PROGRAMS

SUBCHAPTER D LOAN REPAYMENT PROGRAM FOR MENTAL HEALTH PROFESSIONALS

§23.93. Authority and Purpose.

(a) Authority. Authority for this subchapter is provided in the Texas Education Code, Chapter 61, Subchapter K, Repayment of Certain Mental Health Professional Education Loans. These rules establish procedures to administer the subchapter as prescribed in the Texas Education Code, §§61.601 - 61.609.

(b) Purpose. The ~~[primary]~~ purpose of the Loan Repayment Program for Mental Health Professionals is to encourage qualified mental health professionals to provide services to designated recipients [practice] in a mental health professional shortage area or state hospital, through a mental health authority, or to students in eligible schools [designated by the U. S. Department of Health and Human Services, and provide mental health care services to recipients under the medical assistance program authorized by the Texas Human Resources Code, Chapter 32, and to enrollees under the child health plan program authorized by the Texas Health and Safety Code, Chapter 62].

§23.94. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Board Staff --The staff of the Texas Higher Education Coordinating Board.

(2) CHIP--The Children's Health Insurance Program, authorized by the Texas Health and Safety Code, Chapter 62.

(3) Community-Based Mental Health Services--The services found under Subchapter B, Chapter 534, Health and Safety Code.

(4) [(3)] Full-time Service--Employed or contracted full-time (at least 32 hours per week for providers participating only in the state-funded program, or at least 40 hours per week for providers participating in both the state funded program and the SLRP [providers]) by an agency or facility [in a mental health professional shortage area] for the primary purpose of providing direct mental health services to:

(A) in a mental health professional shortage area ~~[Medicaid recipients]:~~

(i) Medicaid recipients:

(ii) CHIP enrollees:

(iii) persons in facilities operated by or under contract with the Texas Juvenile Justice Department; and/or

(iv) persons in facilities operated by or under contract with the Texas Department of Criminal Justice; or

(B) patients in state hospitals; [CHIP-enrollees;]

(C) individuals receiving community-based mental health services from a local mental health authority; and/or [~~persons in facilities operated by or under contract with the Texas Juvenile Justice Department; and/or~~]

(D) students enrolled in an eligible district or school. [~~persons in facilities operated by or under contract with the Texas Department of Criminal Justice;~~]

(5) Local Mental Health Authority--as defined in Texas Health and Safety Code, §531.002.

(6) [(5)] Medicaid--The medical assistance program authorized by Chapter 32, Human Resources Code.

(7) [(4)] MHPSAs--Mental Health Professional Shortage Areas (MHPSAs) are designated by the U.S. Department of Health and Human Services (HHS) as having shortages of mental health providers and may be geographic (a county or service area), demographic (low income population), or institutional (comprehensive health center, federally qualified health center, or other public facility). Designations meet the requirements of Sec. 332 of the Public Health Service Act, 90 Stat. 2270-2272 (42 U.S.C. 254e). Texas MHPSAs are recommended for designation by HHS based on analysis of data by the Department of State Health Services.

(8) [(7)] Psychiatrist--A licensed physician who is a graduate of an accredited psychiatric residency training program.

(9) [(6)] Service Period--A period of 12 consecutive months qualifying a mental health professional for loan repayment.

(10) SLRP--A grant provided by the Health Resources and Services Administration to assist states in operating their own State Loan Repayment Program (SLRP) for primary care providers working in Health Professional Shortage Areas (HPSA).

(11) State Hospital--Facilities found under §552.0011, Health and Safety Code.

(12) Title I School--Texas public schools that receive federal funding under Title I, Elementary and Secondary Education Act of 1965 (20 U.S.C. §6301 et seq.).

§23.95. Eligible Practice Specialties.

For purposes of this subchapter, the following mental health providers may apply for enrollment in the program:

- (1) a psychiatrist;
- (2) a psychologist, as defined by §501.002, Occupations Code;
- (3) a licensed professional counselor, as defined by §503.002, Occupations Code;
- (4) an advanced practice registered nurse, as defined by §301.152, Occupations Code, who holds a nationally recognized board certification in psychiatric or mental health nursing;
- (5) a licensed clinical social worker, as defined by §505.002, Occupations Code;
- (6) a licensed specialist in school psychology, as defined by §501.002, Occupations Code;
- (7) ~~[(6)]~~ a licensed chemical dependency counselor, as defined by §504.001, Occupations Code; and
- (8) ~~[(7)]~~ a licensed marriage and family therapist, as defined by §502.002, Occupations Code.

§23.96. Eligibility for Conditional Approval of Applications.

(a) To be eligible for the Board staff to reserve loan repayment funds, a mental health professional must:

- (1) ensure that the Board staff has received the completed application by the established deadline, which will be posted on the program web page;
- (2) be a U.S. citizen or a Legal Permanent Resident and have no license restrictions;
- (3) not be currently fulfilling another obligation to provide mental health services as part of a scholarship agreement, a student loan agreement, or another student loan repayment agreement. ~~[;]~~
- ~~[(4) agree to provide five consecutive years of eligible service in a Mental Health Professional Shortage Area, with the understanding that the professional will be released from the agreement if funding for continued loan repayment is not appropriated; and]~~

~~[(5) agree to provide mental health services to:]~~

~~[(A) Individuals enrolled in Medicaid or CHIP or both; or]~~

~~[(B) persons committed to a secure correctional facility operated by or under contract with the Texas Juvenile Justice Department or persons confined in a secure correctional facility operated by or under contract with any division of the Texas Department of Criminal Justice.]~~

(b) For applicants who first establish eligibility for the program before September 1, 2023, a mental health professional must:

(1) agree to provide five consecutive years of eligible service in a Mental Health Professional Shortage Area, with the understanding that the professional will be released from the agreement if funding for continued loan repayment is not appropriated; and

(2) agree to provide mental health services to:

(A) Individuals enrolled in Medicaid or CHIP or both; or

(B) persons committed to a secure correctional facility operated by or under contract with the Texas Juvenile Justice Department or persons confined in a secure correctional facility operated by or under contract with any division of the Texas Department of Criminal Justice.

(c) For applicants who first establish eligibility for the program on or after September 1, 2023, a mental health professional must:

(1) agree to provide three consecutive years of eligible service in a Mental Health Professional Shortage Area, with the understanding that the professional will be released from the agreement if funding for continued loan repayment is not appropriated; and

(2) agree to provide mental health services to:

(A) Individuals enrolled in Medicaid or CHIP or both; or

(B) persons committed to a secure correctional facility operated by or under contract with the Texas Juvenile Justice Department or persons confined in a secure correctional facility operated by or under contract with any division of the Texas Department of Criminal Justice.

(d) Notwithstanding subsection (c), for applicants who first establish eligibility for the program on or after September 1, 2023, who provide mental health services to patients in state hospitals, individuals receiving community-based mental health services from a local mental

health authority, or students enrolled in an eligible district or school, a mental health professional must agree to provide three consecutive years of eligible service as outlined in §23.98 of this subchapter (relating to Eligibility for Disbursement of Loan Repayment Assistance).

§23.97. Selection of Eligible Applicants and Limitations.

(a) Each fiscal year an application deadline will be posted on the program web page.

(b) Not more than 10 percent of the number of repayment assistance grants paid under this subchapter each year may be awarded to mental health professionals providing mental health services to persons committed to a secure correctional facility operated by or under contract with the Texas Juvenile Justice Department or persons confined in a secure correctional facility operated by or under contract with any division of the Texas Department of Criminal Justice. Applications from these professionals will be selected on a first-come-first-served basis.

(c) Not more than 30 percent of the number of repayment assistance grants paid under this subchapter each fiscal year may be awarded to mental health professionals in any one of the eligible practice specialties, unless excess funds remain available after the 30 percent maximum has been met.

(d) For ~~[each practice specialty]~~ practice specialties outlined in subsections 23.95(1)-(7), applications will be ranked in order of the following priorities:

(1) providers who benefitted from awards the previous year;

(2) providers who sign SLRP ~~[SLFP]~~ contracts;

(3) providers whose employers are located in areas having MHPSA scores that reflect the highest degrees of shortage. If a provider works for an agency located in an MHPSA that has satellite clinics and the provider works in more than one of the clinics, the highest MHPSA score where the provider works shall apply. If a provider travels to make home visits, the provider's agency base location and its MHPSA score shall apply. If a provider works for different employers in multiple MHPSAs having different degrees of shortage, the location having the highest MHPSA score shall apply;

(4) providers in state hospitals;

(5) ~~[(4)]~~ providers whose employers are located in rural areas, if, in the case of providers serving at multiple sites, at least 75% of their work hours are spent serving in those areas; and

(6) ~~[(5)]~~ providers whose applications were received on the earliest dates.

(e) If funds remain available after loan repayment awards have been reserved for applicants selected according to the criteria stated in subsection (d) of this section, applications for practice specialties outlined in subsections 23.95(1)-(7) will be ranked in order of the following priorities, regardless of the applicant's practice specialty:

(1) providers whose employers are located in areas having MHPSA scores that reflect the highest degrees of shortage. If a provider works for an agency located in an MHPSA that has satellite clinics and the provider works in more than one of the clinics, the highest MHPSA score where the provider works shall apply. If a provider travels to make home visits, the provider's agency base location and its MHPSA score shall apply. If a provider works for different employers in multiple MHPSAs having different degrees of shortage, the location having the highest MHPSA score shall apply;

(2) providers whose employers are located in rural areas, if, in the case of providers serving at multiple sites, at least 75% of their work hours are spent serving in those areas; and

(3) providers whose applications were received on the earliest dates.

(f) If funds remain available after loan repayment awards have been reserved for applicants selected according to the criteria stated in subsection (e) of this section, applications for practice specialties outlined in subsection 23.95(8), will be ranked in order of the providers whose applications were received on the earliest dates.

(g) ~~[(f)]~~ If state funds are not sufficient to allow for maximum award amounts stated in ~~§23.100 [§23.100(2) and (3)]~~ of this ~~subchapter [title]~~ (relating to Amount of Repayment Assistance) for all eligible applicants, the Board ~~staff~~ may adjust in an equitable manner the state-funded distribution amounts for a fiscal year, in accordance with TEC 61.607(d).

§23.98. Eligibility for Disbursement of Loan Repayment Assistance.

(a) To be eligible to receive loan repayment assistance as a mental health professional who first established eligibility for the program before September 1, 2023, a mental health provider must:

(1) have completed one, two, three, four, or five consecutive years of practice in an MHPSA providing direct patient care to Medicaid enrollees and/or CHIP enrollees, if the practice serves children, or to persons committed to a secure correctional facility operated by or under contract with the Texas Juvenile Justice Department or its successor or in a secure correctional facility operated by or under contract with any division of the Texas Department of Criminal Justice or its successor; and

(2) after an award is disbursed for a third consecutive year of service, a psychiatrist must have earned certification from the American Board of Psychiatry and Neurology

or the American Osteopathic Board of Psychiatry and Neurology to qualify for continued loan repayment assistance.

(b) To be eligible to receive loan repayment assistance as a mental health professional who first established eligibility for the program on or after September 1, 2023, a mental health provider must have completed one, two, or three consecutive years of practice:

(1) in an MHPSA providing direct patient care to Medicaid enrollees and/or CHIP enrollees, if the practice serves children, or to persons committed to a secure correctional facility operated by or under contract with the Texas Juvenile Justice Department or its successor or in a secure correctional facility operated by or under contract with any division of the Texas Department of Criminal Justice or its successor;

(2) providing mental health services to patients in a state hospital; or

(3) to individuals receiving community-based mental health services from a local mental health authority.

(c) Notwithstanding subsection (b), to be eligible to receive loan repayment assistance as a specialist in school psychology as outlined under §23.95(6) of this subchapter (relating to Eligible Practice Specialties), the mental health professional must:

(1) have completed one, two, or three consecutive years of employment in:

(A) a school district which is located partially or completely in a MHPSA;

(B) an open-enrollment charter school located in a MHPSA; or

(C) a Title I school; and

(2) have provided mental health services to students enrolled in that district or school during that time of employment.

§23.99. Eligible Lender and Eligible Education Loan.

(a) The Board staff shall retain the right to determine the eligibility of lenders and holders of education loans to which payments may be made. An eligible lender or holder shall, in general, make or hold education loans made to individuals for purposes of undergraduate, graduate, and professional education of the mental health professional and shall not be any private individual. An eligible lender or holder may be, but is not limited to, a bank, savings and loan association, credit union, institution of higher education, secondary market, governmental agency, or private foundation. A credit card debt is not considered an educational loan eligible for repayment.

(b) To be eligible for repayment, an education loan must:

- (1) be evidenced by a promissory note for loans to pay for the cost of attendance for the undergraduate, graduate, or professional education of the individual applying for repayment assistance;
- (2) not have been made during residency or to cover costs incurred after completion of graduate or professional education;
- (3) not be in default at the time of the professional's application;
- (4) not have an existing obligation to provide service for loan forgiveness through another program;
- (5) not be subject to repayment through another student loan repayment or loan forgiveness program or as a condition of employment; and
- (6) if the loan was consolidated with other loans, the applicant must provide documentation of the portion of the consolidated debt that was originated to pay for the cost of attendance for his or her undergraduate, graduate, or medical education.

§23.100. Amount of Repayment Assistance.

(a) Loan repayment awards will be disbursed directly to lenders on behalf of eligible mental health professionals. ~~[and:]~~

~~[(1) Repayment assistance for each year of full-time service will be in an amount determined by applying the following applicable percentage to the maximum total amount of assistance allowed for the professional:]~~

~~[(A) for the first year, 10 percent;]~~

~~[(B) for the second year, 15 percent;]~~

~~[(C) for the third year, 20 percent]~~

~~[(D) for the fourth year, 25 percent; and]~~

~~[(E) for the fifth year, 30 percent.]~~

~~[(2) The total amount of state appropriated repayment assistance received by a mental health professional under this subchapter may not exceed:]~~

~~[(A) \$160,000, for a psychiatrist;]~~

~~[(B) \$80,000, for:]~~

~~[(i) a psychologist;]~~

~~[(ii) a licensed clinical social worker, if the social worker has received a doctoral degree related to social work; or]~~

~~[(iii) a licensed professional counselor, if the counselor has received a doctoral degree related to counseling; or]~~

~~[(iv) a licensed marriage and family therapist, if the marriage and family therapist had received a doctoral degree related to marriage and family therapy;]~~

~~[(C) \$60,000, for an advanced practice registered nurse;]~~

~~[(D) \$40,000, for a licensed clinical social worker, a licensed marriage and family therapist, or a licensed professional counselor who has not received a doctoral degree related to social work or counseling; and]~~

~~[(E) \$10,000, for assistance received by a licensed chemical dependency counselor, if the chemical dependency counselor has received an associate degree related to chemical dependency counseling or behavioral science.]~~

~~[(3) If a mental health provider's total student loan indebtedness is less than the total amount of repayment assistance allowed for the provider's practice specialty, the annual loan repayment award amounts based on full-time service will be the following percentages of the student loan debt owed at the time of application for enrollment in the program:]~~

~~[(4) An eligible professional may receive prorated loan repayment assistance based on the percentage of full-time service provided for each service period, for a minimum of 20 hours per week if employed or contracted by an agency or facility in a mental health professional shortage area for the primary purpose of providing direct mental health services to:]~~

~~[(A) Medicaid recipients;]~~

~~[(B) CHIP enrollees;]~~

~~[(C) persons in facilities operated by or under contract with the Texas Juvenile Justice Department; and/or,]~~

~~[(D) persons in facilities operated by or under contract with the Texas Department of Criminal Justice.]~~

~~[(5) Failure to meet the program requirements will result in non-payment for the applicable service period(s) and, except under circumstances determined by the Board to constitute good cause, removal from the program.]~~

(b) Repayment assistance for each year of full-time service for mental health professionals who first established eligibility for the program before September 1, 2023, will be in an amount determined by applying the following applicable percentage to the maximum total amount of assistance allowed for the professional:

(1) for the first year, 10 percent;

(2) for the second year, 15 percent;

(3) for the third year, 20 percent;

(4) for the fourth year, 25 percent; and

(5) for the fifth year, 30 percent.

(c) Repayment assistance for each year of full-time service for mental health professionals who first established eligibility for the program on or after September 1, 2023, will be in an amount determined by applying the following applicable percentage to the maximum total amount of assistance allowed for the professional:

(1) for the first year, 33.33 percent;

(2) for the second year, 33.33 percent; and

(3) for the third year, 33.34 percent.

(d) The total amount of state appropriated repayment assistance received by a mental health professional under this subchapter may not exceed:

(1) \$160,000, for a psychiatrist;

(2) \$80,000, for:

(A) a psychologist;

(B) a licensed clinical social worker, if the social worker has received a doctoral degree related to social work;

(C) a licensed professional counselor, if the counselor has received a doctoral degree related to counseling; or

(D) a licensed marriage and family therapist, if the marriage and family therapist had received a doctoral degree related to marriage and family therapy;

(3) \$60,000, for an advanced practice registered nurse;

(4) \$40,000, for a licensed specialist in school psychology, a licensed clinical social worker, a licensed marriage and family therapist, or a licensed professional counselor who has not received a doctoral degree related to social work or counseling; and

(5) \$10,000, for assistance received by a licensed chemical dependency counselor, if the chemical dependency counselor has received an associate degree related to chemical dependency counseling or behavioral science.

(e) If a mental health provider's total student loan indebtedness is less than the total amount of repayment assistance allowed for the provider's practice specialty, the annual loan repayment award amounts based on full-time service will be the following percentages of the student loan debt owed at the time of application for enrollment in the program:

(1) For mental health professionals who first established eligibility for the program before September 1, 2023, amounts are 10% for year one, 15% for year two, 20% for year three, 25% for year four, and 30% for year five.

(2) For mental health professionals who first established eligibility for the program on or after September 1, 2023, amounts are 33.33% for year one, 33.33% for year two, and 33.34% for year three.

(f) An eligible professional may receive prorated loan repayment assistance based on the percentage of full-time service provided for each service period, for a minimum of 20 hours per week.

(g) Failure to meet the program requirements will result in non-payment for the applicable service period(s) and, except under circumstances determined by the Board staff to constitute good cause, removal from the program.

§23.101. Dissemination of Information.

The Board staff shall disseminate information about the Mental Health Professional Education Loan Repayment program to each institution of higher education or private or independent institution of higher education and to any appropriate state agency and professional association.

AGENDA ITEM IX

Lunch

AGENDA ITEM X-A

Committee Chair's overview

Ms. Donna Williams, Chair of the Committee on Academic and Workforce Success, will provide the Board an overview of the items on the agenda.

AGENDA ITEM X-B

Consideration and possible action to adopt the report to the Board on school closures and/or teach-outs pursuant to Board Rule 7.7(6)

RECOMMENDATION: Approval

Background Information:

Pursuant to Coordinating Board Rules, Chapter 7, Subchapter A, Section 7.7(6), Closure of an Institution, the Texas Higher Education Coordinating Board (THECB) must be notified in writing at least 90 days before a planned closure date or immediately if an institution closes unexpectedly. If an institution closes or intends to close before all currently enrolled students have completed all requirements for graduation, a teach-out plan is required. The teach-out plan is subject to Board approval. The Board has given the Assistant Commissioner of Academic and Health Affairs the authority to oversee this approval process.

The Art Institute-Austin

The Art Institute-Dallas

The Art Institute-Houston

The Art Institute-San Antonio

On September 22, 2023, The Art Institutes notified Coordinating Board staff of the closure of all Art Institute locations, including its Texas locations, as of September 30, 2023. The Texas locations were:

- The Art Institute of Austin, a branch of The Art Institute of Houston, 1204 Chestnut Street, Bastrop, TX 78602
- The Art Institute of Dallas, a branch of Miami International University of Art & Design, 8080 Park Lane, Suite 100, Dallas, TX 75231
- The Art Institute of Houston, 4140 Southwest Freeway, Houston, TX 77027
- The Art institute of San Antonio, a branch of The Art Institute of Houston, 10000 IH-10 W, Suite 200, San Antonio, TX 78230

This was a precipitous closure and prior notice was not given to its accreditor, the Southern Association of Colleges and Schools, or to the U.S. Department of Education. At the time of closure, there were approximately 660 active students in Texas who were able to complete the current term on September 30, 2023. The owner at the time of closure was Education Principle Foundation, located in New York, NY. The Art Institute mailed each current student five official copies of their transcripts on or after October 1, 2023. Transcripts may be requested through the National Student Clearinghouse for a fee. The Coordinating Board also requested copies of

transcripts from all Texas locations. These transcripts are in the process of being processed into the Coordinating Board's closed school transcript repository.

Columbia College-Mesquite (Bucker)

Columbia College-Mesquite (Motley)

On October 13, 2023, Columbia College, Columbia, Missouri, notified Coordinating Board staff of the planned closure of two Texas locations. These locations closed December 31, 2023. The main campus in Columbia, Missouri, is not closing. Two Fort Worth locations on military bases will remain active. The closed Texas locations were:

- Columbia College-Mesquite (Buckner), 802 South Buckner Blvd., Dallas, TX 75217
- Columbia College-Mesquite (Motley), 3737 Motley Drive, Mesquite, TX 75150

Columbia College's accreditor, the Higher Learning Commission, was notified September 1, 2023. The institution planned to notify the U.S. Department of Education a minimum of 10 days before the closure of each location. Three distance education students from the Motley location were affected by the closure. These students were advised as to their distance education options. All student records continue to be held at the main campus in Columbia, Missouri.

A.T. Still University of Health Sciences-School of Osteopathic Medicine in Arizona-Wichita Falls, TX

On September 14, 2023, A.T. Still University of Health Sciences-School of Osteopathic Medicine in Arizona (SOMA), Mesa, AZ, notified Coordinating Board staff of the closure of its teaching location at Community Healthcare Center, 200 Martin Luther King Jr. Blvd., Wichita Falls, TX. The closure of this teaching location as of August 2023 coincided with completion of the final cohort of SOMA students in Texas at the Wichita Falls location, leaving no unserved students. As the Wichita Falls location was considered a teaching site, the institution was not required to notify its institutional accreditor, the Higher Learning Commission, or the U.S. Department of Education. All student records continue to be held by A.T. Still University of Health Sciences.

Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, will present this item and be available to answer questions.

AGENDA ITEM X-C

Consideration and possible action to adopt the recommendation relating to the July 2023 Annual Compliance Reports for institutions under a Certificate of Authorization (Names beginning with “P” through “Z”)

RECOMMENDATION: Approval

Background Information:

Starting in January 2014, under Board Rules, Chapter 7, Subchapter A, Section 7.7, institutions operating under a Certificate of Authorization are required to submit an annual compliance report to ensure continued compliance of institutions' operations in Texas. The compliance reports include documentation on accreditation status, degree programs being offered, publications, student complaint policies, and financial viability. This requirement was instituted after the U.S. Department of Education found another state's "licensure by accreditation" to be lacking in proper oversight of institutions operating in that state. Since the Certificate of Authorization is similarly based in part on accreditation by a recognized accreditor, proactive measures were taken to ensure Texas had enough review and oversight of institutions operating under a Certificate of Authorization. The annual compliance review report also provides a means for staff to confirm that information about an institution is current in the Texas Higher Education Coordinating Board's files and publications.

Institutions with names beginning with "P" through "Z" were required to submit their reports by July 15, 2023. Institutions with names beginning with "A" through "O" are required to submit their reports by January 15, 2024. Institutions receiving their first Certificate of Authorization less than six months before the report due date were not asked to submit annual reports because their information was deemed up-to-date. Following is a summary of the status of all institutions that were required to report in the July 2023 reporting cycle.

Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, will be available to answer questions.

January 2024 Report to Texas Higher Education Coordinating Board
Status of Institutions (P-Z) under a Certificate of Authorization

Background:

Starting in January 2014, institutions operating under a Certificate of Authorization are required to submit an annual compliance report. Institutions with names beginning with “P” through “Z” are required to submit their reports by January 15 each year. Institutions receiving their first Certificate of Authorization less than six months before the report due date were not asked to submit an annual report because their information was deemed up to date.

Institutions in compliance with THECB rules, including annual compliance reporting, operating in Texas under current Certificates of Authorization

Following are the statuses of all institutions under the July 15, 2023, reporting deadline:

Institutions with a physical campus in Texas:

- | | |
|----------------------------------------------------------|---------------------------------------------------------------|
| • Park University - Austin | • Strayer University - North Dallas |
| • Park University - El Paso | • Strayer University - Northwest Houston |
| • Paul Quinn College - Dallas | • Strayer University - San Antonio |
| • Pima Medical Institute - El Paso | • The Chicago School - Richardson |
| • Pima Medical Institute - Houston | • The College of Health Care Professions - Austin |
| • Pima Medical Institute - San Antonio | • The College of Health Care Professions - Dallas |
| • Relay Graduate School of Education - Dallas/Fort Worth | • The College of Health Care Professions - Fort Worth |
| • Relay Graduate School of Education - Houston | • The College of Health Care Professions - Houston Northwest |
| • Relay Graduate School of Education - San Antonio | • The College of Health Care Professions - Houston Southwest |
| • Rio Grande Valley College | • The College of Health Care Professions - McAllen |
| • Saint Louis University - Dallas | • The College of Health Care Professions - San Antonio |
| • Saint Louis University - Houston | • The College of Health Care Professions - San Antonio South |
| • Seminary of the Southwest | • The College of Health Care Professions - Houston Med Center |

- Southeastern Oklahoma State University at Grayson College
- Southern Careers Institute - Austin
- Southern Careers Institute - Brownsville
- Southern Careers Institute - Corpus Christi
- Southern Careers Institute - Harlingen
- Southern Careers Institute - San Antonio, NW Loop 410
- Southern Careers Institute - San Antonio, SW Military Dr
- Southern Careers Institute - Pharr
- Southern Careers Institute - Waco
- Springfield College - The Woodlands
- Strayer University - Cedar Hill
- Strayer University - El Paso
- Strayer University - Fort Worth
- Strayer University - Killeen
- The King's University
- Universal Technical Institute - Houston
- Universal Technical Institute - West Texas
- Universal Technical Institute of Northern Texas
- University of Maryland Global Campus - Killeen
- University of Maryland Global Campus - San Antonio
- Vet Tech Institute of Houston
- Wade College
- Webster University - San Antonio
- Weill Cornell Graduate School of Medical Sciences
- West Coast University - Texas
- Western Governors University - Texas
- Western Technical College - El Paso (Diana)
- Western Technical College - El Paso (Main)

Out-of-state institutions authorized to provide field-based learning in Texas (clinicals, internships):

- Rocky Vista University
- Samuel Merritt University
- San Diego State University
- Saybrook University
- Seward County Community College/ATS
- Southeast New Mexico College
- Southern Arkansas University
- The University of Arizona Global Campus
- Touro University Nevada
- United States University
- University of Massachusetts Global
- University of Southern California
- Walden University
- Webster University - St. Louis, MO / Ft. Bliss
- West Coast University - Los Angeles
- Western Oklahoma State College

Institutions that have submitted annual compliance reports but need to provide missing information before they are fully in compliance

Institutions with a physical campus in Texas:

- Texas Healthtech Institute

Out-of-state institutions authorized to provide field-based learning in Texas (clinical,internships):

OOS

- Western University of Health Sciences

Institutions that have submitted annual compliance reports but are still under review

Institutions with a physical campus in Texas:

OOS

No Institutions

Out-of-state institutions authorized to provide field-based learning in Texas (clinical,internships):

OOS

No Institutions

Institutions with Certificates of Authorization that are expired due to campus closure or no current presence in Texas

Institutions with a physical campus in Texas:

OOS

- Saint Leo University - Corpus Christi
- The Art Institute of Austin
- The Art Institute of Dallas

- The Art Institute of Houston
- The Art Institute of San Antonio

Out-of-state institutions authorized to provide field-based learning in Texas (clinical,internships):

- Point Loma Nazarene University
- St. Catherine University
- University of Mississippi

Institutions operating in Texas under current Certificates of Authorization but have been requested to update THECB with any changes in status due to financial or accreditation concerns

Institution	Concern
• Peloton College - Dallas	Financial Responsibility Composite Score under 1.5
• Remington College - Dallas Campus (Garland)	Heightened Cash Monitoring status with a Financial Responsibility Composite Score under 1
• Remington College - Houston North (Greenspoint)	Heightened Cash Monitoring status with a Financial Responsibility Composite Score under 1
• Remington College - Houston Southeast (Webster)	Heightened Cash Monitoring status with a Financial Responsibility Composite Score under 1
• Remington College - North Richland Hills Fort Worth	Heightened Cash Monitoring status with a Financial Responsibility Composite Score under 1
• School of Automotive Machinists & Technology	Heightened Cash Monitoring status with a Financial Responsibility Composite Score under 1
• South University - Austin	Heightened Cash Monitoring status with a Financial Responsibility Composite Score under 1
• South University - Online	Heightened Cash Monitoring status with a Financial Responsibility Composite Score under 1
• Southwest University at El Paso	Heightened Cash Monitoring status with financial responsibility concerns

- Texas Health and Science University - Austin
Heightened Cash Monitoring status with a Financial Responsibility Composite Score under 1
- Texas Health and Science University - San Antonio
Heightened Cash Monitoring status with a Financial Responsibility Composite Score under 1
- The Recording Conservatory of Austin
Institutional accreditor's deferral of accreditation renewal
- Ultimate Medical Academy
Financial Responsibility Composite Score under 1
- University of Phoenix - Dallas
Campus in teach-out Status
- University of St. Augustine for Health Sciences - Austin
U.S. Department of Education Provisional Status
- University of St. Augustine for Health Sciences - Dallas
U.S. Department of Education Provisional Status

AGENDA ITEM X-D

Consideration and possible action to approve a two-year service contract with The University of Texas at Austin for creating and scaling the Texas Computer Science Pipeline Project at a cost not to exceed \$14 million

RECOMMENDATION: Approval

Background Information:

The General Appropriations Act, House Bill 1, under strategy A.1.6., added \$5 million per year to General Revenue requiring the Texas Higher Education Coordinating Board (THECB) to establish a statewide Computer Science Pipeline Initiative. Out of funds appropriated, \$5 million in General Revenue in Fiscal Year 2024 and \$5 million in General Revenue in Fiscal Year 2025 is to be used to consolidate and streamline computer science education by establishing a statewide Computer Science Pipeline Initiative (TX CS Pipeline Project). In addition to amounts appropriated above, \$2 million in General Revenue in Fiscal Year 2024 and \$2 million in General Revenue in Fiscal Year 2025 was appropriated to THECB, contingent upon the THECB demonstrating to the Comptroller of Public Accounts that the Computer Science Pipeline Initiative has raised at least \$2 million in gifts and donations, including those offered in-kind, in Fiscal Year 2024 and at least \$2 million in gifts and donations, including those offered in-kind, in Fiscal Year 2025. These funds shall be used for the Computer Science Pipeline Initiative.

The Computer Science Pipeline Initiative will provide K-12 public school teachers the resources to obtain a computer science teaching certification through partnerships with nonprofit organizations, institutions of higher education, and education service centers. The initiative will provide professional development in coding, computational thinking, cybersecurity, and computer science education to grow its existing programs and supports for educators in those fields. The appropriation for this initiative will furthermore support the additional professional development for 600 educators in integrating computer science into K-8 core subjects, expand curriculum training for specific high school computer science courses (including Advanced Placement courses), and educate teachers in cybersecurity best practices, curriculum, and industry-based certifications that prepare their students for careers in the cybersecurity workforce.

Approval will allow the THECB to enter into a two-year service contract with The University of Texas at Austin for creating and scaling the TX CS Pipeline Project at a cost not to exceed \$14 million.

Dr. Michelle Singh, Assistant Commissioner for Digital Learning, will present this item and be available to answer questions.

AGENDA ITEM X-E

Consideration and possible action to approve a resolution on the request by Barbers Hill ISD/Lee College regarding a branch campus maintenance tax election and branch campus approval

RECOMMENDATIONS:

THECB staff recommends:

1. approval of Lee College's request to establish a branch campus within Barbers Hill Independent School District (ISD) contingent upon the proposed maintenance tax receiving voter approval. This contingency is due to the branch campus funding's reliance on the maintenance tax.
2. approval of Barbers Hill ISD's request to hold a branch campus maintenance tax election.

Background Information:

Lee College District and Barbers Hill Independent School District (BHISD) jointly propose creation of a Lee College Branch Campus within the BHISD jurisdiction to be supported by a branch campus maintenance tax. BHISD will build a new, 60,000 square-foot building to house the branch campus. The campus is expected to serve about 1,000 students at full capacity.

Lee College submitted a proposal and feasibility study for the creation of a community college branch campus within BHISD in December 2022. In a December 7, 2023, report to the Commissioner, THECB staff determined that Lee College's proposal addresses all requirements of Texas Administrative Code Subchapter D¹ for formation of a branch campus. The report provided a summary overview of the petition, branch campus self-study and maintenance tax feasibility study, results of an external review committee appointed by the Commissioner that corroborated the completeness of the proposal, and findings of a site visit conducted in February 2023.

BHISD requested permission to hold a branch campus maintenance tax election at a rate of five percent on each \$100 valuation of all taxable property. On Thursday November 30, 2023, THECB received the certified petition that is required for approval of the Branch Campus Maintenance Tax election. The petition included a letter from the district's voter registrar

¹ 19 Tex. Admin. Code §§ 8.71 - .76

certifying the signatures of registered voters who live In the Barbers Hill Independent School District as of 11/28/23. Workforce Education staff confirmed that 1008 registered voters signed the petition. There are 19,795 registered voters in the district. The 1008 signatures on the petition exceed the five percent requirement (990 signatures) for signatures of registered voters. Staff determined that the petition is complete.

Dr. Tina Jackson, Assistant Commissioner for Workforce Education, will present this item and be available for questions.

Lee College Proposal to Create a Branch Campus
and
Barbers Hill Independent School District Petition to Hold a Branch Campus
Maintenance Tax Election

Lee College submitted a proposal and feasibility study for the creation of a community college branch campus within Barbers Hill Independent School District (Barbers Hill ISD) in December 2022 and requested permission to hold a branch campus maintenance tax election. On Thursday November 30, 2023 THECB received from Barbers Hill ISD a certified petition for an election to authorize a community college branch campus within the jurisdiction of Barbers Hill ISD. This report provides a summary overview of the petition, branch campus self-study and maintenance tax feasibility study, results of an external review committee appointed by Commissioner Harrison Keller, and findings of a site visit conducted in February 2023. All records referenced are attached and incorporated into this report.

This report finds that Lee College's proposal addresses all requirements of Texas Administrative Code Subchapter D¹ for formation of a branch campus and Subchapter E² for establishment of a branch campus maintenance tax. External reviews corroborated the completeness of the proposal. Staff recommends that the Commissioner 1) approves the establishment of a branch campus maintenance tax and the holding of a branch campus maintenance tax election by Barbers Hill ISD; and 2) approve the formation and operation of Lee College's proposed branch campus contingent upon the branch campus maintenance tax receiving voter approval.

Statutory Overview

Branch Campus Formation Approval

Section 130.251 of the Texas Education Code requires a community college to receive approval from the THECB to establish and operate a branch campus within the district's service area. THECB rules³ require the following:

- Letter of Application to the Commissioner (Received December 12, 2022);
- Community College completion of a self-study to assess whether the proposed branch campus meets the criteria set forth in section 8.74 (Received December 12, 2022);
- THECB appointed team consisting of a majority of community college presidents review the self-study to ensure it meets THECB and SACS standards (Completed February 2022);
- Board staff completes a site visit (Completed February 23, 2023);

¹ 19 Tex. Admin. Code §§ 8.71 - .76

² 19 Tex. Admin. Code §§ 8.91-8.103

³ 19 Tex. Admin. Code §§8.74-.75

- Board staff submits to the Commissioner a report on whether the proposal meets standards outlined in section 8.74 and provides recommendation for approval or denial of the request that is not binding on the Commissioner of the Board;
- The Board shall consider the proposed branch campus and in making a decision shall consider the needs of the community college district, the needs of the community served by the proposed branch campus, the potential impact on other institutions of higher education, and the welfare of the state as a whole; and
- The Board shall enter a resolution regarding the formation of the branch campus and be provided to the community college district's governing board by the Commissioner.

Branch Campus Maintenance Tax Authorization

Section 130.253 of the Texas Education code requires the governing body of a county or school district to receive approval from the THECB to order a community college branch campus maintenance tax at a rate not to exceed five cents on each \$100 valuation of all taxable property. A school district may seek approval for such an election by submitting a petition for an election signed by not fewer than five percent of the qualified voters in the school district's jurisdiction. In reaching a decision on whether to approve the election, THECB is required to determine whether the tax rate and petition requirements are met and whether the proposed tax is feasible and desirable. THECB rules set forth the criteria for making a decision on feasibility and desirability.⁴ These criteria include: demographic and economic characteristics; potential student clientele; financial status; projected programs and services; proximity and impediments to programs and services to existing IHEs. These criteria are required to be addressed by a local steering committee study submitted to the THECB.

Summary of Request to Establish Branch Campus

Lee College District and Barbers Hill Independent School District (BHISD) jointly propose creation of a Lee College Branch Campus within the BHISD jurisdiction to be supported by a branch campus maintenance tax. BHISD will build a new, 60,000 square-foot building to house the branch campus. The campus is expected to serve about 1,000 students at full capacity.

As required by Texas Administrative Code §8.74, the college formed a steering committee to conduct a self-study to ensure that the branch campus would meet standards and criteria for instruction and support services required by the Commission on Colleges of the Southern Association of Colleges and Schools. The ten-member steering committee included BHISD administrators and trustees, community leaders

⁴ 19 Tex. Admin. Code § 8.99

and officials, and two members of the Lee College Board of Regents. The steering committee in turn appointed three subcommittees:

- Programming Subcommittee to develop courses, programs, degrees and services to be offered at the branch campus;
- Finance Subcommittee to develop a financial plan supporting the branch campus;
- and Architect Subcommittee to develop plans for the facility that will house the branch campus.

Institutional Background

Lee College is an open-admissions, two-year lower-division undergraduate institution established in Baytown, Texas, in 1934. The college's 2,258 square-mile service area includes portions of Harris, Chambers, and Liberty counties. The college's main campus is in Baytown, with off-campus instructional centers in Baytown and Liberty, Texas. The service area comprises 12 high schools, eight prison units, and one state jail. In fall 2021, the college's unduplicated enrollment in credit courses totaled 9,947.

The college has a nationally recognized Honors Program and national champion Debate Society. Lee College has been an Achieving the Dream Leader College since 2011 and a Leader College of Distinction since 2019. The college was ranked in the top 10% of community colleges for two consecutive years by the Aspen Institute.

BHISD, the college's partner in branch campus formation, includes nine campuses with a total 2020-2021 enrollment of 6,410. BHISD received an "A" state accountability rating from the Texas Education Agency in 2020-2021.

Branch Campus Self-Study

The branch campus self-study provides evidence that the proposed branch campus will meet the requirements of the five criteria outlined in TAC §8.74(b)(1-5):

1. Role and Mission; Purpose
2. Programs and Courses
3. Staffing
4. Funding
5. Regional Higher Education Council Review and Certification

Branch Campus Role, Mission, and Purpose. The college documents that its role and mission conform to the four requirements set forth in Texas Education Code Section 130.0011, and that the college's purpose is consistent with nine requirements of TEC 130.003.

Role and Mission:

1. A two-year institution serving its local tax district and service area, and offering vocational, technical, and academic courses for certificates and associate degrees: the Lee College branch campus will offer certificates and associate

- degrees in service to its taxing district and service area. It will be centrally located in Mont Belview and close to several independent school districts.
2. Provision of continuing education, remedial, and compensatory education and offering counseling and guidance to students: the branch campus will offer continuing education vocational programs and developmental and co-requisite programs. It will support a continuing program of guidance and counseling that includes general academic counseling, disability services, veterans advising, and job placement services.
 3. Excellence in instruction, research and public service: Lee College cites its mission statement, which incorporates the three areas.
 4. Support for faculty research: Lee College cited grants supporting research, including a Title V grant to develop and measure effectiveness of the college's first-year students, and faculty participation in the Community College Research Fellows program. The branch campus will be included in institution-wide research projects. Branch campus faculty will be encouraged to pursue discipline-appropriate research.

Purpose (§8.74(b)(1)(A-I)):

- A. Technical programs up to two years in length leading to associate degrees or certificates: the branch campus will offer AAS degrees in Respiratory Therapy and Sonography and a certificate in Pharmacy Technology.
- B. Vocational programs leading to employment in skilled and semi-skilled occupations: the branch campus will offer certificates in Sterile Processing Technology and Drone Operator.
- C. Freshman and sophomore courses in arts and sciences, including the state-mandated core curriculum: Lee College lists over thirty courses spanning nine core curriculum component areas and institutional requirements to be offered at the branch campus.
- D. Continuing adult education programs for occupational or cultural upgrading: the branch campus will offer linked courses for adults enrolling in academic courses, adult travel programs, and senior day trips.
- E. Compensatory education programs: the branch campus will offer developmental and co-requisite programs in English and mathematics.
- F. A continuing program of counseling and guidance: the branch campus will offer a continuing program of counseling and guidance designed to assist students in achieving their educational goals.
- G. Workforce development programs to meet local and statewide needs: see purpose B above.
- H. Adult literacy and other basic skill programs: the branch campus will offer adult basic education course, high school equivalency programs, and English as a Second Language courses.

- I. Other programs prescribed by the Coordinating Board or local governing boards: the college provides support for basic student needs and supports student activities to encourage campus engagement.

Branch Campus Programs and Courses. The college documents that all courses, programs, and degrees will be offered in the name of the parent district (college) and will meet the criteria set forth in TAC §8.74(b)(2)(A-C):

- A. Courses and programs at the branch campus will meet the role, mission, and purposes described in the previous section. Programs at the branch campus will include technical, vocational, transfer, continuing education, and compensatory education programs, along with guidance and counseling programs, workforce programs, and adult basic education programs. Courses for the branch campus have been selected to support the programs.
- B. Courses and programs will be developed and operated with the ongoing assistance and involvement of the parent district faculty and staff. The Lee College Curriculum and Academic Affairs Committee (CAAC), a faculty-led committee, is responsible for course and program development on the main campus and off-campus instructional sites. The CAAC is developing the Branch Campus instructional program. The branch campus administration will report directly to the main campus administration.
- C. Branch campus faculty credentials, full-time/part-time faculty ratios, teaching loads, faculty performance evaluation and effectiveness, and student access to faculty will follow the same policies as those in effect for the main campus. The policies are reviewed regularly to ensure that they contribute to the quality of courses and programs.

Branch Campus Staffing. The college documents that there will be sufficient academic and student support staff to meet the needs of faculty and students on the branch campus (TAC §8.74(b)(3)). The branch campus is expected to serve 750 students, 60 Allied Health technical students, and 100 vocational/workforce and adult education students.

Staffing for transfer courses will include 15 full-time faculty in mathematics and science courses, nine full-time faculty in Allied Health programs, and adjunct instructors for vocational/workforce, adult literacy, and basic education programs.

Fourteen student services staff will serve in academic advising, services coordination, tutoring, and testing center and library support.

The self-study's branch campus organizational chart includes executive leadership, information technology, student services, academic affairs, and workforce/community development staff positions.

Branch Campus Funding. The branch campus will be supported by a branch campus maintenance tax if approved by the Coordinating Board. State aid will be earned consistently with appropriated formula funds. Accounting oversight for the branch campus will comply with generally accepted accounting principles, and financial

reports will be submitted as required for community college districts (TAC §8.74(b)(4)(A-D)).

Regional Higher Education Council Review and Certification of the Branch Campus
§8.74(b)(5). The college states that the branch campus will not require review by the Regional Higher Education Council because the branch campus will be located in BHISD. BHISD is contained entirely within the college's service area and is not shared with another college district.

External Evaluators' Review

Commissioner Keller appointed three college presidents to serve on the external evaluator review team. The external review committee consisted of Dr. Richard Rhodes, Austin Community College; Dr. Russell Lowery-Hart, Amarillo College; and Dr. Christina Ponce, Temple College. Rule §8.74 requires Coordinating Board staff to review the external team's recommendations.

The three committee members agreed unanimously that Lee College's self-study successfully addressed each criterion, including the role, mission and purpose of the community college; programs and courses, and staffing plans, including sufficient academic and student support staff. The committee also agreed that the branch has met the requirement to provide technical programs up to two years in length leading to associate degrees or certificates and vocational programs leading directly to employment.

The reviewers also agreed that the core curriculum, adult education, adult literacy, and workforce development programs designed to meet the local and state-wide needs will be offered to students at the branch campus.

Committee member Dr. Russell Lowery-Hart shared one comment to ask Lee College how the two communities and institutions will communicate to support the branch campus. Dr. Lowery-Hart suggested implementing a local non-governance advisory committee to inform and connect with the Lee College administration.

College President External Review Team

Dr. Richard Rhodes, Austin Community College. Under Dr. Rhodes leadership, ACC earned Achieving the Dream Leader College status. Success initiatives led by Dr. Rhodes include an innovative redesign of ACC's developmental math curriculum, including the successful implementation of MATD 0421 Developmental Mathematics, and the opening of the nation's largest computerized learning lab. During Dr. Rhodes' tenure, the college has established new campuses in the City of Elgin, Hays County, and the refurbished Highland Mall in central Austin. Bond packages approved in 2014 will allow continued revitalization of ACC Highland and expanded career-technical training facilities.

Dr. Russell Lowery-Hart, President for Amarillo College since 2014. Amarillo College was named a 2021 Top Five Institution and Rising Star for the Aspen Prize for

Community College Excellence. Under Dr. Lowery-Hart's leadership, Amarillo College developed the systemic Culture of Caring targeting removal of poverty barriers that was featured in *The Atlantic* (June 2018) by Marcella Bombardieri and in a documentary on Amazon Prime, *The Antidote*, by Oscar-nominated and Emmy Award winning directors Kahane Cooperman and John Hoffman.

Dr. Christina Ponce became Temple College's 11th president in January 2019. Prior to becoming president of Temple College, Dr. Ponce held positions with Austin Community College, El Paso Community College, Lee College, and the Texas Higher Education Coordinating Board. Under Dr. Ponce's leadership, the Temple College Board of Trustees asked Temple voters to approve a \$124.9 million bond issue to fund an expansion of the college's Health Sciences Center and the construction of three new buildings.

Site Visit Findings

Dr. Tina Jackson, Assistant Commissioner for Workforce Education, conducted a site visit to Lee College on February 23, 2023. The following Lee College executive team participated; President Dr. Lynda Villanueva; Dr. Doug Walcerz, Provost and Vice President of Academic and Student Affairs; Annette Ferguson, Vice President of Finance and Administration; Gilbert Santana; Chair of Lee College Board of Regents; and Barbers Hill ISD district staff members Ashley Boothe, CTE Coordinator, and Tammi Prothro, Director of Curriculum.

During the site visit Dr. Jackson provided an overview of the site visit agenda and shared that in compliance with Rule 8.74, THECB staff are required to conduct a site visit and submit a report to the Commissioner indicating whether criteria have been met and making recommendations for approval or denial for the establishment of the proposed branch campus.

Dr. Villanueva presented an overview of the self-study, which included sharing a Google map view of the site showing that Barbers ISD schools are located within 15 minutes' drive of the proposed branch campus. There were also several businesses in the area that could become possible sites for work-based learning opportunities, making this a prime location for dual credit programs and work-based learning internships and apprenticeship programs. President Villanueva also shared information about Lee College's 10-member Steering Committee. The Steering Committee appointed three subcommittees:

Programming Subcommittee, responsible for developing the courses, programs, credentials, and services to be provided at the branch campus;

Finance Subcommittee, responsible for developing the financial plan to support the branch campus; and

Architect Subcommittee, responsible for developing plans for the branch campus facility.

Programs offered on the branch campus will focus on Health Care, Allied Health, Cybersecurity, and Cloud computing.

Upon the conclusion of Lee Colleges overview Dr. Jackson shared an overview of the external review committee's findings supporting approval of Lee College's Branch campus proposal. Dr. Jackson also shared the suggestion made by Committee member Dr. Russell Lowery-Hart for implementing a local non-governance advisory committee to inform and connect with the Lee College administration. Lee College's President and Executive committee were supportive of this suggestion and believes it will assist the college with sustaining communication with Lee College and the Barbers Hill ISD Community.

Recommendation

Based on the information provided, THECB staff recommends approval of Lee College's request to establish a branch campus within Barbers Hill ISD contingent upon the proposed maintenance tax receiving voter approval. This contingency is due to the branch campus funding's reliance on the maintenance tax.

Summary of Request to Hold a Branch Campus Maintenance Tax

Barbers Hill ISD has requested to hold a branch campus maintenance tax at a rate of INSERT on each \$100 valuation of all taxable property in Barbers Hill ISD to support the proposed branch campus.

Summary Overview of Maintenance Tax Feasibility Study

The maintenance tax feasibility study provides evidence that requirements have been met for the five criteria set forth in TAC §8.99(b)(1-5) for approval to levy a branch campus maintenance tax:

1. Demographic and economic characteristics of the jurisdiction seeking to establish the maintenance tax;
2. Potential student clientele;
3. The financial status of the proposed jurisdiction to be taxed and the state a whole;
4. Projected programs and services for the proposed jurisdiction based on economic and population trends; and
5. Proximity and impediments to programs and services to existing institutions of higher education.

The information presented on the five criteria includes the results of a community survey and community focus groups that examined the need, potential student clientele, and financial ability of the jurisdiction, and other data required by TAC §8.95. The community survey and community focus groups were conducted by an independent marketing research firm in November 2022. The survey, available in English and Spanish, received nearly 1,000 responses. All respondents self-identified as living within the boundaries of BHISD. Twenty individuals participated in the community focus groups. Separate sessions were conducted for community members, school district parents, employers, and students.

Demographics and Economic Characteristics of Barbers Hill ISD (TAC §8.99(b)(1)(A-C))

Demographic and economic characteristics of BHISD include three components:

- A. Population trends by age group;
- B. Economic development trends and projection; and
- C. Employment trends and projection (i.e., supply-demand data).

The college documents demographics and economic characteristics for each of the three components.

- A. Population Trends by Age Group: BHISD has a total population of 23,439 with a median household income of \$122,083. 68% of respondents identified as white, 22% as Hispanic, and 6% as black. 31.6% hold bachelor's or graduate degrees, and 42.8% have some college or an associate degree.
 - a. The school district has experienced growth every year for the past three decades. Lee College currently enrolls approximately 350 alumni of BHISD each semester and 375 alumni from five school districts in close proximity to BHISD. Student population projections for BHISD show an increase from 7,364 students for the 2022-2023 school year to 13,689 students for 2031-2032.
- B. Economic Development Trends and Projections: job recovery has been steady since mid-2020. Employment was projected to be at pre-pandemic levels by the end of 2022. Oil prices have rebounded, with prices topping \$100 per barrel. The end of pandemic restrictions and international events have contributed to the rise. Precedence Research has projected up to 5% growth annually through 2030. The regional housing market shows signs of stabilizing after a post-shutdown surge in summer 2020.
- C. Employment Trends and Projections: unemployment has dropped from 14.2% in April 2020 to 6.8% in December 2021, which is close to the pre-pandemic level of 6.5% in March 2020.

The largest program at the Lee College branch campus will be the transfer program for students pursuing a bachelor's degree. The national employment rate for 25-34 year-olds holding bachelor's degrees was 86% in 2021, compared with 75% for those with some college and 68% for high school graduates. The study asserts that higher levels of employment and higher wages show the continuing demand for workers with bachelor's degrees.

The branch campus will also focus on Allied Health programs. The study provides U.S. Bureau of Labor Statistics data to show that the number of job openings in Allied Health fields exceeds the number of students currently completing programs each year, indicating a strong labor market for Allied Health graduates. Figures are based on the assumption that the number of Allied Health job openings in the Houston Metro Area is approximately 25% of related Texas openings, given that the Metro Area comprises about one quarter of the state's population.

Potential Student Clientele

Potential student clientele data required for TAC §8.99(b)(2)(A-B) include the following:

- A. Educational levels by age group; and
- B. College-bound data.

The maintenance tax feasibility study does not present these specific data. Instead, the maintenance tax steering committee commissioned a community survey and series of focus groups to gather stakeholder input on the need for a branch campus, potential student clientele, financial ability of the jurisdiction, and other data required under TAC §8.95.

704 of 936 respondents to the study's potential student clientele survey indicated that they or their children would be interested in taking courses at a branch campus in Mont Belvieu. 141 respondents indicated "Maybe," and 91 said no. A majority of respondents identified affordability, class availability, scheduling flexibility, and proximity to home as factors that would encourage them to attend college locally.

See Demographics and Economic Characteristics of Barbers Hill ISD for student population trends by age group.

Focus groups to assess interest in a branch campus and the perceived need for a branch campus showed that community members, parents, students, and employers believed there would be many benefits in development of a branch campus at Mont Belvieu for both traditional and nontraditional students. Participants also believed the branch campus would provide multiple educational opportunities leading students to better employment opportunities.

Financial Status of the Proposed Jurisdiction to be Tax and the State as a Whole

Financial status data required for TAC §8.99(b)(3)(A-B) include the following:

- A. Projected growth or decline in the tax base; and
 - B. Trends in state appropriations for community colleges and other institutions of higher education.
- A. The study documents sustained growth in taxable values for the past ten years and projects similar growth through the 2028 tax year. Based on a 5% maintenance tax estimate with adjustments for certain exemptions, Lee College Branch Campus tax revenue is estimated to grow from \$8.28 million in FY 2024 to \$10.37 million in FY 2029. Estimated costs are \$8.28 million for FY 2024 and \$9.58 million for FY 2029 with a capital investment of \$1.4 million in FY 2025.
- The draft operating budget for the branch campus begins at \$8.28 million for FY 2024 and increases to \$9.58 million for FY 2029.
- B. The study cites the work of the Commission on Community College Finance (CCCCF) as a positive trend in state appropriations and expresses optimism that the majority of the commission's recommendations will be accepted. Under the current funding model, a majority of funding is generated by tuition and

property taxes. The study notes the wide variation in property tax rates adopted by community colleges and in taxable property values.

In the current biennium, state formula funding for community colleges is about \$1.8 billion, distributed through an allocation methodology that considers how colleges perform in relation to one another. The formula is based primarily on property tax values and THECB-identified success points. Recommendations of the CCCF would generate more consistent base levels of funding and ensure that small and rural-serving colleges with lower property tax values will see increased revenues to serve students. The study cites CCCF Recommendations 1.1 through 3.3.

As part of its report on the financial status of the proposed jurisdiction, the study reports on focus group discussions with community members, parents, and employers that included the possibility of a maintenance tax. Respondents discussed the low tax rates they currently pay and understood the possible value of a branch campus maintenance tax. A parent stated they would accept a tax if the branch campus were going to be of high quality and improve the community's way of life. One employer opposed a maintenance tax.

The study notes additionally that focus groups consulted supported tuition discounts in addition to indicating openness to a maintenance tax. An employer noted that, while Mont Belvieu is seen as an affluent area, there are economically disadvantaged communities within and around the area that would benefit from tuition discounts.

This section of the feasibility study concludes that "Barbers Hill ISD is fortunate to have a large and growing tax base that is more than sufficient to support the proposed Branch Campus, as shown by the projected operating budget. Future trends suggest continued growth in the tax base, and changes in the state funding model that will benefit community colleges. Results of a Community Survey and Focus Groups indicate strong support for a Branch Campus, even though it will require a maintenance tax, and highlighted the importance of controlling college costs for students and their families."

Projected Programs and Services for Barbers Hill ISD Based on Economic and Populations Trends (TAC §8.99(b)(4))

Project programs and services for the branch campus are supported by economic trends showing strong demand for workers in Allied Health professions and workers with bachelor's degrees. Populations trends cited in the study show that 25% of the adult population has no college education and would benefit from adult basic education and vocational programs.

The following programs and services will be offered at the Branch Campus:

Technical programs

- AAS in Respiratory Therapy
- AAS in Sonography
- Certificate in Pharmacy Technology
- Certificate in Drone Operation

Vocational programs

- Sterile Processing Technology
- Drone Operator

Freshman and sophomore courses are part of the state-mandated core curriculum. The complete list of courses is provided in the branch campus self-study portion of the proposal.

Continuing adult education programs

- Linked courses for adults who wish to enroll in academic courses
- Adult travel programs including both domestic and international destinations
- Senior day trips in the local area

Developmental and co-requisite courses for math and English using the same placement process as that used on the main campus.

A tutoring center with tutors in math, English, and other disciplines will provide additional support to all students who may benefit from one-on-one academic instruction.

Counseling and guidance services including:

- General academic advising and counseling
- Advising for veterans
- Disability services
- Transfer services for students transferring to another college or university
- Placement services for students seeking employment

Adult Basic Education courses and High School Equivalency courses as needed to meet local demand.

Support for student basic needs, including a food pantry, clothing closet, gas cards, childcare subsidies, and emergency aid.

Student activities to encourage engagement with the campus through student clubs, special events, and recreation.

Proximity and Impediments to Programs and Services to Existing Institutions of Higher Education (TAC §8.99(b)(4)(A-G))

Required sections for this rule include the following:

- A. Identification of institutions that could be affected by a new branch campus;
- B. Documentation of existing programs and services:
 - a. on the campuses of nearby institutions of higher education;
 - b. available to citizens within a 50-mile radius of the proposed jurisdiction;
 - and
 - c. offered in the proposed jurisdiction by existing institutions of higher education;

- C. Financial limitations on existing institutions of higher education inhibiting the offering of programs and services in the proposed jurisdiction;
- D. Availability of facilities, libraries, and equipment for institutions to offer classes in the proposed jurisdiction;
- E. Distance and traffic patterns to existing institutions of higher education;
- F. Effect on enrollments of existing institutions of higher education; and
- G. Effect on financing of existing institutions of higher education.

The study addresses each of these criteria in turn, as summarized below, and concludes that the branch campus will have a negligible impact on other regional colleges within a 50-mile radius. Enrollment at the branch campus will be small compared to enrollments in nearby colleges and universities. Regional traffic patterns and distances to campus pose an impediment to travel to more distant institutions.

- A. Identification of institutions that could be affected by new branch campus: community colleges potentially affected include Alvin, Brazosport, Galveston, Houston, Lone Star and San Jacinto colleges, as well as College of the Mainland and Wharton County Junior Colleges. Houston area four-year institutions include University of Houston, the University of Houston Downtown, the University of Houston Clear Lake, Rice University, Texas Southern University, Houston Baptist University, and the University of St. Thomas. The committee believes that universities are unlikely to be affected because their offerings are dissimilar.
- B. Documentation of existing programs and services within a 50-mile radius: all nine community colleges in the region offer transfer programs. Many offer Allied Health programs, and all have services similar to those that will be offered at the branch campus. No other institutions of higher education (IHE) offer programs and services in Barbers Hill ISD (BHISD).
- C. Financial limitations on existing IHEs inhibiting the offering of programs and services in the proposed jurisdiction: limitations on existing community colleges in offering programs and services in BHISD are statutory and not financial. State law prohibits community colleges from operating in the service areas of other community colleges. BHISD sits wholly within the Lee College service area.
- D. Availability of facilities, libraries, and equipment: the new branch campus facility will include classrooms, computer labs, science labs, allied health labs, advising and counseling offices, a Learning Hub with library and tutoring services, and faculty and staff offices.
- E. Distance and traffic patterns to existing IHEs: the San Jacinto River and lakes and bays connecting to Trinity Bay and Galveston Bay form a natural barrier and significant traffic barrier. San Jacinto College, Houston Community College, and Lone Star College are 25, 30, and 42 miles from BHISD, respectively. Heavy traffic from the district to the institutions creates a barrier, as do the bridges between BHISD and Houston.

- F. Effect on enrollments of existing IHEs: Lee College is significantly smaller than its three closest neighbors. San Jacinto College has an enrollment of 28,000, Houston Community College enrolls 69,000, and Lone Star College in Kingswood enrolls about 70,000. By comparison, Lee College enrolls about 8,000 students, and the branch campus will have a capacity of about 1,000 students.
- G. Effect on the financing of existing IHEs: effects on the financing of existing IHEs will be negligible because of the relatively small enrollment at the branch campus.

Summary of Petition

On Thursday November 30, 2023, THECB received the certified petition that is required for approval of the Branch Campus Maintenance Tax election. The petition included a letter from the district's voter registrar certifying the signatures of registered voters who live in the Barbers Hill Independent School District as of 11/28/23. Workforce Education staff confirmed that 1008 registered voters signed the petition. There are 19,795 registered voters in the district. The 1008 signatures on the petition exceed the five percent requirement (990 signatures) for signatures of registered voters. Staff has determined that the petition is complete.

Recommendation,

Staff finds that all required criteria have been met pertaining to Barbers Hill ISD request for THECB approval to hold a branch campus maintenance tax election. As such, THECB staff recommends approval.

AGENDA ITEM X-F

Consideration and possible action to approve awards over \$5 million for the Graduate Medical Education Expansion Grant Program

RECOMMENDATION: Approval

Background Information:

The Graduate Medical Education (GME) Expansion Program was established to provide funding to enable new or existing nationally accredited GME residency programs in Texas to increase the number of first-year residency positions. The program helps support the Texas goal of having 10% more first-year entering residency positions than Texas medical school graduates.

The GME Expansion Program received an appropriation of \$233 million for the 2024-25 biennium for GME expansion. Texas Administrative Code 1.16 requires Board approval for agreements exceeding \$5 million. Texas Higher Education Coordinating Board staff request approval of award agreements over \$5 million for the 2024-25 biennium.

Supplemental materials will be forthcoming.

Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, will be available to answer questions.

AGENDA ITEM X-G

Consideration and possible action to adopt the recommendation relating to a request from Healing Hands Massage Institute for a Certificate of Authority to grant a degree in Texas

RECOMMENDATION: Deny

Background Information:

Healing Hands Massage Institute (HHMI), Richardson, Texas, seeks approval for its first Certificate of Authority to grant an Associate of Applied Science degree in Massage Therapy. The Board is authorized to grant each Certificate of Authority for a two-year period. The Board may grant to an institution successive Certificates of Authority for a total of eight years. After eight years, absent sufficient cause, the institution must have obtained accreditation from a Board recognized accrediting agency.

HHMI submitted an initial Certificate of Authority application on October 14, 2022. Supplemental material to the application was submitted November 18, 2022. Dr. Christina Robinson, Executive Director of Work-Based Learning & Industry Partnerships, Houston Community College, Houston, TX, in consultation with Board staff, completed a desk review on January 26, 2023, and determined the application was complete and ready for a site team visit.

A site evaluation is required when an institution seeks its initial Certificate of Authority. The agency conducted a site evaluation at HHMI on January 30-31, 2023. The site evaluation team consisted of Christina Robinson, E.D.D. (Team Chair), Executive Director of Work-Based Learning & Industry Partnerships, Houston Community College - Houston; Julianna Santillanes, Program Director of the A.A.S. in Massage Therapy, Santa Fe Community College – Santa Fe; and Laura Plummer, Controller, Western Technical College – El Paso. Paul Shuler, Ph.D., served as the THECB staff liaison.

The site evaluation team report was submitted to THECB on February 21, 2023. The report found that HHMI was in compliance with 4 of the 24 Coordinating Board required standards and were not in compliance or lacked information to support compliance with 20 standards. HHMI responded to the report within thirty days of receiving the report, as permitted under THECB rules.

The Coordinating Board's six-member Certification Advisory Council (CAC) reviewed HHMI's application, the site evaluation team's report, and HHMI's response to the evaluation report at its November 2, 2023, virtual meeting. The CAC members voted unanimously to recommend denial of HHMI's application for its first Certificate of Authority.

Agenda item X-G

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The Commissioner has independently made the recommendation to deny Healing Hands Massage Institute's application for its first Certificate of Authority.

Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, will present this item and be available to answer questions.

AGENDA ITEM X-H (1)

Consideration and possible action to approve the request from The University of Texas at El Paso for a Doctor of Philosophy (PhD) in Physics

RECOMMENDATION: Approval, beginning fall 2024

Program Summary:

The University of Texas at El Paso (UTEP) is seeking approval to offer a Doctor of Philosophy (PhD) degree program in Physics (40.0801.00) that would begin in fall 2024. The proposed program would be offered face-to-face to students in El Paso. The program builds on faculty research strengths in quantum information science, clean energy, nano- and biomedical applications, and defense applications. The program would offer particular opportunities for Hispanic students. Within five years, UTEP could singlehandedly increase the nationwide annual rate of Hispanic PhD Physics graduates by 10%-25%.

Program Demand & Student Support

Estimated average annual <i>per student</i> costs*	Resident: \$9,080 Nonresident: \$18,780
Estimated average annual <i>per student</i> institutional financial support**	\$20,788
Projected national post-graduation first year annual earnings	\$105,000
Number of existing Texas programs in Physics	12
Minimum SCHs required for completion	54 SCHs beyond master's 72 SCHs beyond bachelor's

*Student costs assume full-time enrollment and include tuition, fees, course supplies, and other annual expenses identified by the institution. Variable costs such as housing are not included.

**Includes total annual financial support made available by the institution (scholarships, teaching assistantships, research assistantships, etc.) divided by the annual number of enrollments projected. This does not include federal and state financial aid.

UTEP will pay the first semester tuition for all students. Research associates would have full tuition coverage for up to six years. Teaching assistants would have 60% of tuition covered for up to three years. Nonresident students who are teaching or research assistants are charged in-state tuition rates.

Similar Programs

Program Title & Designation	University	Region
Physics PhD	Texas Tech University	High Plains
Physics PhD	Baylor University	Central
Physics PhD	University of North Texas	Metroplex
Physics PhD	Texas A&M University	Central
Physics PhD	The University of Texas at Dallas	Metroplex
Physics PhD	The University of Texas at San Antonio	South
Physics PhD	Rice University	Gulf Coast
Physics PhD	The University of Texas at Arlington	Metroplex
Physics PhD	Southern Methodist University	Metroplex
Physics PhD	Texas Christian University	Metroplex
Physics PhD	University of Houston	Gulf Coast
Physics PhD	The University of Texas at Austin	Central

Labor Market Demand

The program would offer research specialties in quantum information science, opening computer and data science job opportunities to graduates. Nationally, an Emsi analysis showed 1,042 average monthly postings for physicists over the previous 10 years. The number of physicists hired was 22% less than the number of job postings, indicating an unmet professional demand nationwide. In Texas, according to Emsi, there were an average of 469 unique annual postings for physicists in Texas over the last 10 years. When astronomy and computer and information research scientist jobs are included, there were 1,823 average annual job openings. The number of Texans hired for physics jobs was 40% less than the number of monthly job postings, indicating an unmet state need.

Academic Quality/Site Visit Summary

A virtual site visit was conducted on October 30, 2023. Site reviewers were impressed by the expertise and productivity of the faculty. They also noted UTEP's success with the local population in West Texas, writing, "It is hard to overestimate the impact this will have in the field of Physics, which traditionally has had difficulties attracting students in underrepresented groups." The reviewers recommended targeted hiring of additional faculty to complete a well-rounded advanced curriculum, particularly in the areas of computational physics, condensed matter physics, machine learning and data science, and quantum information. The institution agreed in their written response, and they confirmed that the four upcoming faculty hires will cover these and other specialties. Other minor recommendations were all accepted by the institution.

Projected 5-Year Enrollments, Costs, and Funding

In accordance with the institution's proposed hiring schedule, UTEP will hire two core faculty members to start in fall 2024, a third core faculty member to start in fall 2025, and a fourth core faculty member to start in fall 2026.

	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year Total
Projected Cumulative Headcount	8	15	21	25	30	99
Estimated Total Costs	\$863,761	\$856,55	\$951,059	\$968,455	\$1,035,419	\$4,675,249
Estimated Total Funding	\$946,634	\$860,41	\$1,110,166	\$969,261	\$1,162,50	\$5,048,97
Net Funding	\$76,873	\$3,860	\$159,107	\$806	\$127,084	\$373,730

Online Resume for Legislators and Other Policymakers

THE UNIVERSITY OF TEXAS AT EL PASO

Location: El Paso, Upper Rio Grande Region

Emerging Research Accountability Peer Group: Texas State Univ, Texas Tech Univ, UT Arlington, UT Dallas, UT San Antonio, Univ of Houston, Univ of North Texas

Out-Of-State Peers: University Of Akron Main Campus, University Of Memphis, University Of Nevada-Las Vegas, University Of New Mexico-Main Campus, University Of Oklahoma-Norman Campus

Degrees Offered: Bachelor's, Master's, Doctoral

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Enrollment						
Race/Ethnicity	Fall 2017		Fall 2021		Fall 2022	
	Number	Percent	Number	Percent	Number	Percent
White	1,863	7.4%	1,421	5.9%	1,263	5.3%
Hispanic	20,065	80.2%	20,080	83.7%	20,141	84.3%
African American	788	3.1%	636	2.6%	583	2.4%
Asian	264	1.1%	244	1.0%	213	.9%
International	1,795	7.2%	1,313	5.5%	1,294	5.4%
Other & Unknown	245	1.0%	309	1.3%	386	1.6%
Total	25,020	100.0%	24,003	100.0%	23,880	100.0%
TX First Time Transfers	Number	% of UG	Number	% of UG	Number	% of UG
	1,321	6.2%	1,132	5.6%	1,070	5.3%
Two-Year Institutions	125	.6%	111	.6%	100	.5%
Other Institutions						

Costs				
Average Annual Total Academic Costs for Resident Undergraduate Student Taking 30 SCH				
Fiscal Year	Texas Rates			
	Institution Average	Percent Increase	Peer Group Average	Percent Increase
2018	\$7,651	.0%	\$10,443	.0%
2019	\$8,067	5.4%	\$10,712	2.6%
2020	\$8,340	3.4%	\$11,011	2.8%
2021	\$8,652	3.7%	\$11,455	4.0%
2022	\$8,947	3.4%	\$11,762	2.7%
2023	\$8,947	.0%	\$11,793	.3%

Financial Aid						
Fiscal Year	Institution		Peer Group		OOS Peer Group	
	Percent	Avg Amt	Percent	Avg Amt	Percent	Avg Amt
Federal Student Loans						
2020	37%	\$6,094	41%	\$6,704	40%	\$6,885
2021	32%	\$6,135	38%	\$6,753	37%	\$7,009
Federal, State, Institutional or Other Grants Known by Institutions						
2020	72%	\$7,362	66%	\$8,028	80%	\$7,050
2021	78%	\$7,851	65%	\$8,509	80%	\$7,387
Federal (Pell) Grants						
2020	56%	\$4,652	38%	\$4,753	33%	\$4,700
2021	57%	\$4,676	36%	\$4,726	33%	\$4,754

Student Success						
One-Year Persistence of First-time, Full-time, Degree Seeking Undergraduates				Graduation Rates		
		Enter Fall 2016	Enter Fall 2020	Enter Fall 2021	Cohort	Institution Rate
Cohort		3,004	2,942	2,717	Fall 2013 4-year	14.1%
Total		80.7%	77.6%	80.7%	Fall 2017 4-year	22.5%
Same		73.9%	69.9%	75.3%	Fall 2018 4-year	23.8%
Other		6.8%	7.7%	5.4%	Fall 2012 5-year	34.4%
Two-Year Persistence of First-time, Full-time, Degree Seeking Undergraduates						
		Enter Fall 2015	Enter Fall 2019	Enter Fall 2020	Fall 2011 6-year	43.5%
Institution Persistence					Fall 2015 6-year	48.5%
Cohort		2,925	3,042	2,915	Fall 2016 6-year	50.4%
Total		74.3%	74.4%	70.7%	National Comparison (IPEDS Definition)	
Same		65.0%	67.8%	61.4%		
Other		9.2%	6.7%	9.3%	Cohort	Institution Rate
Peer Group Persistence					OOS Peers Rate	
Cohort		4,012	4,707	4,460	Fall 2012 4-year	15.0%
Total		82.5%	81.6%	79.9%	Fall 2016 4-year	18.0%
Same		67.8%	70.6%	68.6%	Fall 2017 4-year	18.0%
Other		14.7%	10.9%	11.2%	Fall 2011 5-year	31.0%
					Fall 2015 5-year	36.0%
					Fall 2016 5-year	37.0%
					Fall 2010 6-year	39.0%
					Fall 2014 6-year	44.0%
					Fall 2015 6-year	45.0%

Average Number of Fall & Spring Semesters and SCH Attempted for Bachelor's Degree						
Year	Institution			Peer Group Average		
	Grads	Sem	SCH	Grads	Sem	SCH
FY 2018	2,504	11.60	140.00	4,194	10.62	138.12
FY 2021	2,948	10.60	136.00	4,850	9.82	134.25
FY 2022	2,863	10.40	133.00	4,700	9.62	132.25

Six-year Graduation & Persistence Rate, Fall 2016		
Student Group	Cohort	Rate
<i>For Students Needing Dev Ed</i>		
Institution	1,191	50.4%
Peer Group	495	56.8%
<i>For Students NOT Needing Dev Ed</i>		
Institution	1,813	71.9%
Peer Group	3,544	76.4%

*Peer Group data is average for peer group.

Funding						
Source	FY 2017 Amount	Pct of Total	FY 2021 Amount	Pct of Total	FY 2022 Amount	Pct of Total
Appropriated Funds	\$124,780,258	32.9%	\$133,335,593	25.7%	\$150,749,922	29.8%
Federal Funds	\$110,666,762	29.2%	\$206,524,165	39.7%	\$168,836,245	33.4%
Tuition & Fees	\$106,210,683	28.0%	\$140,269,683	27.0%	\$139,778,971	27.6%
Institution	\$37,264,966	9.8%	\$39,635,683	7.6%	\$46,475,144	9.2%
Total Revenue	\$378,922,669	100.0%	\$519,765,124	100.0%	\$505,840,282	100.0%

Online Resume for Prospective Students, Parents and the Public

THE UNIVERSITY OF TEXAS AT EL PASO

Location: El Paso, Upper Rio Grande Region

Emerging Research Accountability Peer Group: Texas State Univ, Texas Tech Univ, UT Arlington, UT Dallas, UT San Antonio, Univ of Houston, Univ of North Texas

Out-Of-State Peers: University Of Akron Main Campus, University Of Memphis, University Of Nevada-Las Vegas, University Of New Mexico-Main Campus, University Of Oklahoma-Norman Campus

Degrees Offered: Bachelor's, Master's, Doctoral

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Enrollment		
Race/Ethnicity	Fall 2022	
	Number	Percent
White	1,263	5.3%
Hispanic	20,141	84.3%
African American	583	2.4%
Asian	213	.9%
International	1,294	5.4%
Other & Unknown	386	1.6%
Total	23,880	100.0%
TX First Time Transfers		
Number	% of UG	
Two-Year Institutions	1,070	5.3%
Other Institutions	100	.5%

Baccalaureate Success

Graduation Rate of First-time, Full-time Degree-seeking Students		
Entering		Rate
Measure	Fall	Rate
4-year Rate Total	2018	23.8%
Same Institution		23.0%
Other Institutions		.8%
5-year Rate Total	2017	41.0%
Same Institution		38.1%
Other Institutions		2.9%
6-year Rate Total	2016	50.4%
Same Institution		47.3%
Other Institutions		3.1%

[Grad Rates by Ethnicity](#)

1-Year Persistence, Fall 2021	
Total	80.7%
Same	75.3%
Other	5.4%
2-Year Persistence, Fall 2020	
Total	70.7%
Same	61.4%
Other	9.3%

Avg Number SCH for Bachelor's Degree		
FY 2022 Average		
Sem	SCH	
All	10.40	133.00

Degrees Awarded	
Type	FY 2022
Bachelor's	3,874
Master's	1,175
Doctoral	131
Professional	87
Total	5,267

[Degrees by Ethnicity](#)

First-time Licensure or Certification Examination Pass Rate	
FY 2022	
Field	Rate
Law	%
Pharmacy	%
Nursing	89.9%
Engineering	44.1%

*Data for FY 2021

Admissions		
Middle 50% of Test Scores, for First-Time Undergraduates, Fall 2022		
Test Section	ACT	SAT
Composite	https://nces.ed.gov/	
Math		
English		
Critical Reading		

Application for First-time Undergraduate Admission			
Fall 2022			
Race/Ethnicity	Applicants	Accepted	Enrolled
White	365	100.0%	26.8%
African American	230	100.0%	21.7%
Hispanic	9,141	100.0%	36.9%
Asian	96	100.0%	27.1%
International	315	98.7%	42.4%
Other	370	99.7%	28.2%
Total	10,517	99.9%	36.0%

Costs					
Average Annual Academic Costs for Resident Undergraduate Student Taking 30 SCH					Annual Costs for Resident Undergraduate Student Taking 30 SCH, FY 2023
Fiscal Year	Institution Average	Percent Increase	Peer Group Average	Percent Increase	
2018	\$7,651	.0%	\$10,841	.0%	Type of Cost
2019	\$8,067	5.2%	\$11,090	2.2%	
2020	\$8,340	3.3%	\$11,393	2.7%	Total Academic Cost
2021	\$8,652	3.6%	\$11,856	3.9%	On-campus Room & Board
2022	\$8,947	3.3%	\$12,164	2.5%	Books & Supplies
2023	\$8,947	.0%	\$12,199	.3%	Off-Campus Transportation & Personal Expenses
					Total Cost
					\$23,840

[Rates of Tuition per SCH](#)

[Mandatory Fees](#)

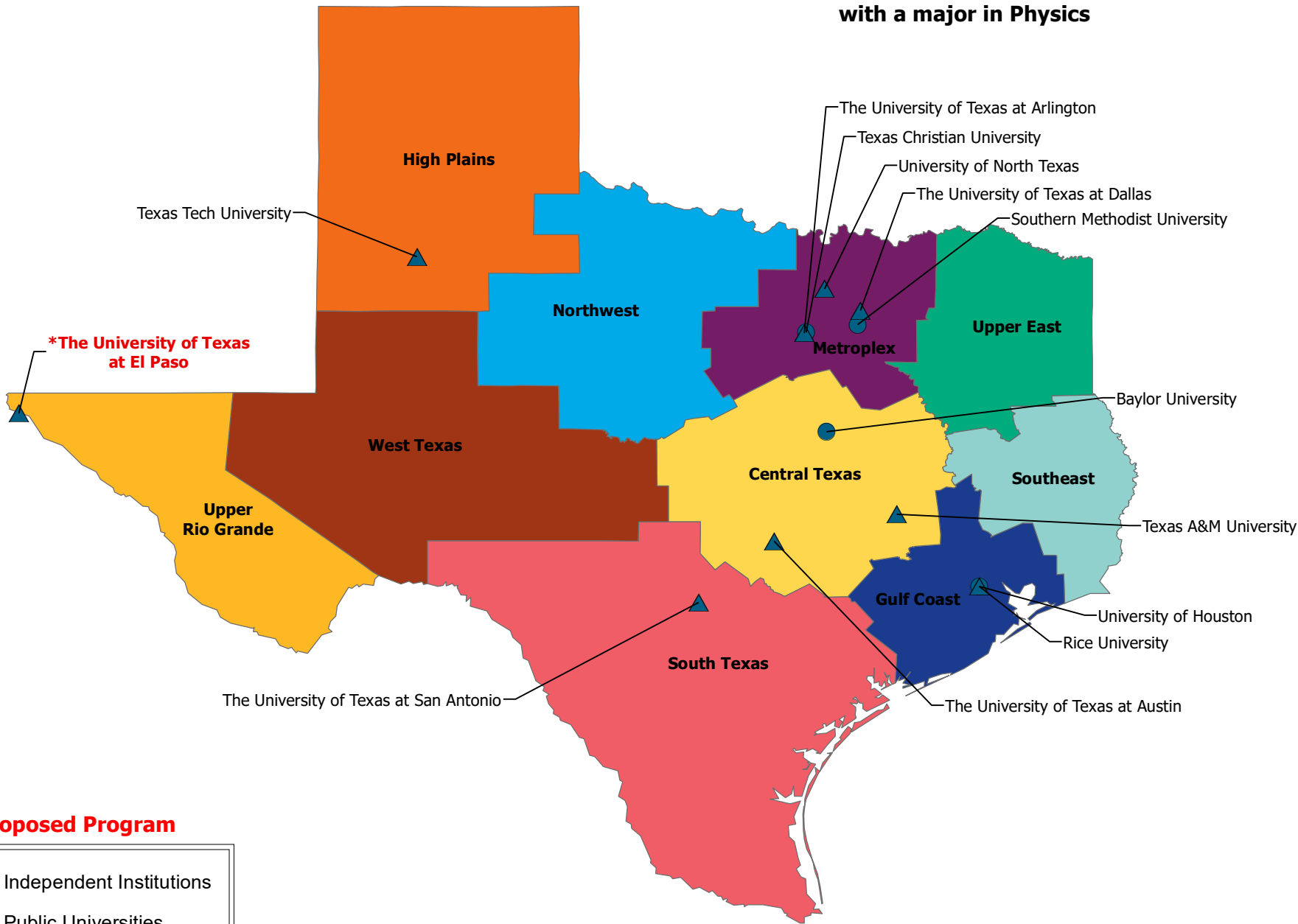
Instruction		
Measure of Excellence	Fall 2022	
Undergraduate Classes with < 20 Students	31.5%	
Undergraduate Classes with > 50 Students	16.2%	
% of Teaching Faculty Tenured/Tenure-track *	44.1%	
Student/Faculty Ratio *	25:1	

* Fall 2021 Data

Financial Aid		
Enrolled in FY 2021		
Type of Aid	% of UGs Receiving	Average Amount
Grants or Scholarships	78%	\$7,851
Federal (Pell) Grants	57%	\$4,676
Federal Student Loans	32%	\$6,135

Funding		
Source	FY 2022 Amount	Pct of Total
Appropriated Funds	\$150,749,922	29.8%
Federal Funds	\$168,836,245	33.4%
Tuition & Fees	\$139,778,971	27.6%
Institution	\$46,475,144	9.2%
Total Revenue	\$505,840,282	100.0%

**Proposal for a Doctor of Philosophy (PhD) degree
with a major in Physics**



*** Proposed Program**

- Independent Institutions
- ▲ Public Universities

AGENDA ITEM X-H (2)

Consideration and possible action to approve the request from The University of Texas Medical Branch at Galveston for a Doctor of Nursing Practice (DNP) in Nurse Anesthesia

RECOMMENDATION: Approval, beginning fall 2024

Program Summary:

The University of Texas Medical Branch at Galveston (UTMB) is seeking approval to offer a Doctor of Nursing Practice (DNP) degree program in Nurse Anesthesia (51.3804) that would begin in fall 2024. The proposed program would be offered face-to-face to students in Galveston. If approved, the program would be the eighth nurse anesthesia program in Texas. The institution is seeking accreditation for the program from the Council on Accreditation of Nurse Anesthesia Educational Programs (COA).

Program Demand and Student Support

Estimated average annual <i>per student</i> costs*	Resident: \$39,309 Nonresident: \$61,669
Estimated average annual <i>per student</i> institutional financial support**	\$600
Projected state post-graduation first year annual earnings	\$158,191
Number of existing Texas doctoral programs in related fields	7
Minimum SCHs required for completion	112 SCHs beyond bachelor's

*Student costs assume full-time enrollment and include tuition, fees, course supplies, and other annual expenses identified by the institution. Variable costs such as housing are not included.

**Includes total annual financial support made available by the institution (scholarships, teaching assistantships, research assistantships, etc.) divided by the annual number of enrollments projected. This does not include federal and state financial aid.

Similar Programs

Program Title & Designation	University	Region
Nurse Anesthesia, DNP	Baylor University*	Central
Nurse Anesthesia, DNP	Baylor College of Medicine (Houston)	Gulf Coast
Nurse Anesthesia, DNP	Texas Christian University	Metroplex
Nurse Anesthesia, DNP	Texas Wesleyan University	Metroplex
Nurse Anesthesia, DNP	The University of Texas Health Science Center at Houston	Gulf Coast
Nurse Anesthesia, DNP	The University of Texas Health Science Center at San Antonio	Gulf Coast
Nurse Anesthesia, DNP	The University of Texas at Tyler	Upper East

*US Army graduate program in nursing anesthesia only accepts active-duty nurses.

Labor Market Demand

Nurse anesthetists are the highest paid nurse practitioners, earning an average starting salary of \$158,191 in Texas. To practice anesthesia, nurses must hold a DNP in Nurse Anesthesia from a COA-accredited program and pass a national certification exam to become a Certified Registered Nurse Anesthetist (CRNA). Existing DNP in Nurse Anesthesia programs in Texas are at capacity. Admission data from 2020 show Texas institutions received 1,120 qualified applicants for just 205 available positions.

The job outlook for CRNAs is positive. The Bureau of Labor Statistics (BLS) and Texas Workforce Commission (TWC) predict an above-average growth for CRNA positions through 2030.

Academic Quality/Site Visit Summary

External reviewers assessed the program on October 17, 2023, and found UTMB's School of Nursing is well positioned to offer the DNP in Nurse Anesthesia, with adequate faculty, clinical affiliations, and other resources in place. The institution responded to all recommendations in the site visit report.

Projected 5-Year Enrollments, Costs, and Funding

	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year Total
Projected Cumulative Headcount	10	25	43	51	55	184
Estimated Total Costs	\$1,017,745	\$1,163,171	\$1,274,780	\$1,319,983	\$1,422,785	\$6,198,464
Estimated Total Funding	\$395,734	\$1,086,149	\$1,637,752	\$2,441,226	\$2,516,874	\$8,077,736
Net Funding	(\$622,011)	(\$77,022)	\$362,972	\$1,121,243	\$1,094,089	\$1,879,272

Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, will present this item and be available to answer questions.

Online Resume for Legislators and Other Policymakers

UT MEDICAL BRANCH-GALVESTON

Location: Galveston, Gulf Coast Region

Health Related Institution Accountability Peer Group: Texas A&M System HSC, Texas Tech Univ HSC, Texas Tech Univ HSC - El Paso, UNT HSC, UT Austin Dell Medical School, UT HSC Houston, UT HSC San Antonio, UT HSC Tyler, UT M. D. Anderson Cancer Center, UT Southwestern Medical Center, UTRGV - Medical School

Out-Of-State Peers: Georgia Health Sciences University, Louisiana State University Health Sciences Center-, Medical University Of South Carolina, University Of California-San Francisco, University Of Oklahoma Health Science Center

Degrees Offered: Bachelor's, Master's, Doctoral, Professional

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Enrollment			
Category	Fall 2017	Fall 2021	Fall 2022
Medical School Students	945	931	935
Total Enrollment	3,302	3,377	3,291
Physicians Certified in Residency	575	630	650

Costs				
Average Annual Total Academic Costs for Resident Full-time Student				
Undergraduate Student			Graduate Student	
Year	Institution	Peer Group	Institution	Peer Group
FY 2018	\$7,132	\$4,925	\$4,592	\$6,540
FY 2022	\$9,880	\$7,360	\$12,873	\$7,144
FY 2023	\$10,067	\$9,130	\$8,116	\$7,289

Student Success									
Nursing and Allied Health Degrees Awarded						National Data: Nursing or Allied Health Degrees Awarded			
FY 2017		FY 2021		FY 2022		FY 2016		FY 2020	
Type	Peer Institution	Peer Group	Institution	Peer Group	Institution	Institution	Out-of-state Peers Ave.	Institution	Out-of-state Peers Ave.
Bachelor's	448	329	431	327	413	316			
Master's	315	144	355	189	300	190			
Doctoral	20	12	51	23	102	38			
Professional	96	33	77	31	89	31			

Research Expenditures	
Year	Amount
FY 2017	\$149,786,313
FY 2021	\$161,572,993
FY 2022	\$171,977,460

Percent of Medical School Students Practicing Primary Care in Texas after Graduation		
Year	Institution	Peer Group
FY 2017	20.00%	25.85%
FY 2021	15.90%	21.52%
FY 2022	26.20%	23.46%

Pass Rate of Medical School Students on Part 1 or Part 2 of Any Examination for a Medical License		
Year	Institution	Peer Group
FY 2017	98.00%	96.00%
FY 2021	99.00%	97.77%
FY 2022	95.20%	97.28%

Funding			
Total Appropriated Funds Including Faculty and Staff Health and Retirement		Total Amount of Money from Any Source Available in FY	
Year	Amount	Year	Amount
FY 2018	\$380,383,100	FY 2018	\$814,795,307
FY 2021	\$333,025,528	FY 2021	\$867,054,902
FY 2022	\$392,636,564	FY 2022	\$947,374,184

Online Resume for Prospective Students, Parents and the Public

UT MEDICAL BRANCH-GALVESTON

Location: Galveston, Gulf Coast Region

Health Related Institution Accountability Peer Group: Texas A&M System HSC, Texas Tech Univ HSC, Texas Tech Univ HSC - El Paso, UNT HSC, UT Austin Dell Medical School, UT HSC Houston, UT HSC San Antonio, UT HSC Tyler, UT M. D. Anderson Cancer Center, UT Southwestern Medical Center, UTRGV - Medical School

Out-Of-State Peers: Georgia Health Sciences University, Louisiana State University Health Sciences Center-, Medical University Of South Carolina, University Of California-San Francisco, University Of Oklahoma Health Science Center

Degrees Offered: Bachelor's, Master's, Doctoral, Professional

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Enrollment						
Fall 2022						
Race/Ethnicity	Total Students		Medical Students		Physicians Certified in Residency*	
	Number	% of Total	Number	% of Total	Number	% of Total
White	1,319	40.1%	280	29.9%	257	39.5%
Hispanic	703	21.4%	217	23.2%	52	8.0%
African American	338	10.3%	88	9.4%	24	3.7%
Asian/Pacific Isl.	706	21.5%	264	28.2%	197	30.3%
International	49	1.5%	0	.0%	93	14.3%
Other & Unknown	176	5.3%	86	9.2%	27	4.2%
Total	3,291	100.0%	935	100.0%	650	100.0%

* Data for FY 2023

Costs	
Annual Academic Costs for Full-time Resident Student, FY 2023	
Type of Cost	Average Amount
Undergraduate	\$10,067
Graduate	\$8,116
First-time Medical Student	\$25,913

[Rates of Tuition per SCH](#)

[Mandatory Fees as Defined by CB](#)

[Amount & Percent of Tuition Increase \(UGrad\)](#)

[Amount & Percent of Tuition Increase \(Grad\)](#)

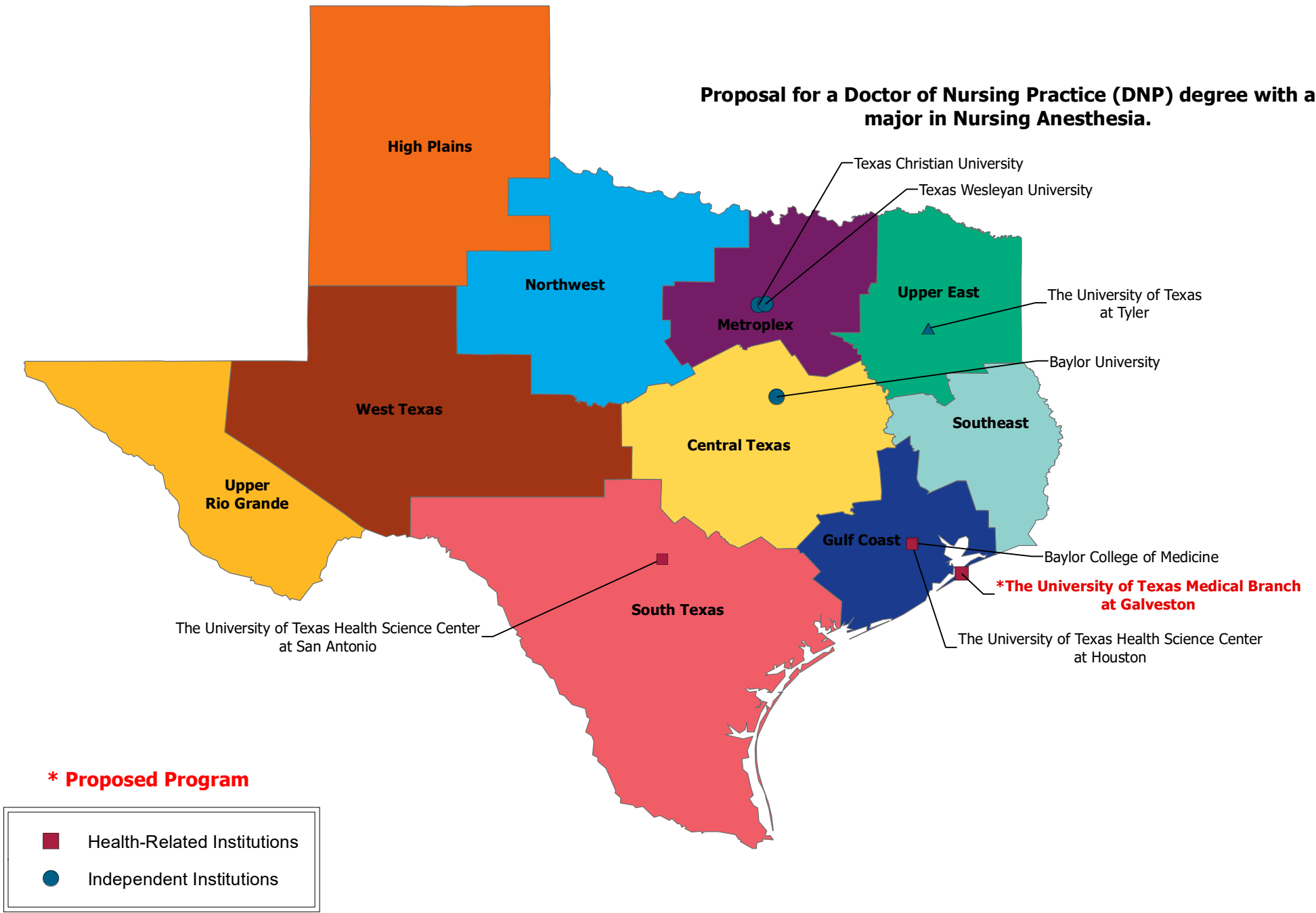
Financial Aid		
Need-based Aid for Graduate Students (GS)		
Fall 2021		
Type of Aid	% of GSs Receiving	Average Amount
Grants or Scholarships	17.7%	\$526
Loans		.
Work Study	2.6%	\$74
Grants, Scholarships, Loans or Workstudy	19.5%	\$601

Student Success								
Pass Rate of Medical School Students on Part 1 or Part 2 of Any Examination for a Medical License			Percent of Medical School Students Practicing Primary Care in Texas after Graduation			Nursing and Allied Health Degrees, FY 2022		
						Year	Institution	Peer Group
Year	Institution	Peer Group	Year	Institution	Peer Group	Bachelor's	413	316
FY 2022	95.20%	97.28%	FY 2022	26.20%	23.46%	Master's	300	190
						Doctoral	102	38
						Professional	89	31

First-time Licensure or Certification Examination Pass Rate		
FY 2022		
Field	Institution	Peer Group
Dental	N/A	94.4%
Allied Health	94.0%	93.4%
Nursing	98.4%	93.0%
Pharmacy	N/A	79.4%
Medical	95.2%	97.3%

Research Expenditures	
Year	Amount
FY 2022	\$171,977,460

Proposal for a Doctor of Nursing Practice (DNP) degree with a major in Nursing Anesthesia.



AGENDA ITEM X-H (3)

Consideration and possible action to approve the request from The University of Texas Rio Grande Valley for a Doctor of Philosophy (PhD) in Computer Science with Interdisciplinary Applications

RECOMMENDATION: Approval, beginning fall 2024

Program Summary:

The University of Texas Rio Grande Valley (UT-RGV) is seeking approval to offer a Doctor of Philosophy (PhD) degree program in Computer Science with Interdisciplinary Applications (11.0701) that would begin in fall 2024. The proposed program would be offered face-to-face to students in Rio Grande Valley. If approved, the program would be the seventh doctoral program in computer science in Texas.

Program Demand & Student Support

Estimated average annual <i>per student</i> costs*	Resident: \$10,663 Nonresident: \$18,223
Estimated average annual <i>per student</i> institutional financial support**	\$38,033
Projected state post-graduation first year annual earnings	\$88,000
Number of existing Texas doctoral programs in related fields	14
Minimum SCHs required for completion	54 SCHs beyond master's 72 SCHs beyond bachelor's

*Student costs assume full-time enrollment and include tuition, fees, course supplies, and other annual expenses identified by the institution. Variable costs such as housing are not included.

**Includes total annual financial support made available by the institution (scholarships, teaching assistantships, research assistantships, etc.) divided by the annual number of enrollments projected. This does not include federal and state financial aid.

Similar Programs

Program Title & Designation	University	Region
Computer Science, PhD	Baylor University	Central Texas
Computer Science, PhD	Southern Methodist University	Metroplex
Computer Science, PhD	Texas A&M University	Central Texas
Computer Science, PhD	Texas State University	Central Texas
Computer Science, PhD	The University of Texas at El Paso	Upper Rio Grande
Computer Science, PhD	The University of Texas at San Antonio	South Texas

Labor Market Demand

The job outlook for computer science faculty and researchers is promising. The Bureau of Labor Statistics and Texas Workforce Commission (TWC) predict above-average growth in computer science faculty positions through 2030, with the TWC anticipating an average of 328 computer science faculty vacancies each year. In 2021, Texas public institutions combined produced 124 students, far fewer graduates than needed to fill annual job vacancies.

Academic Quality/Site Visit Summary

External reviewers assessed the program on October 5, 2023, and found a strong national and regional need for the PhD program. The review team commended UTRGV for its academic and financial support of the program and highlighted the commitment and enthusiasm demonstrated by faculty and students toward the creation of the PhD program. The institution responded to all recommendations in the site visit report.

Projected 5-Year Enrollments, Costs, and Funding

	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year Total
Projected Cumulative Headcount	10	25	43	51	55	184
Estimated Total Costs	\$764,342	\$958,970	\$1,268,478	\$1,313,680	\$1,416,483	\$5,721,953
Estimated Total Funding	\$0	\$452,322	\$1,222,352	\$1,803,622	\$2,695,542	\$6,173,383
Net Funding	(\$764,342)	(\$506,648)	(\$46,126)	\$489,942	\$1,279,059	\$451,430

Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, will present this item and be available to answer questions.

Online Resume for Legislators and Other Policymakers

THE UNIVERSITY OF TEXAS RIO GRANDE VALLEY

Location: Edinburg, South Texas Region

Doctoral Accountability Peer Group: Sam Houston State Univ, Texas A&M - Commerce, Texas A&M - Corpus Christi, Texas A&M - Kingsville, Texas Southern Univ, Texas Woman's Univ

Out-Of-State Peers: East Carolina University, East Tennessee State University, Florida Atlantic University-Boca Raton, New Mexico State University, University Of North Carolina At Greensboro

Degrees Offered: Bachelor's, Master's, Doctoral

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[Accountability System](#)

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Enrollment						
Race/Ethnicity	Fall 2017		Fall 2021		Fall 2022	
	Number	Percent	Number	Percent	Number	Percent
White	857	3.1%	1,018	3.2%	936	3.0%
Hispanic	24,777	89.4%	28,912	91.2%	28,589	91.3%
African American	200	.7%	271	.9%	251	.8%
Asian	366	1.3%	422	1.3%	398	1.3%
International	787	2.8%	789	2.5%	822	2.6%
Other & Unknown	721	2.6%	306	1.0%	321	1.0%
Total	27,708	100.0%	31,718	100.0%	31,317	100.0%
TX First Time Transfers	Number		Number		Number	
	% of UG		% of UG		% of UG	
Two-Year Institutions	1,119	4.6%	965	3.7%	886	3.4%
Other Institutions	584	2.4%	504	1.9%	577	2.2%

Costs				
Average Annual Total Academic Costs for Resident Undergraduate Student Taking 30 SCH				
Fiscal Year	Texas Rates			
	Institution Average	Percent Increase	Peer Group Average	Percent Increase
2018	\$7,587	.0%	\$8,781	.0%
2019	\$7,813	3.0%	\$9,071	3.3%
2020	\$8,132	4.1%	\$9,340	3.0%
2021	\$8,917	9.7%	\$9,744	4.3%
2022	\$9,541	7.0%	\$9,922	1.8%
2023	\$9,541	.0%	\$9,773	-1.5%

Financial Aid						
Fiscal Year	Institution		Peer Group		OOS Peer Group	
	Percent	Avg Amt	Percent	Avg Amt	Percent	Avg Amt
Federal Student Loans						
2020	34%	\$5,161	49%	\$6,831	43%	\$6,090
2021	28%	\$4,976	44%	\$6,672	39%	\$6,011
Federal, State, Institutional or Other Grants Known by Institutions						
2020	84%	\$8,061	74%	\$7,263	69%	\$8,877
2021	85%	\$7,344	74%	\$7,785	72%	\$8,854
Federal (Pell) Grants						
2020	64%	\$5,466	48%	\$4,980	40%	\$5,104
2021	63%	\$5,224	47%	\$4,923	39%	\$5,176

Student Success								
One-Year Persistence of First-time, Full-time, Degree Seeking Undergraduates					Graduation Rates			
Enter Fall 2016		Enter Fall 2020	Enter Fall 2021		Cohort	Institution Rate	Peer Group Rate	
Cohort	3,616		4,851	4,239		Fall 4-year	.0%	25.8%
Total	85.8%		78.6%	81.0%		Fall 2017 4-year	31.1%	28.5%
Same	78.8%		71.7%	75.6%		Fall 2018 4-year	32.7%	30.4%
Other	6.9%		6.9%	5.4%		Fall 5-year	.0%	39.6%
Two-Year Persistence of First-time, Full-time, Degree Seeking Undergraduates					Fall 2016 5-year	49.2%	47.2%	
Enter Fall 2015		Enter Fall 2019	Enter Fall 2020		Fall 2017 5-year	46.4%	44.0%	
Institution Persistence					Fall 6-year	.0%	45.9%	
Cohort	3,759		4,394	4,762		Fall 2015 6-year	55.0%	53.0%
Total	78.3%		76.9%	71.4%		Fall 2016 6-year	57.0%	53.5%
Same	68.5%		69.0%	61.0%		National Comparison (IPEDS Definition)		
Other	9.8%		7.9%	10.5%		Cohort	Institution Rate	OOS Peers Rate
Peer Group Persistence					Fall 2012 4-year	19.0%	21.5%	
Cohort	1,902		1,918	1,756		Fall 2016 4-year	24.0%	34.2%
Total	75.1%		72.6%	71.0%		Fall 2017 4-year	25.0%	36.2%
Same	58.6%		59.6%	56.9%		Fall 2011 5-year	35.0%	40.0%
Other	16.5%		13.0%	14.1%		Fall 2015 5-year	41.0%	52.0%
Average Number of Fall & Spring Semesters and SCH Attempted for Bachelor's Degree					Fall 2016 5-year	42.0%	52.0%	
					Fall 2010 6-year	41.0%	47.3%	
					Fall 2014 6-year	47.0%	56.2%	
					Fall 2015 6-year	51.0%	55.6%	
Institution Grade	Sem	SCH	Peer Group Average		Grade	Sem	SCH	

Average Number of Fall & Spring Semesters and SCH Attempted for Bachelor's Degree						
Year	Institution			Peer Group Average		
	Grads	Sem	SCH	Grads	Sem	SCH
FY 2018	3,122	10.00	140.00	1,556	10.45	140.85
FY 2021	4,024	9.40	136.00	1,804	10.00	138.28
FY 2022	3,865	9.20	133.00	1,690	9.77	136.00

Six-year Graduation & Persistence Rate, Fall 2016		
Student Group	Cohort	Rate
<i>For Students Needing Dev Ed</i>		
Institution	344	44.2%
Peer Group	579	44.7%
<i>For Students NOT Needing Dev Ed</i>		
Institution	3,272	70.1%
Peer Group	1,336	70.2%

*Peer Group data is average for peer group.

Funding						
Source	FY 2017 Amount	Pct of Total	FY 2021 Amount	Pct of Total	FY 2022 Amount	Pct of Total
Appropriated Funds	\$163,777,214	42.0%	\$152,832,944	25.4%	\$179,468,972	33.1%
Federal Funds	\$106,936,640	27.4%	\$246,799,186	41.1%	\$208,762,937	38.5%
Tuition & Fees	\$94,370,627	24.2%	\$127,994,340	21.3%	\$113,822,317	21.0%
Institution	\$24,659,511	6.3%	\$72,972,468	12.1%	\$40,193,945	7.4%
Total Revenue	\$389,743,992	100.0%	\$600,598,938	100.0%	\$542,248,171	100.0%

Online Resume for Prospective Students, Parents and the Public

THE UNIVERSITY OF TEXAS RIO GRANDE VALLEY

Location: Edinburg, South Texas Region

Doctoral Accountability Peer Group: Sam Houston State Univ, Texas A&M - Commerce, Texas A&M - Corpus Christi, Texas A&M - Kingsville, Texas Southern Univ, Texas Woman's Univ

Out-Of-State Peers: East Carolina University, East Tennessee State University, Florida Atlantic University-Boca Raton, New Mexico State University, University Of North Carolina At Greensboro

Degrees Offered: Bachelor's, Master's, Doctoral

[Institutional Resumes](#)

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Enrollment		
Race/Ethnicity	Fall 2022 Number	Percent
White	936	3.0%
Hispanic	28,589	91.3%
African American	251	.8%
Asian	398	1.3%
International	822	2.6%
Other & Unknown	321	1.0%
Total	31,317	100.0%
TX First Time Transfers	Number	% of UG
Two-Year Institutions	886	3.4%
Other Institutions	577	2.2%

Baccalaureate Success		
Graduation Rate of First-time, Full-time Degree-seeking Students		
Measure	Entering Fall	Rate
4-year Rate Total	2018	32.7%
Same Institution		31.1%
Other Institutions		1.6%
5-year Rate Total	2017	46.4%
Same Institution		43.1%
Other Institutions		3.3%
6-year Rate Total	2016	57.0%
Same Institution		52.5%
Other Institutions		4.5%
Grad Rates by Ethnicity		

1-Year Persistence, Fall 2021	
Total	81.0%
Same	75.6%
Other	5.4%
2-Year Persistence, Fall 2020	
Total	71.4%
Same	61.0%
Other	10.5%

Avg Number SCH for Bachelor's Degree		
FY 2022 Average		
Sem	SCH	
All	9.20	133.00

Degrees Awarded	
Type	FY 2022
Bachelor's	4,756
Master's	2,056
Doctoral	43
Professional	0
Total	6,855

[Degrees by Ethnicity](#)

First-time Licensure or Certification Examination Pass Rate	
Field	FY 2022 Rate
Law	%
Pharmacy	%
Nursing	92.1%
Engineering	40.0%

*Data for FY 2021

Admissions		
Middle 50% of Test Scores, for First-Time Undergraduates, Fall 2022		
Test Section	ACT	SAT
Composite		
Math	https://nces.ed.gov/	
English		
Critical Reading		

Application for First-time Undergraduate Admission Fall 2022			
Race/Ethnicity	Applicants	Accepted	Enrolled
White	281	89.3%	34.3%
African American	203	83.7%	21.8%
Hispanic	12,814	87.6%	48.7%
Asian	141	92.9%	39.7%
International	80	100.0%	96.3%
Other	225	86.7%	26.7%
Total	13,744	87.7%	47.8%

Costs				
Average Annual Academic Costs for Resident Undergraduate Student Taking 30 SCH				
Fiscal Year	Institution Average	Percent Increase	Peer Group Average	Percent Increase
2018	\$7,587	.0%	\$8,980	.0%
2019	\$7,813	2.9%	\$9,281	3.2%
2020	\$8,132	3.9%	\$9,541	2.7%
2021	\$8,917	8.8%	\$9,882	3.5%
2022	\$9,541	6.5%	\$9,985	1.0%
2023	\$9,541	.0%	\$9,811	-1.8%

Annual Costs for Resident Undergraduate Student Taking 30 SCH, FY 2023	
Type of Cost	Average Amount
Total Academic Cost	\$9,541
On-campus Room & Board	\$8,887
Books & Supplies	\$1,196
Off-Campus Transportation & Personal Expenses	\$3,621
Total Cost	\$23,245

[Rates of Tuition per SCH](#)

[Mandatory Fees](#)

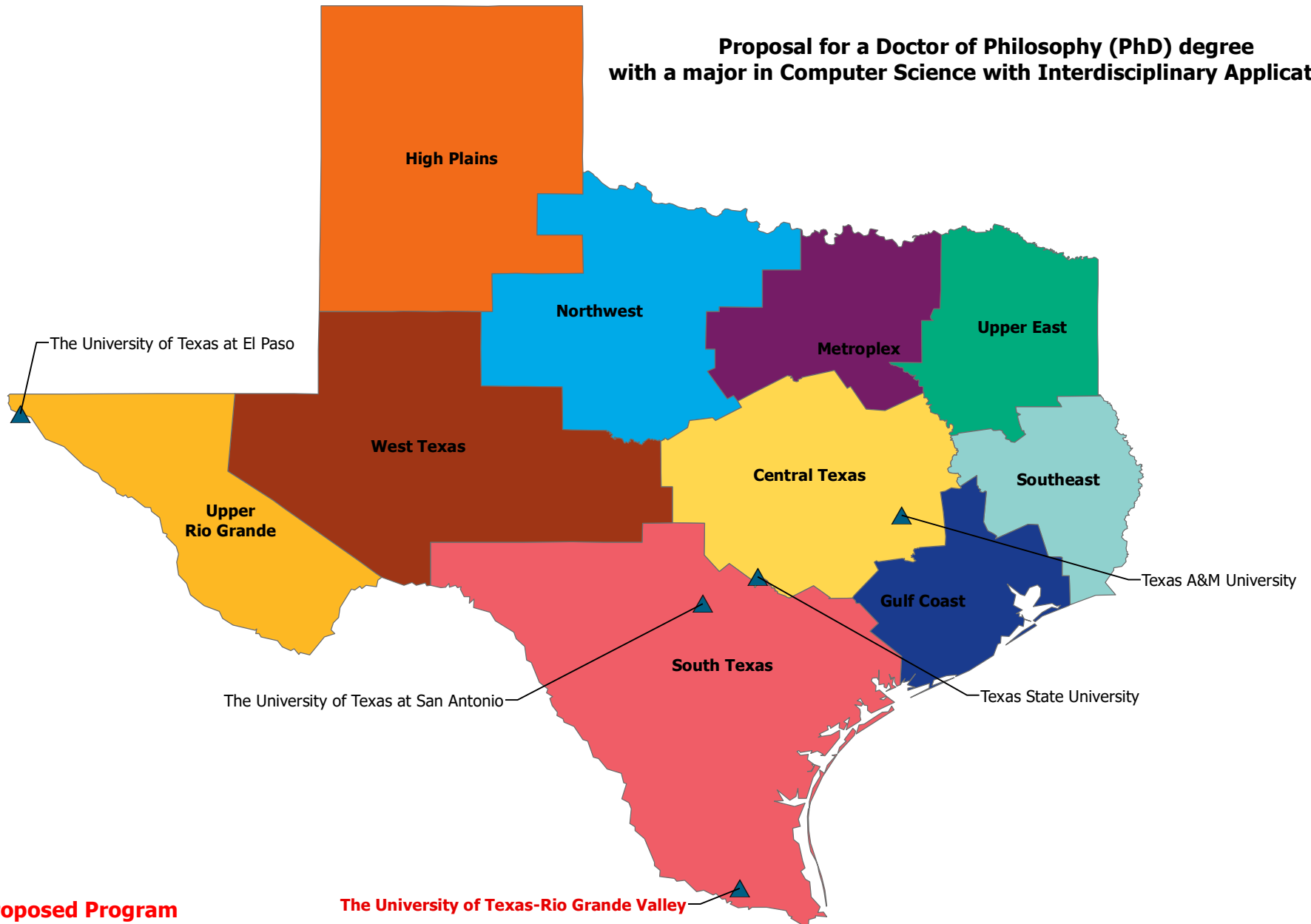
Instruction	
Measure of Excellence	Fall 2022
Undergraduate Classes with < 20 Students	25.9%
Undergraduate Classes with > 50 Students	15.0%
% of Teaching Faculty Tenured/Tenure-track *	39.4%
Student/Faculty Ratio *	26:1

* Fall 2021 Data

Financial Aid		
Enrolled in FY 2021		
Type of Aid	% of UGs Receiving	Average Amount
Grants or Scholarships	85%	\$7,344
Federal (Pell) Grants	63%	\$5,224
Federal Student Loans	28%	\$4,976

Funding		
Source	FY 2022 Amount	Pct of Total
Appropriated Funds	\$179,468,972	33.1%
Federal Funds	\$208,762,937	38.5%
Tuition & Fees	\$113,822,317	21.0%
Institution	\$40,193,945	7.4%
Total Revenue	\$542,248,171	100.0%

Proposal for a Doctor of Philosophy (PhD) degree with a major in Computer Science with Interdisciplinary Applications



*** Proposed Program**

▲ Public Universities

AGENDA ITEM X-I (1)

Consideration and possible action to adopt amendments to Board Rules, Chapter 2, Subchapter E, Section 2.87, and new rules in Board Rules, Chapter 4, Subchapter J, Sections 4.191-4.192, concerning institutional accreditation requirements

RECOMMENDATION: Adoption

Background Information:

The Texas Higher Education Coordinating Board proposes to amend rules in Texas Administrative Code, Title 19, Part 1, Chapter 2, Subchapter E, Section 2.87, concerning approval of baccalaureate degrees at public junior colleges, and new rules in Texas Administrative Code, Title 19, Part 1, Chapter 4, Subchapter J, concerning recognized institutional accreditors. Specifically, the amended section in 2.87 authorizes a public junior college with a baccalaureate degree the ability to change accreditors if it has already been approved by the Commission on Colleges of the Southern Association of Colleges and Schools. The new Subchapter J supports the U.S. Department of Education's decision to allow regional accrediting organizations to accredit institutions anywhere in the country.

These changes align with Texas Education Code, Sections 61.051 and 61.003(13), which provide the Board with authority to coordinate higher education and designate recognized accreditation organizations.

Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, will present this item and be available to answer questions.

Date Published in the *Texas Register*: October 13, 2023.

The 30-day comment period with the *Texas Register* ended on: November 12, 2023.

No comments were received regarding this rule.

CHAPTER 2:
ACADEMIC AND WORKFORCE EDUCATION

SUBCHAPTER E:
APPROVAL PROCESS FOR NEW BACCALAUREATE PROGRAMS AT PUBLIC JUNIOR
COLLEGES

Rule 2.87 Criteria for New Baccalaureate Degree Programs

(a) The Board may authorize baccalaureate degree programs at a public junior college in the fields of applied science, including a degree program in applied science with an emphasis on early childhood education, applied technology, or nursing, that have a demonstrated workforce need.

(b) All proposed baccalaureate degree programs must meet the criteria set out in this subsection, in addition to the general criteria in subchapter A, §2.5 (relating to General Criteria for Program Approval), and subchapter F, §2.118 (relating to Post-Approval Program Reviews), of this chapter.

(c) Each public junior college seeking to offer a baccalaureate degree program must comply with the requirements and limitations specified in Tex. Educ. Code, chapter 130, subchapter L.

(d) A public junior college offering a baccalaureate degree program must meet all applicable accreditation requirements of the Commission on Colleges of the Southern Association of Colleges and Schools. A public junior college that has attained accreditation by the Commission on Colleges of the Southern Association of Colleges and Schools is authorized to change accreditors to any accrediting agency approved by the Board under chapter 4, subchapter J of the Board's rules.

SUBCHAPTER J:
ACCREDITATION

§4.191 Authority

The authority for this subchapter is Texas Education Code, §61.051 and §61.003(13) which provides the board with authority to coordinate higher education and designate recognized accreditation organizations.

§4.192 Recognized Accreditation Organizations

The board recognizes institutions of higher education that offer an associate degree or higher, by one of the following organizations:

1. Higher Learning Commission;
2. New England Commission of Higher Education;
3. Northwest Commission of Colleges and Universities;
4. Middle States Commission on Higher Education;
5. Southern Association of Colleges and Schools Commission on Colleges;

6. Western Association of Schools and Colleges Accrediting Commission for Senior Colleges and Universities; or
7. Western Association of Schools and Colleges Accrediting Commission for Community and Junior Colleges;
8. This also includes any revisions to the names of these organizations moving forward.

AGENDA ITEM X-I (2)

Consideration and possible action to adopt proposed amendments to Board Rules, Chapter 2, Subchapter J, Section 2.202, concerning approval of distance education for public institutions

RECOMMENDATION: Adoption

Background Information:

The Texas Higher Education Coordinating Board proposes revisions to Texas Administrative Code, Title 19, Part 1, Chapter 2, Subchapter J, Section 2.202. concerning approval of distance education for public institutions. Specifically, this amendment will correct the definition of “hybrid program” to align with the overall definition of “distance education degree or certificate program” that went into effect May 18, 2023. The amendment is proposed under Texas Education Code, Section 61.0512(g), which provides the Coordinating Board with the authority to approve distance learning courses offered by institutions of higher education.

Dr. Michelle Singh, Assistant Commissioner for Digital Learning, will present this item and be available to answer questions.

Date published in the *Texas Register*: October 13, 2023

The 30-day comment period with the *Texas Register* ended on: November 12, 2023

Summary of comments received: No comments were received regarding these rules.

CHAPTER 2 – ACADEMIC AND WORKFORCE EDUCATION

SUBCHAPTER J – APPROVAL OF DISTANCE EDUCATION FOR PUBLIC INSTITUTIONS

2.202. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise. The definitions in 19 TAC, Chapter 2, Subchapter A, §2.3, apply for this subchapter unless a more specific definition for the same term is indicated in this rule.

(1) Credit course--A college-level course that, if successfully completed, can be applied toward the number of courses required for achieving an academic or workforce degree, diploma, certificate, or other formal award.

(2) Distance Education--The formal educational process that occurs when students and instructors are in separate physical locations for the majority (more than 50 percent) of instruction.

(3) Distance Education Course--A course in which a majority (more than 50 percent) of the instruction occurs when the student(s) and instructor(s) are in separate physical locations. The definition of distance education course does not include courses with 50 percent or less instruction when the student(s) and instructor(s) are in separate physical locations. Two categories of distance education courses are defined:

(A) 100-Percent Online Course--A distance education course in which 100 percent of instructional activity takes place when the student(s) and instructor(s) are in separate physical locations. Requirements for on-campus or in-person orientation, testing, academic support services, internships/fieldwork, or other non-instructional activities do not exclude a course from this category.

(B) Hybrid Course--A distance education course in which more than 50 percent but less than 100 percent of instructional activity takes place when the student(s) and instructor(s) are in separate physical locations.

(4) Distance Education Degree or Certificate Program--A program in which a student may complete a majority (more than 50 percent) of the credit hours required for the program through distance education courses. The definition of a Distance Education Degree or Certificate Program does not include programs in which 50 percent or less of the required credit hours are offered through distance education. Two categories of distance education programs are defined:

(A) 100-Percent Online Program--A degree program in which students complete 100 percent of the credit hours required for the program through 100-Percent Online Courses. Requirements for on-campus or in-person orientation, testing, academic support services, internships/fieldwork, or other non-instructional activities do not exclude a program from this category.

(B) Hybrid Program--A degree program in which students complete more than 50 percent ~~but [or more and]~~ less than 100 percent of the credit hours required for the program through Distance Education Courses.

(5) Institutional Accreditor--A federally recognized institutional accreditor approved by the Department of Education under 20 U.S.C. §1099b.

(6) Institutional Plan for Distance Education ("Plan" or "IPDE")--A plan that an institution must submit for Coordinating Board approval prior to offering a distance education program for the first time. Each institution shall periodically update its plan on a schedule as specified in §2.205 of this subchapter.

(7) Principles of Good Practice for Distance Education--Standards and criteria for distance education delivered by Texas public institutions. This document is reviewed and adopted by the Board every three years in accordance with §2.204 of this subchapter. This document is also known as "Principles of Good Practice for Academic Degree and Certificate Programs and Credit Courses Offered at a Distance."

AGENDA ITEM X-I (3)

Consideration and possible action to adopt proposed amendments to Board Rules, Chapter 4, Subchapter A, Section 4.9, concerning limitations on the number of courses that may be dropped under certain circumstances by undergraduate students

RECOMMENDATION: Adoption

Background Information:

This amendment adds language prohibiting institutions from counting certain courses toward the limit of six courses that an undergraduate student may drop. The amendment excludes courses dropped while enrolled in a previously completed baccalaureate degree program or while enrolled in dual credit courses as a high school.

Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, will present this Item and be available for questions.

Date Published in the *Texas Register*: October 13, 2023

The 30-day comment period with the *Texas Register* ended on: November 12, 2023

No comments were received regarding the repeal of this rule.

CHAPTER 4:
RULES APPLYING TO ALL PUBLIC INSTITUTIONS OF HIGHER EDUCATION IN TEXAS

SUBCHAPTER A:
GENERAL PROVISIONS

4.9. Limitations on the Number of Courses ~~that~~ That May ~~be~~ [Be]
Dropped Under [~~under~~] Certain Circumstances ~~by~~ [By] Undergraduate Students.

- (a) Beginning with the fall 2007 academic term, and applying to students who enroll in higher education for the first time during the fall 2007 academic term or any term subsequent to the fall 2007 term, an institution of higher education may not permit an undergraduate student a total of more than six dropped courses, including any course a transfer student has dropped at another institution of higher education, unless:
- (1) the institution has adopted a policy under which the maximum number of courses a student is permitted to drop is less than six; or
 - (2) a disaster declared by the governor results in cessation or limitation of in-person course attendance by students at the institution of a duration determined by the institution to significantly affect the student's ability to participate in course work with consideration of the length of time of the cessation or limitation of in-person course attendance, the type of courses, and the personal circumstances of students affected by the disaster; or
 - (3) the student shows good cause for dropping more than that number, including but not limited to a showing of:
 - (A) a severe illness or other debilitating condition that affects the student's ability to satisfactorily complete the course;
 - (B) the student's responsibility for the care of a sick, injured, or needy person if the provision of that care affects the student's ability to satisfactorily complete the course;
 - (C) the death of a person who is considered to be a member of the student's family or who is otherwise considered to have a sufficiently close relationship to the student that the person's death is considered to be a showing of good cause;

- (D) the active duty service as a member of the Texas National Guard or the armed forces of the United States of either the student or a person who is considered to be a member of the student's family or who is otherwise considered to have a sufficiently close relationship to the student that the person's active military service is considered to be a showing of good cause;
 - (E) the change of the student's work schedule that is beyond the control of the student[,] and that affects the student's ability to satisfactorily complete the course; or
 - (F) other good cause as determined by the institution of higher education.
- (4) the enrollment is for a student who qualifies for a seventh course enrollment, who:
- (A) has reenrolled at the institution following a break in enrollment from the institution or another institution of higher education covering at least the 24-month period preceding the first class day of the initial semester or other academic term of the student's reenrollment; and
 - (B) successfully completed at least 50 semester credit hours of course work at an institution of higher education that are not exempt from the limitation on formula funding set out in §13.104(1) - (6) of this title (relating to Exemptions for Excess Hours) before that break in enrollment.
- (b) For purposes of this section, a "member of the student's family" is defined to be the student's spouse, child, grandchild, father, mother, brother, sister, grandmother, grandfather, aunt, uncle, nephew, niece, first cousin, step-parent, step-child, or step-sibling; a "person who is otherwise considered to have a sufficiently close relationship to the student" is defined to include any other relative within the third degree of consanguinity, plus close friends, including but not limited to roommates, housemates, classmates, or other persons identified by the student, for approval by the institution on a case-by-case basis.
- (c) For purposes of this section, a "grade" is defined to be the indicator, usually a letter like A, B, C, D, or F, or P (for pass) assigned upon the student's completion of a course. A "grade" indicates either that the student has earned and will be awarded credit, if the student has completed the course requirements successfully; or that the student remained enrolled in the course until the completion of the term or semester but failed to provide satisfactory

performance required to be awarded credit. A "grade" under this definition does not include symbols to indicate that the course has been left incomplete, whether those symbols indicate a negotiated temporary suspension of the end-of-term deadline for completion of the course requirements commonly designated as "incomplete" status, a dropped course under the conditions designated for this section, or a withdrawal from the institution.

(d) An institution of higher education may not count toward the number of courses permitted to be dropped a course that the student dropped:

(1) while enrolled in a baccalaureate degree program previously earned by the student; or

(2) a dual credit or dual enrollment course that a student dropped before graduating from high school.

(e) ~~[(d)]~~ Each institution of higher education shall adopt a policy and procedure for determining a showing of good cause as specified in subsection (a) of this section and shall provide a copy of the policy to the Coordinating Board.

(f) ~~[(e)]~~ Each institution of higher education shall publish the policy adopted under this section in its catalogue and other print and Internet-based publications as appropriate for the timely notification of students.

AGENDA ITEM X-I (4)

Consideration and possible action to adopt proposed repeal of Board Rules, Chapter 4, Subchapter P, Sections 4.255 through 4.264, concerning approval of distance education courses and programs for public institutions

RECOMMENDATION: Adoption

Background Information:

The Texas Higher Education Coordinating Board proposes repeal of Texas Administrative Code, Title 19, Part 1, Chapter 4, Subchapter P, Sections 4.255-4.264. Specifically, this repeal will remove rules being replaced by the new Title 19, Part 1, Chapter 2, Subchapter J that was approved by the Board at its April 2023 meeting and goes into effect December 1, 2023. The repeal is proposed under Texas Education Code, Section 61.0512(g), which provides the Coordinating Board with the authority to approve distance learning courses offered by institutions of higher education.

Dr. Michelle Singh, Assistant Commissioner for Digital Learning, will present this item and be available to answer questions.

Date published in the *Texas Register*: October 13, 2023

The 30-day comment period with the *Texas Register* ended on: November 12, 2023

Summary of comments received: No comments were received regarding these rules.

CHAPTER 4 - RULES APPLYING TO ALL PUBLIC INSTITUTIONS OF HIGHER EDUCATION IN
TEXAS

SUBCHAPTER P - APPROVAL OF DISTANCE EDUCATION COURSES AND PROGRAMS FOR
PUBLIC INSTITUTIONS

- 4.255. Purpose.
- 4.256. Authority.
- 4.257. Definitions.
- 4.258. General Provisions.
- 4.259. Institutional Plan for Distance Education.
- 4.260. Standards and Criteria for Institutions.
- 4.261. Standards and Criteria for Distance Education Programs.
- 4.262. Standards and Criteria for Distance Education Courses.
- 4.263. Standards and Criteria for Distance Education Faculty.
- 4.264. Formula Funding General Provisions.

~~4.255. Purpose.~~

~~This subchapter establishes rules for all public institutions of higher education in Texas regarding the delivery of distance education courses and programs. The rules are designed to provide Texas residents with access to courses and programs that meet their needs, to ensure course and program quality, and to prevent the unnecessary duplication of these courses and programs.~~

~~4.256. Authority.~~

~~Authority for this subchapter is provided by Texas Education Code §61.0512(g), which provides the Board with the authority to approve courses for credit and distance education programs.~~

~~4.257. Definitions.~~

~~The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.~~

~~(1) Academic credit course—A college-level course that, if successfully completed, can be applied toward the number of courses required for achieving a degree, diploma, certificate, or other formal award.~~

~~(2) Board—The Texas Higher Education Coordinating Board.~~

~~(3) Commissioner—The Commissioner of Higher Education; as used in this subchapter, "Commissioner" means the agency acting through its executive, and his or her designees, staff, or agents.~~

~~(4) Community College—Any public community college as defined in Texas Education Code, §61.003 and §130.005, and whose role, mission, and purpose is outlined in Texas Education Code, §130.0011 and §130.003.~~

~~(5) Continuing Education Course—A non-credit higher education technical course offered for continuing education units, has specific occupational and/or apprenticeship training objectives, and provides a quick and flexible response to business, industry, and student needs for intensive preparatory, supplemental, or upgrade training and education.~~

~~(6) Continuing Education Unit or CEU—Ten contact hours of participation in an organized educational experience under responsible sponsorship, capable direction, and qualified instruction and not offered for academic credit.~~

~~(7) Degree—Any title or designation, mark, abbreviation, appellation, or series of letters or words, including "associate", "bachelor's", "master's", and "doctor's" and their equivalents and foreign cognates, which signifies satisfactory completion of the requirements of a program of study which is generally regarded and accepted as an academic degree-level program by accrediting agencies recognized by the Board.~~

~~(8) Distance Education—The formal educational process that occurs when students and instructors are not in the same physical setting for the majority (more than 50 percent) of instruction.~~

~~(9) Distance Education Course—A course in which a majority (more than 50 percent) of the instruction occurs when the student(s) and instructor(s) are not in the same place. Two categories of distance education courses are defined:~~

~~(A) Fully Distance Education Course—A course which may have mandatory face-to-face sessions totaling no more than 15 percent of the instructional time. Examples of face-to-face sessions include orientation, laboratory, exam review, or an in-person test.~~

~~(B) Hybrid/Blended Course—A course in which a majority (more than 50 percent but less than 85 percent), of the planned instruction occurs when the students and instructor(s) are not in the same place.~~

~~(10) Distance Education Degree or Certificate Program—A program in which a student may complete a majority (more than 50 percent) of the credit hours required for the program through distance education courses.~~

~~(11) Doctoral Degree—An academic degree beyond the level of a master's degree that typically represents the highest level of formal study or research in a given field.~~

~~(12) First Professional Degree—An award that requires completion of a program that meets all of the following criteria:~~

~~(A) completion of the academic requirement to begin practice in the profession;~~

~~(B) at least two years of college work prior to entering the program; and~~

~~(C) a total of at least six academic years of college work to complete the degree program, including prior required college work plus the length of the professional program itself. First Professional degrees are discipline specific, including, but not limited to, degrees such as: Dentistry (D.D.S. or D.M.D.); Medicine (M.D.)' Veterinary Medicine (D.V.M.); Law (L.L.B, J.D.)' and Pharmacy (Pharm.D).~~

~~(13) Formula Funding—The method used to allocate appropriated sources of funds among institutions of higher education.~~

~~(14) Formula-funded Course—An academic credit course delivered face-to-face or by distance education whose semester credit hours are submitted for formula funding.~~

~~(15) Institution of Higher Education or Institution—Any public technical institute, public community college, public senior college or university, medical or dental unit, or other agency of higher education as defined in Texas Education Code, §61.003.~~

~~(16) Institutional Plan for Distance Education—A plan that must be submitted for Coordinating Board approval prior to an institution offering distance education courses or programs for the first time.~~

~~(17) Non-credit Course—A course that results in the award of continuing education units (CEU) as specified by International Association for Continuing Education and Training (IACET) criteria. Only courses that result in the award of CEUs may be submitted for state funding.~~

~~(18) Non-Resident Student—A student who is not a Texas resident and/or does not qualify for Texas resident tuition.~~

~~(19) Out-of-state/Out-of-country Courses and Programs—Academic credit courses and programs delivered outside Texas/United States to individuals or groups who are not regularly enrolled, on-campus students. Out-of-state and out-of-country courses do not receive formula funding.~~

~~(20) Program or Program of Study—Any grouping of courses which are represented as entitling a student to a degree or certificate.~~

~~(21) Public Health-Related Institution or Health-Related Institution—A medical or dental unit as defined by Texas Education Code, §61.003(5).~~

~~(22) Public University or University—A general academic teaching institution as defined by Texas Education Code, §61.003(3).~~

~~(23) Regular On-Campus Student—A student who is admitted to an institution, the majority of whose semester credit hours are reported for formula funding and more than 50 percent of coursework is primarily taken at an institution's main campus or on one or more of the campuses within a multi-campus community college system.~~

~~(24) Self-Supporting Courses and Programs—Academic credit courses and programs (formerly defined as extension courses or programs) whose semester credit hours are not submitted for formula funding.~~

~~(25) Semester Credit Hour—A unit of measure of instruction consisting of 60 minutes, of which 50 minutes must be direct instruction over a 15-week period in a semester system.~~

~~(26) Workforce continuing education course—A course offered for continuing education units (CEUs) with an occupationally specific objective and supported by state funding. A career technical/workforce continuing education course differs from a community service course offered for recreational or avocational purposes which is not supported by state funding.~~

~~4.258. General Provisions.~~

~~(a) This subchapter governs the following types of instruction provided through distance education:~~

~~(1) Academic credit courses, degree and certificate programs, and self-supporting courses and programs provided by all public institutions of higher education; and~~

~~(2) Formula-funded workforce credit courses and continuing education provided by a public community college, Lamar State College, or public technical college.~~

~~(b) This subchapter does not apply to the following types of instruction provided through distance education:~~

~~(1) Non-credit adult and continuing education courses provided by a senior college or university or health-related institution; and~~

~~(2) Non-formula-funded continuing education provided by a public community college, Lamar State College, or public technical college.~~

~~4.259. Institutional Plan for Distance Education.~~

~~(a) Prior to offering any distance education courses or programs for the first time, institutions of higher education shall submit an Institutional Plan for Distance Education to the Board for approval. The Commissioner shall provide guidelines for development of the report and a schedule for any periodic submission of updated reports.~~

~~(b) Institutional academic and administrative policies shall reflect a commitment to maintain the quality of distance education courses and programs in accordance with the provisions of~~

~~this subchapter. An Institutional Plan for Distance Education shall conform to Board guidelines and criteria of the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) in effect at the time of the Report's approval. These criteria shall include provisions relating to:~~

- ~~(1) Institutional Issues;~~
- ~~(2) Educational Programs;~~
- ~~(3) Faculty;~~
- ~~(4) Student Support Services; and~~
- ~~(5) Distance Education Facilities and Support.~~

~~4.260. Standards and Criteria for Institutions.~~

~~The following provisions apply to all institutions covered under this subchapter, unless otherwise specified:~~

- ~~(1) Institutions shall comply with the standards and criteria of the Southern Association of Colleges and Schools Commission on Colleges.~~
- ~~(2) Institutions shall adhere to criteria outlined in Principles of Good Practice for Academic Degree and Certificate Programs and Credit Courses Offered Electronically.~~
- ~~(3) The Commissioner shall establish procedures governing the quality, review, and approval of distance education programs and courses. The Commissioner may also require institutions to provide reports on distance education programs and courses.~~
- ~~(4) Students shall be provided academic support services appropriate for distance education, such as advising, career counseling, library, and other learning resources.~~
- ~~(5) Institutions shall report enrollments, courses, and graduates associated with distance education offerings as required by the Commissioner.~~
- ~~(6) If a non-Texas resident student enrolls in regular, on-campus courses for at least one-half of the normal full-time course load as determined by the institution, the institution may report that student's fully distance education or hybrid/blended courses for formula funding enrollments.~~

~~4.261. Standards and Criteria for Distance Education Programs.~~

~~The following provisions apply to all programs covered under this subchapter, unless otherwise specified:~~

~~(1) Each program shall be within the role and mission of the institution responsible for offering the instruction and shall be on its inventory of approved programs.~~

~~(2) Prior Board approval may be required before an institution may offer programs in certain subject area disciplines or under other conditions specified by the Board or Commissioner.~~

~~(3) The Commissioner or the Commissioner's designee may approve for delivery by other delivery modes doctoral and special professional degree programs that have previously been approved by the Board.~~

~~(4) An institution offering a degree or certificate program shall comply with the standards and criteria of any specialized accrediting agency or professional certification board.~~

~~(5) Each degree program offered via distance education shall be approved by an institution's governing board or the governing board's institutional designee. Certification of approval shall be submitted to the Board upon request.~~

~~(6) Institutions shall require that students (except for students in out-of-country programs) enrolled in a distance education degree program satisfy the same requirements for admission to the institution and the program as required of regular on-campus students. Students in degree programs to be offered collaboratively shall meet the admission standards of their home institution.~~

~~(7) Out-of-country students shall meet equivalent standards for admission into programs and shall be assessed for academic guidance purposes in a manner determined by the admitting institution.~~

~~4.262. Standards and Criteria for Distance Education Courses.~~

~~The following provisions apply to all courses covered under this subchapter, unless otherwise specified:~~

~~(1) Each course shall be within the role and mission of the institution responsible for offering the instruction and shall be on its inventory of approved courses.~~

~~(2) All courses covered under this subchapter shall meet the quality standards applicable to on-campus courses.~~

~~(3) Institutions shall report to the Coordinating Board, in accordance with Board policy and procedures, all distance education courses and programs.~~

~~(4) Except for students in out-of-country courses, students shall satisfy the same requirements for enrollment in an academic credit course as required of on-campus students.~~

~~(5) Out-of-country students shall meet equivalent standards for enrollment in an academic credit course and shall be assessed for academic guidance purposes in a manner determined by the admitting institution.~~

~~(6) The instructor of record shall bear responsibility for the delivery of instruction and for evaluation of student progress.~~

~~(7) Prior Board approval may be required before an institution may offer programs in certain subject area disciplines or under other conditions specified by the Board or Commissioner.~~

~~4.263. Standards and Criteria for Distance Education Faculty.~~

~~The following provisions apply to faculty teaching in programs covered under this subchapter, unless otherwise specified:~~

~~(1) Faculty shall be selected and evaluated by equivalent standards, review, and approval procedures used by the institution to select and evaluate faculty responsible for on-campus courses.~~

~~(2) Institutions shall provide training and support to enhance the added skills required of faculty teaching courses through electronic means.~~

~~(3) The supervision, monitoring, and evaluation processes for faculty shall be equivalent to those for on-campus courses.~~

~~4.264. Formula Funding General Provisions.~~

~~(a) Institutions shall report distance education courses submitted for formula funding in accordance with the Board's uniform reporting system and the provisions of this subchapter.~~

~~(b) Institutions may submit for formula funding academic credit courses delivered by distance education to any student located in Texas or to Texas residents located out-of-state or out-of-country.~~

~~(c) Institutions, with the exception of those outlined in subsection (e) of this section, shall not submit for formula funding distance education courses taken by non-resident students who are located out-of-state or out-of-country, courses in out-of-state or out-of-country programs taken by any student, or self-supporting courses.~~

~~(d) For courses not submitted for formula funding, institutions shall charge fees that are equal to or greater than Texas resident tuition and applicable fees and that are sufficient to cover the total cost of instruction and overhead, including administrative costs, benefits, computers and equipment, and other related costs. Institutions shall report fees received for self-supporting and out-of-state/country courses in accordance with general institutional accounting practices.~~

~~(e) Pursuant to Texas Education Code §54.060(a) and (f) and §61.059(n), Texas A&M University-Texarkana may submit distance education courses for formula funding that are taken by students enrolled in the university that reside in a county contiguous to the county in which Texas A&M University-Texarkana is located and who, under Texas Education Code §54.060(a), are eligible to pay resident tuition.~~

AGENDA ITEM X-I (5)

Consideration and possible action to adopt amendments to Board Rules, Chapter 5, Subchapter B, Section 5.24, and repeal of Board Rules, Chapter 5, Subchapter C, Sections 5.41-5.46, 5.48, 5.50, 5.52-5.55, concerning academic program approval

RECOMMENDATION: Approval

Background Information:

This proposed change is part of the clean-up of existing provisions related to new academic program approval in the Texas Administrative Code replaced by Texas Administrative Code, Title 19, Part 1, Chapter 2, approved by the Texas Higher Education Coordinating Board in October 2022.

Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, will present this item and be available to answer questions.

Date Published in the *Texas Register*: October 13, 2023

The 30-day comment period with the *Texas Register* ended on: November 12, 2023

No comments were received regarding these rules.

Chapter 5:
Rules Applying to Public Universities, Health-Related Institutions, and Review of Existing
Degree Programs

Subchapter B:
Role and Mission, Tables of Programs, Course Inventories

§5.24. Submission of Mission Statements and Planning Notification.

~~(a) When submitting a Planning Notification to add a degree program (baccalaureate, master's, and doctoral) to the institution's program inventory, an institution of higher education may be requested to address the Board at a regularly scheduled meeting to describe how the institution believes the potential program contributes to the efficient and effective diffusion of education throughout the state while avoiding costly duplication in program offerings, faculties, and physical plants. An institution shall submit written information to the Board including the title of the potential proposed program, level, Classification of Instructional Program (CIP) Code, anticipated date of proposal submission, and provide a brief description of the proposed program. Planning Notification must occur prior to an institution beginning planning for or submitting a proposal for a new degree program that requires Board approval.~~

~~(b)~~(a) Review Process.

(1) As provided by Texas Education Code, §61.051(a-5) and §61.052, the Board shall regularly review the role and mission statements, and all similar degree and certificate programs offered by each public senior university or health related institution.

(2) The Boards of Regents shall approve or re-approve institutional mission statements. Each Board of Regents shall provide the Coordinating Board with its current institutional mission statements after any change has been approved.

~~(3) Planning Notification must be submitted at least one year prior to submission of a proposal to offer the degree if the proposed program would be a program leading to the award of a "professional degree," as defined by Texas Education Code 61.306, including Doctor of Medicine (M.D.), Doctor of Osteopathy (D.O.), Doctor of Dental Surgery (D.D.S.), Doctor of Veterinary Medicine (D.V.M.), Juris Doctor (J.D.), and Bachelor of Laws (LL.B.).~~

Subchapter C:
Approval of New Academic Programs at Public Universities, Health-Related Institutions, and
Review of Existing Degree Programs

§5.41. Purpose.

§5.42. Authority.

§5.43. Definitions.

§5.44. Presentation of Requests and Steps for Implementation.

§5.45. Criteria for New Baccalaureate and Master's Degree Programs.

§5.46. Criteria for New Doctoral Programs.

§5.48. Criteria for Certificate Programs at Universities and Health-Related Institutions.

§5.50. Approvals by the Commissioner.

§5.52. Review of Existing Degree Programs.

§5.53. Annual Evaluation of New Doctoral Degree Programs.

§5.54. Noncompliance with Conditions of Approval for New Doctoral Degree Programs.

§5.55. Revisions to Approved Programs.

~~§5.41. Purpose.~~

~~The purpose of this subchapter is to describe the criteria and approval processes for degree and certificate programs. Criteria in §5.45 of this title (relating to Criteria for New Baccalaureate and Master's Degree Programs) apply to public colleges, universities, and health-related institutions.~~

~~§5.42. Authority.~~

~~Texas Education Code, §61.0512 provides that no new degree program, or certificate program may be added at any public institution of higher education except with specific prior approval of the Board. Texas Education Code, §130.302 and §130.312 applies to public junior colleges.~~

~~§5.43. Definitions.~~

~~The following words and terms, when used in this subchapter, shall have the following meanings unless the context clearly indicates otherwise:~~

~~(1) Academic administrative unit—A department, college, school, or other unit at a university or health-related institution, which has administrative authority over degree or certificate programs.~~

~~(2) Board—The Texas Higher Education Coordinating Board.~~

~~(3) Certificate Program—Any grouping of subject-matter courses which, when satisfactorily completed by a student, shall entitle him or her to a certificate or documentary evidence, other than a degree, of completion of a post-secondary course of study at a university or health-related institution.~~

~~(4) Commissioner—The Commissioner of Higher Education.~~

~~(5) Compelling Academic Reason—A justification for an undergraduate degree program consisting of more than 120 semester credit hours. Acceptable justifications are programmatic accreditation requirements, statutory requirements, and requirements for licensure/certification of graduates.~~

~~(6) Degree program—Any grouping of subject-matter courses which, when satisfactorily completed by a student, shall entitle him or her to a degree from a public university or health-related institution.~~

~~(7) Doctoral Graduation Rate—The Doctoral Graduation Rate is the percent of students in an entering fall cohort for a specific degree program who graduate within 10 years. Doctoral graduation rates do not include students who received a master's degree.~~

~~(8) Faculty publications—Discipline-related refereed publications, books or book chapters, juried creative or performance accomplishments, and notices of discoveries filed and patents issued.~~

~~(9) Faculty teaching load—Total number of semester credit hours taught per academic year by faculty divided by the number of faculty.~~

- ~~—(10) Graduate-level certificate program—A certificate program at a university or health-related institution that consists primarily of graduate-level courses.~~
- ~~—(11) Graduate placement—The number and percent of graduates employed or engaged in further education or training, those still seeking employment, and unknown.~~
- ~~—(12) Lower-division degree or certificate program—A degree or certificate program offered at a university or health-related institution that consists of lower-division courses and is equivalent to a program offered at a community or technical college.~~
- ~~—(13) Master's Graduation Rate—The Master's Graduation Rate is the percent of students in an entering fall and spring cohort for a specific degree program who graduate within 5 years.~~
- ~~—(14) New Doctoral Degree Program—A doctoral degree program that has been approved by the Coordinating Board for a period of less than five years.~~
- ~~—(15) Student time to degree—The average of the number of semesters taken by program graduates from the time of enrollment in the program until graduation.~~
- ~~—(16) Upper-division certificate program—A certificate program at a university or health-related institution that consists primarily of upper-division undergraduate courses.~~

~~§5.44. Presentation of Requests and Steps for Implementation.~~

~~(a) Requests for new degree programs must be made in accordance with the following procedures:~~

- ~~—(1) Institutions must request new bachelor's and master's programs using the most recent version of the appropriate degree program request form.~~
- ~~—(2) Institutions must submit documentation sufficient to establish that the new program meets all of the criteria listed in §5.45 of this title (relating to Criteria for New Baccalaureate and Master's Degree Programs). Board staff will review for completeness all requests for new programs within five business days of receipt. If Board staff determines that the request is incomplete and additional information or documentation is needed, the institution must respond with all of the requested information or documentation within ten working days or the request will be returned to the institution. An institution may resubmit a request that was incomplete as soon as it has obtained the requested information or documentation.~~
- ~~—(3) New bachelor's and master's programs will be approved if all of the following conditions are met:~~
 - ~~—(A) The proposed program has institutional and governing board approval.~~
 - ~~—(B) The institution certifies compliance with the Standards for New Bachelor's and Master's Programs.~~
 - ~~—(C) The institution certifies that adequate funds are available to cover the costs of the new program.~~
 - ~~—(D) New costs during the first five years of the program would not exceed \$2 million.~~
 - ~~—(E) The proposed program is a non-engineering program.~~
 - ~~—(F) The proposed program would be offered by a university or health-related institution.~~
- ~~—(4) If a proposed bachelor's or master's program meets the conditions in paragraph (3) of this subsection, the institution may submit a request to the Assistant Commissioner of Academic Quality and Workforce to add the program to the institution's Program Inventory. If a proposed program does not meet the conditions outlined in paragraph (3) of this subsection, the institution must submit a proposal using the most recent version of the full request form.~~

~~—(5) If the minimum number of semester credit hours required to complete a proposed bachelor's program exceeds 120, the institution must provide detailed documentation describing the compelling academic reason for the number of required hours, such as programmatic accreditation requirements, statutory requirements, or licensure/certification requirements that cannot be met without exceeding the 120-semester credit hour limit. The Board staff will review the documentation provided and make a determination to approve or deny a request to exceed the 120-semester credit hour limit.~~

~~—(6) The institution proposing the program must notify all public institutions of higher education within 50 miles of the teaching site of their intention to offer the program at least 30 days prior to submitting their request to the Coordinating Board. If no objections occur, the Coordinating Board staff will update the institution's program inventory. If objections occur, the proposing institution must resolve those objections prior to submitting the request to the Coordinating Board. If the proposing institution cannot resolve the objection(s), and the institution wishes to submit the proposed program, the proposing institution may request the assistance of the Assistant Commissioner of Academic Quality and Workforce to mediate the objections and determine whether the proposing institution may submit the proposed program. No new program will be approved until all objections are resolved.~~

~~—(7) The Coordinating Board reserves the right to audit a degree program at any time to ensure compliance with any of the criteria outlined in paragraph (3) of this subsection.~~

~~—(8) An institution requesting a new doctoral program must submit a proposal using the most recent version of the standard doctoral program request form.~~

~~(b) Requests for new certificate programs will be made in accordance with the following procedures.~~

~~—(1) New undergraduate and graduate certificate programs will be approved if all of the following conditions are met:~~

~~—(A) The certificate program has institutional approval.~~

~~—(B) The institution certifies that adequate funds are available to cover the costs of the new certificate program.~~

~~—(C) The certificate program meets all other criteria in §5.48 of this title (relating to Criteria for Certificate Programs at Universities and Health-Related Institutions).~~

~~—(2) If a proposed certificate program meets the conditions in paragraph (1) of this subsection, the institution may submit a request to the Assistant Commissioner of Academic Quality and Workforce. If a proposed certificate program does not meet the conditions outlined in paragraph (1) of this subsection, the institution must submit a proposal using the most recent version of the full request form.~~

~~—(3) The institution proposing the certificate program must notify all public higher education institutions within 50 miles of the teaching site of their intention to offer the certificate program at least 30 days prior to submitting their request to the Coordinating Board. If no objections occur, the Coordinating Board staff shall update the institution's program inventory. If objections occur, the proposing institution must resolve those objections prior to submitting the request to the Coordinating Board. If the proposing institution cannot resolve the objection(s), and the institution wishes to submit the proposed certificate program, the proposing institution may request the assistance of the Assistant Commissioner of Academic Quality and Workforce to mediate the objections and determine whether the proposing institution may submit the request for the proposed certificate program. No new certificate program will be implemented until all objections are resolved.~~

~~-(4) The Coordinating Board reserves the right to audit a certificate program at any time to ensure compliance with any of the conditions outlined in §5.48 of this title.~~

~~§5.45. Criteria for New Baccalaureate and Master's Degree Programs.~~

~~Requests for new baccalaureate and master's degree programs must provide information and documentation demonstrating that the proposed degree programs meet all of the following criteria:~~

~~-(1) Role and mission. The proposed program must be within the existing role and mission of the institution as indicated by its Program Inventory or the Board must make the determination that the program is appropriate for the mission of the institution.~~

~~-(2) Unnecessary duplication. The proposed program must not unnecessarily duplicate an existing program at another institution serving the same regional population. The offering of basic liberal arts and sciences courses and degree programs in public senior institutions is not considered unnecessary duplication. A proposed program to be offered through distance education must demonstrate that there is unmet workforce need and student demand for the program that cannot be met by existing online programs offered by Texas public institutions.~~

~~-(3) Faculty resources.~~

~~—(A) Faculty resources must be adequate to provide high program quality. With few exceptions, the master's degree should be the minimum educational attainment for faculty teaching in baccalaureate programs. In most disciplines, the doctorate should be the minimum educational attainment for faculty teaching in graduate programs. Faculty should meet the qualitative and quantitative criteria of the Southern Association of Colleges and Schools Commission on Colleges, and the appropriate accrediting body. There should be sufficient numbers of qualified faculty dedicated to a new program. This number shall vary depending on the discipline, the nature of the program, and the anticipated number of students; however, there must be at least one full time equivalent faculty already in place in order for the program to begin enrolling students.~~

~~—(B) In evaluating faculty resources for proposed degree programs, the Board shall consider only those degrees held by faculty that were issued by:~~

~~—(i) United States institutions accredited by accrediting agencies recognized by the Board or;~~

~~—(ii) institutions located outside the United States that have demonstrated that their degrees are equivalent to degrees issued from an institution in the United States accredited by accrediting agencies recognized by the Board. The procedures for establishing that equivalency shall be consistent with the guidelines of the National Council on the Evaluation of Foreign Education Credentials, or its successor.~~

~~-(4) Library and IT resources. Library and information technology resources must be adequate for the proposed program and meet the standards of the appropriate accrediting agencies.~~

~~-(5) Facilities, equipment, and clinical placements. Facilities and clinical placements must be adequate to initiate the program. Adequate classroom and laboratory space, equipment, and office space should be available for the proposed program. Arrangements for any essential clinical placements should be made before program approval.~~

~~-(6) Curriculum design. The curriculum should be up-to-date and consistent with current educational theory. Professional programs and those resulting in licensure must be designed to meet the standards of appropriate regulatory bodies. Student time-to-degree must be considered in the curricular structure and policy of the proposed program, including but not~~

limited to policies for transfer of credit, course credit by examination, credit for professional experience, placing out of courses, and any alternative learning strategies, such as competency-based education, that may increase efficiency in student progress in the proposed program.

–(7) Program administration. Administration of the proposed program should not be unduly cumbersome or costly. Ideally, the proposed program should fit into the current administrative structure of the institution. If administrative changes are required, they should be consonant with the organization of the institution as a whole and should necessitate a minimum of additional expense in terms of personnel and office space.

–(8) Workforce need. There should be a demonstrated or well-documented need for the program in terms of meeting present and future workforce needs of the state and nation. There should be a ready job market for graduates of the program, or alternatively, it should produce students for master's or doctoral level programs in fields in which there is a demonstrated need for professionals.

–(9) Critical mass of students. In addition to a demonstrated workforce need, a critical mass of qualified students must be available to enter the proposed program and there must be evidence that the program is likely to have sufficient enrollments to support the program into the future. The size of an institution, the characteristics of its existing student body, and enrollments in existing programs should be taken into account when determining whether a critical mass of students shall be available for a proposed new program.

–(10) Adequate financing. There should be adequate financing available to initiate the proposed program without reducing funds for existing programs or weakening them in any way. After the start-up period, the program must be able to generate sufficient semester credit hours under funding formulas and student tuition and fees to pay faculty salaries, departmental operating costs, and instructional administration costs for the program. Five years should be sufficient time for the program to meet these costs through semester credit hour production. If the state funding formulas and student tuition and fees are not meeting these costs for the program after five years, the institution and the Board should review the program with a view to discontinuance.

–(11) Marketable Skills. There must be a list of the marketable skills associated with the proposed program in keeping with the state strategic plan, 60x30TX, and a plan for how students will be informed of the marketable skills.

–(12) Strong Related Programs. There must be high quality programs in other related and supporting disciplines at the bachelor's and master's levels, as evidenced by enrollments, numbers of graduates, and completion rates in those related and supporting programs, as appropriate.

§5.46. Criteria for New Doctoral Programs:

Requests for new doctoral programs must provide information and documentation demonstrating that the proposed programs meet all of the following criteria:

–(1) Design of the Program. A doctoral level program is designed to prepare a graduate student for a lifetime of teaching, creative activity, research, or other professional activity. The administration and the faculty of institutions initiating doctoral level programs should exhibit an understanding of and commitment to the long tradition of excellence associated with the

awarding of the traditional research doctorate degrees and of the various doctoral-level professional degrees.

—(2) Freedom of Inquiry and Expression. Doctoral programs must be characterized by complete freedom of inquiry and expression.

—(3) Programs at the Undergraduate and Master's Levels. Doctoral programs, in most instances, should be undergirded by quality programs in a wide number of disciplines at the undergraduate and master's levels. Quality programs in other related and supporting doctoral areas must also be available.

—(4) Need for the Program. There should be a demonstrated and well-documented need for doctoral level prepared professionals in the discipline of the proposed program both in Texas and in the nation. It is the responsibility of the institution requesting a doctoral program to demonstrate that such a need exists, preferably through an analysis of national data showing the number of doctoral degrees being produced annually in the area and comparing that to the numbers of professional job openings for doctoral degrees in the discipline as indicated by sources such as the main professional journal(s) of the discipline. The institution must also provide data on the enrollments, number of graduates, and capacity to accept additional students of other similar doctoral programs in Texas, demonstrating that current production levels of graduates are insufficient to meet projected workforce needs. The institution should also provide evidence of student demand for a doctoral program in the discipline, such as potential student survey results and documentation that qualified students are not gaining admission to existing programs in Texas.

—(5) Faculty Resources.

—(A) There must be a strong core of doctoral faculty, holding the doctor of philosophy degree or its equivalent from a variety of graduate schools of recognized reputation. Professors and associate professors must be mature persons who have achieved national or regional professional recognition. All core faculty must be currently engaged in productive research, and preferably have published the results of such research in the main professional journals of their discipline. They should come from a variety of academic backgrounds and have complementary areas of specialization within their field. Some should have experience directing doctoral dissertations. Collectively, the core of doctoral faculty should guarantee a high quality doctoral program with the potential to attain national prominence. The core faculty members should already be in the employ of the institution. If an institution is required to hire additional faculty prior to opening the proposed program and enrolling students, the institution will provide documentation on a schedule determined by the Coordinating Board of the faculty hires through submission of a letter of intent, curriculum vitae, and a list of courses in the curriculum that the faculty hire would be qualified to teach. Proposed recruitment of such faculty shall not meet this criterion. No authorized doctoral program shall be initiated until qualified faculty are active members of the department through which the program is offered.

—(B) In evaluating faculty resources for proposed degree programs, the Board shall consider only those degrees held by the faculty that were issued by:

—(i) United States institutions accredited by accrediting agencies recognized by the Board; or

—(ii) institutions located outside the United States that have demonstrated that their degrees are equivalent to degrees issued from an institution in the United States accredited by accrediting agencies recognized by the Board. The procedures for establishing that equivalency shall be consistent with the guidelines of the National Council on the Evaluation of Foreign Education Credentials, or its successor.

~~—(6) Teaching Loads of Faculty. Teaching loads of faculty in the doctoral program should not exceed two or three courses per term, and it must be recognized that some of these shall be advanced courses and seminars with low enrollments. Adequate funds should be available for attendance and participation in professional meetings and for travel and research necessary for continuing professional development.~~

~~—(7) Critical Mass of Superior Students. Admission standards, student recruitment plans, and enrollment expectations must guarantee a critical mass of superior students. The program must not result in such a high ratio of doctoral students to faculty as to make individual guidance prohibitive.~~

~~—(8) On-Campus Residency Expectations.~~

~~—(A) Institutions which offer doctoral degrees must provide through each doctoral program:~~

~~—(i) significant, sustained, and regular interaction between faculty and students and among students themselves;~~

~~—(ii) opportunities to access and engage in depth a wide variety of educational resources related to the degree program and associated fields;~~

~~—(iii) opportunities for significant exchange of knowledge with the academic community;~~

~~—(iv) opportunities to broaden educational and cultural perspectives; and~~

~~—(v) opportunities to mentor and evaluate students in depth.~~

~~—(B) Institutions are traditionally expected to meet these provisions through substantial on-campus residency requirements. Proposals to meet them in other, non-traditional ways (e.g., to enable distant delivery of a doctoral program) must provide persuasive and thorough documentation as to how each provision would be met and evaluated for the particular program and its students. Delivery of doctoral programs through distance education and/or off-campus instruction requires prior approval of the Board as specified in §4.261(3) of this title (relating to Standards and Criteria for Distance Education Programs).~~

~~—(9) Adequate Financial Assistance for Doctoral Students. There should be adequate financial assistance for doctoral students so as to assure that most of them can be engaged in full-time study. Initially, funds for financial assistance to the doctoral students usually come from institutional sources. As the program develops and achieves distinction, it increasingly shall attract support from government, industry, foundations, and other sources.~~

~~—(10) Carefully Planned Program. The proposed program should be a carefully planned and systematic program with a degree plan which is clear, comprehensive, and generally uniform but which permits sufficient flexibility to meet the legitimate professional interests and special needs of doctoral-level degree students. There should be a logical sequence by which degree requirements shall be fulfilled. Consideration must also be given to alternative methods of determining mastery of program content, such as competency-based education, prior learning assessment, and other options for reducing student time to degree. The proposed degree plan should require both specialization and breadth of education, with rules for the distribution of study to achieve both, including interdisciplinary programs if indicated. The plan should include a research dissertation or equivalent requirements to be judged by the doctoral faculty on the basis of quality rather than length.~~

~~—(11) External Learning Experiences. There must be a plan for providing external learning experiences for students, such as internships, clerkships, or clinical experiences, in disciplines that require them. The plan should include provisions for increasing the number of opportunities for such experiences if the number of students in existing programs equals or exceeds the available number of opportunities in Texas.~~

–(12) Support Staff. There should be an adequate number of support staff to provide sufficient services for both existing programs and any proposed increases in students and faculty that would result from the implementation of the proposed program.

–(13) Physical Facilities. There should be an adequate physical plant for the program. An adequate plant would include reasonably located office space for the faculty, teaching assistants, and administrative and technical support staff; seminar rooms; laboratories; computer and electronic resources; and other appropriate facilities.

–(14) Library and IT Resources. Library and information technology resources must be adequate for the proposed program and meet the standards of the appropriate accrediting agencies. Library resources should be strong in the proposed doctoral program field and in related and supporting fields.

–(15) Costs and Funding. The institution should have a budgetary plan for the proposed program that clearly delineates the anticipated costs and the sources of funding. Costs for new personnel and physical resources should be adequate and reasonable, existing programs should not be negatively affected by the reallocation of funds, state funding income should be calculated correctly, and total revenues should exceed total costs by the fifth year of projected program operation.

–(16) Program Evaluation Standards. The proposed program should meet the standards of the Southern Association of Colleges and Schools Commission on Colleges, and the accrediting standards and doctoral program criteria of appropriate professional groups and organizations, such as the Council of Graduate Schools, the Modern Language Association, the American Historical Association, the Accreditation Board for Engineering and Technology or other bodies relevant to the particular discipline. Out-of-state consultants shall be used by the institution and the Board to assist in evaluating the quality of a proposed doctoral level program. The institution submitting the proposal is responsible for reimbursing the Coordinating Board for the costs associated with the external review by out-of-state contractors.

–(17) Strategic Plan. The proposed program should build on existing strengths at the institution as indicated by its Program Inventory, should fit into the institution's strategic plan, and should align with the state's strategic plan.

–(18) Marketable Skills. There must be a list of the marketable skills associated with the proposed program in keeping with the state strategic plan, 60x30TX, and a plan for how students will be informed of the marketable skills.

–(19) First Doctoral Program. When an institution has not previously offered doctoral level work, notification to the executive secretary of the Southern Association of Colleges and Schools, Commission on Colleges, is required at least one year in advance of program implementation.

§5.48. Criteria for Certificate Programs at Universities and Health-Related Institutions:

(a) Universities and health-related institutions are encouraged to develop upper-division and graduate certificate programs of less than degree length to meet the needs of students and the workforce. These rules are intended to provide a streamlined process for approval of those programs.

(b) Certificate programs for which no academic credit is granted are exempt from the provisions of this section.

~~(c) Certificate programs for which academic credit is granted at universities and health-related institutions must meet the following criteria:~~

~~—(1) They must meet identified workforce needs or provide the student with skills and/or knowledge that shall be useful for their lives or careers.~~

~~—(2) They must be consistent with the standards of the Commission on Colleges of the Southern Association of Colleges and Schools.~~

~~—(3) They must meet the standards of all relevant state agencies or licensing bodies which have oversight over the certificate program or graduate.~~

~~—(4) Adequate financing must be available to cover all new costs to the institution five years after the implementation of the program.~~

~~(d) The following certificate programs do not require Board approval or notification:~~

~~—(1) certificate programs for which no collegiate academic credit is given;~~

~~—(2) certificate programs in areas and at levels authorized by the Program Inventory of the institution with curricula of the following length:~~

~~—(A) at the undergraduate level of 20 semester credit hours or less;~~

~~—(B) at the graduate and professional level of 15 semester credit hours or less.~~

~~(e) The following certificate programs require Board approval and shall be approved if the following conditions are met:~~

~~—(1) the proposed certificate is an upper-level undergraduate certificate of 21–36 hours in a disciplinary area where the institution already offers an undergraduate degree program.~~

~~—(2) the proposed certificate is a graduate-level and professional certificate of 16–29 semester credit hours in disciplinary areas where the institution already offers a graduate program at the same level as the certificate.~~

~~(f) Lower-division certificate programs:~~

~~—(1) One and two-year, post-secondary career technical/workforce education programs should be delivered primarily by community, state, and technical colleges. These institutions are uniquely suited by virtue of their specialized mission, local governance, and student support services to provide such opportunities in an efficient and economical manner. For that reason, new lower-division career technical/workforce certificate programs shall not generally be approved at public universities and health-related institutions.~~

~~—(2) Universities and health-related institutions should not develop certificate programs at the upper or graduate level that are equivalent to lower-division certificate programs offered at community, state, and technical colleges.~~

~~§5.50. Approvals by the Commissioner.~~

~~(a) The Commissioner may approve proposals from the public universities and health-related institutions for new baccalaureate or master's degree programs and, in very limited circumstances, new doctoral programs, on behalf of the Board in accordance with the procedures and criteria specified in this section.~~

~~(b) To be approved by the Commissioner, a proposal for a new degree program must include certification in writing from the Board of Regents of a proposing institution, in a form prescribed by the Commissioner, that the following criteria have been met:~~

~~—(1) The curriculum, faculty, resources, support services, and other components of a proposed degree program are comparable to those of high-quality programs in the same or similar disciplines offered by other institutions.~~

~~-(2) Clinical or in-service placements, if applicable, have been identified in sufficient number and breadth to support the proposed program.~~

~~-(3) The program is designed to be consistent with the standards of the Southern Association of Colleges and Schools Commission on Colleges, and with the standards of other applicable accrediting agencies; and is in compliance with appropriate licensing authority requirements.~~

~~-(4) The institution has provided credible evidence of long-term student interest and job-market needs for graduates; or, if proposed by a university, the program is appropriate for the development of a well-rounded array of basic baccalaureate degree programs at the institution where the principal faculty and other resources are already in place to support other approved programs and/or the general core curriculum requirements for all undergraduate students.~~

~~-(5) The program would not be unnecessarily duplicative of existing programs at other institutions.~~

~~-(6) Implementation and operation of the program would not be dependent on future Special Item funding.~~

~~-(7) New costs to the institution over the first five years after implementation of the program would not exceed \$2,000,000.~~

~~(c) In addition to the requirements listed in subsection (a) and (b) of this section, a new doctoral program may only be approved by the Commissioner if:~~

~~-(1) the institution already offers a doctoral program or programs in a closely related disciplinary area;~~

~~-(2) those existing doctoral programs are productive and offered at a high level of quality;~~

~~-(3) the core faculty for the proposed program are already active and productive faculty in an existing doctoral program at the institution;~~

~~-(4) the institution has notified Texas public institutions that offer the proposed program or a related program and resolved any objections; and~~

~~-(5) there is a very strong link between the program and workforce needs or the economic development of the state.~~

~~(d) A proposal for a new degree program must include a statement from the institution's chief executive officer certifying adequate financing and explaining the sources of funding to support the first five years of operation of the program.~~

~~(e) If a proposal meets the criteria specified in this section, the Commissioner may either approve it or forward it to the Board for consideration at an appropriate quarterly meeting.~~

~~(f) If a proposal does not meet the criteria specified in this section, the Commissioner may deny approval or forward it to the Board for consideration at an appropriate quarterly meeting. Institutions may appeal the decision to deny approval to the Board.~~

~~(g) If a proposed program is the subject of an unresolved grievance or dispute between institutions, the Commissioner must forward it to the Board for consideration at an appropriate quarterly meeting.~~

~~(h) The Commissioner shall make available to the public universities, health-related institutions, community/technical colleges, and Independent Colleges of Texas, Inc. a list of all pending proposals for new degree programs. If an institution wishes to provide the Commissioner information supporting a concern it has about the approval of a pending proposal for a new degree program at another institution, it must do so within 14 days of the initial listing of the proposal, and it must also forward the information to the proposing institution.~~

(i) The authority given to the Commissioner to approve proposals from public universities and health-related institutions for new degree programs (and other related duties given under this section) may be delegated by the Commissioner to the Assistant Commissioner for Academic Quality and Workforce.

(j) Each quarter, the Commissioner shall send a list of his approvals and disapprovals under this section to Board members. A list of the approvals and disapprovals shall also be attached to the minutes of the next quarterly Board meeting.

§5.52. Review of Existing Degree Programs.

(a) In accordance with the requirements of the Southern Association of Colleges and Schools, Commission on Colleges, each public institution of higher education shall have a process to review the quality and effectiveness of existing degree programs and for continuous improvement.

(b) The Coordinating Board staff shall develop a process for conducting a periodic audit of the quality, productivity, and effectiveness of existing bachelor's, master's, and doctoral degree programs at public institutions of higher education and health-related institutions.

(c) Each public university and health-related institution shall review all doctoral programs at least once every ten years.

—(1) On a schedule to be determined by the Commissioner, institutions shall submit a schedule of review for all doctoral programs to the Assistant Commissioner of Academic Quality and Workforce.

—(2) Institutions shall begin each review of a doctoral program with a rigorous self-study.

—(3) As part of the required review process, institutions shall use at least two external reviewers with subject-matter expertise who are employed by institutions of higher education outside of Texas.

—(4) External reviewers must be provided with the materials and products of the self-study and must be brought to the campus for an on-site review.

—(5) External reviewers must be part of a program that is nationally recognized for excellence in the discipline.

—(6) External reviewers must affirm that they have no conflict of interest related to the program under review.

—(7) Closely related programs, defined as sharing the same 4-digit Classification of Instructional Programs code, may be reviewed in a consolidated manner at the discretion of the institution.

—(8) Institutions shall review master's and doctoral programs in the same discipline simultaneously, using the same self-study materials and reviewers. Institutions may also, at their discretion, review bachelor's programs in the same discipline as master's and doctoral programs simultaneously.

—(9) Criteria for the review of doctoral programs must include, but are not limited to:

—(A) The Characteristics of Texas Public Doctoral Programs;

—(B) Student retention rates;

—(C) Student enrollment;

—(D) Graduate licensure rates (if applicable);

—(E) Alignment of program with stated program and institutional goals and purposes;

—(F) Program curriculum and duration in comparison to peer programs;

- ~~— (G) Program facilities and equipment;~~
- ~~— (H) Program finance and resources;~~
- ~~— (I) Program administration; and~~
- ~~— (J) Faculty Qualifications.~~
- ~~— (10) Institutions shall submit a report on the outcomes of each review, including the evaluation of the external reviewers and actions the institution has taken or will take to improve the program, and shall deliver these reports to the Academic Quality and Workforce Division no later than 180 days after the reviewers have submitted their findings to the institution.~~
- ~~— (11) Institutions may submit reviews of graduate programs performed for reasons of programmatic licensure or accreditation in satisfaction of the review and reporting requirements in this subsection.~~
- ~~(d) Each public university and health related institution shall review all stand alone master's programs at least once every ten years.~~
- ~~— (1) On a schedule to be determined by the Commissioner, institutions shall submit a schedule of review for all master's programs to the Assistant Commissioner of Academic Quality and Workforce.~~
- ~~— (2) Institutions shall begin each review of a master's program with a rigorous self study.~~
- ~~— (3) As part of the required review process, institutions shall use at least one external reviewer with subject matter expertise who is employed by an institution of higher education outside of Texas.~~
- ~~— (4) External reviewers shall be provided with the materials and products of the self study. External reviewers may be brought to the campus for an on-site review or may be asked to conduct a remote desk review.~~
- ~~— (5) External reviewers must be part of a program that is nationally recognized for excellence in the discipline.~~
- ~~— (6) External reviewers must affirm that they have no conflict of interest related to the program under review.~~
- ~~— (7) Closely related programs, defined as sharing the same 4-digit Classification of Instructional Programs code, may be reviewed in a consolidated manner at the discretion of the institution.~~
- ~~— (8) Master's programs in the same 6-digit Classification of Instructional Programs code as doctoral programs shall be reviewed simultaneously with their related doctoral programs.~~
- ~~— (9) Criteria for the review of master's programs must include, but are not limited to:~~
 - ~~— (A) Faculty qualifications;~~
 - ~~— (B) Faculty publications;~~
 - ~~— (C) Faculty external grants;~~
 - ~~— (D) Faculty teaching load;~~
 - ~~— (E) Faculty/student ratio;~~
 - ~~— (F) Student demographics;~~
 - ~~— (G) Student time to degree;~~
 - ~~— (H) Student publication and awards;~~
 - ~~— (I) Student retention rates;~~
 - ~~— (J) Student graduation rates;~~
 - ~~— (K) Student enrollment;~~
 - ~~— (L) Graduate licensure rates (if applicable);~~
 - ~~— (M) Graduate placement (i.e. employment or further education/training);~~

- (N) Number of degrees conferred annually;
 - (O) Alignment of program with stated program and institutional goals and purposes;
 - (P) Program curriculum and duration in comparison to peer programs;
 - (Q) Program facilities and equipment;
 - (R) Program finance and resources; and
 - (S) Program administration.
- (10) Institutions shall submit a report of the outcomes of each review, including the evaluation of the external reviewer(s) and actions the institution has taken or will take to improve the program, and shall deliver these reports to the Academic Quality and Workforce Division no later than 180 days after the reviewer(s) have submitted their findings to the institution.
- (11) Institutions may submit reviews of graduate programs performed for reasons of programmatic licensure or accreditation in satisfaction of the review and reporting requirements in this subsection.
- (c) The Coordinating Board shall review all reports submitted for master's and doctoral programs and shall conduct analysis as necessary to ensure high quality. Institutions may be required to take additional actions to improve their programs as a result of Coordinating Board review.

§5.53. Annual Evaluation of New Doctoral Degree Programs.

- (a) New doctoral degree programs shall be monitored by the Board staff for a period of five years following implementation of the program to assure that any conditions of approval stipulated by the Board have been satisfied by the end of that period.
- (b) Progress toward satisfaction of any conditions of approval shall be described in the new doctoral program's annual reports to the Board.
- (c) A new doctoral degree program that adequately satisfied all conditions of approval during the first five years following program implementation shall not be required to submit further annual reports unless directed to do so by the Commissioner.

§5.54. Noncompliance with Conditions of Approval for New Doctoral Degree Programs.

- (a) A new doctoral degree program that fails to satisfy all contingencies and conditions of approval by the end of the first five years following program implementation shall be notified in writing of said failure by the Board staff. Within sixty (60) days of receipt of notification, the program shall:
 - (1) provide to the Board staff a written report containing the institution's findings as to why all conditions of approval were not met;
 - (2) submit a written plan describing how the program will fulfill all unsatisfied conditions of approval within one year; and
 - (3) at the end of the one-year period provide a report to the Board staff on whether or not all unsatisfied conditions of approval have been fulfilled.
- (b) A new doctoral degree program that fails to satisfy all remaining conditions of approval during the one-year period referenced in subsection (a)(2) of this section shall be required to show cause why the program should not be closed.
- (c) Program Closure. If it is determined that a new doctoral degree program is in jeopardy of noncompliance with the conditions of its approval, Coordinating Board staff may notify the

institution in writing with a recommendation. If the institution where the program is located wishes to close the program, the institution shall:

- (1) give appropriate notification to the Southern Association of Colleges and Schools Commission on Colleges;
 - (2) cease to admit new students to the program and provide Board staff with the names, dates of admission, and projected graduation dates of all students currently enrolled in the program;
 - (3) teach out students currently enrolled in the program over a period of time not to exceed one and one-half times the normal program length. The Commissioner may extend the duration of the teach-out period if the institution presents compelling evidence that an extension is appropriate and necessary;
 - (4) ensure that all courses necessary to complete the program are offered on a timely basis;
 - (5) close the program when the last student enrolled in the program has graduated or the teach-out period has lapsed; and
 - (6) notify the Coordinating Board when the program is finally closed.
- (d) If the institution chooses not to follow the recommendation, Coordinating Board staff may send the recommendation to the governing board of the institution. If the governing board does not accept the recommendation to eliminate the program, then the university system or, where a system does not exist, the institution must identify the programs recommended for closure by the Coordinating Board on the next legislative appropriations request submitted by the system or institution.

§5.55. Revisions to Approved Programs:

Degree programs on the approved program inventory of a public university or health-related institution may be revised under the following conditions:

- (1) Revisions to degree program curricula that result in a reduction in the overall number of semester credit hours required for the program are automatically approved and require Board notification through a letter from the provost or chief academic officer. Such revisions may not reduce the number of required hours below the minimum requirements of the Southern Association of Colleges and Schools Commission on Colleges, program accreditors, and licensing bodies, if applicable.
- (2) Revisions to degree program curricula that result in an increase in the overall number of semester credit hours required for the program must be reviewed and approved by Board staff prior to implementation by the institution. The institution must provide detailed written documentation describing the compelling academic reason for the increase in the number of required hours. The Coordinating Board will review the documentation provided and make a determination to approve or deny the request.
- (3) Revisions to degree program curricula that do not result in a change in the overall number of semester credit hours required for the program do not require Board approval or notification.
- (4) Revisions to other aspects of degree programs, including changes to the Classification of Instructional Programs coding, degree designation, degree title, or a consolidation of the program with one or more existing programs, must be approved by Board staff.

AGENDA ITEM X-I (6)

Consideration and possible action to repeal Board Rules, Chapter 9, Subchapter J, Sections 9.181-9.186; Subchapter L, Sections 9.550-9.555; and Subchapter N, Sections 9.670-9.678, concerning academic program approval

RECOMMENDATION: Approval

Background Information:

The new rules carry out the Coordinating Board's statutory obligations under Texas Education Code (TEC), Sections 61.0512, 130.302, and 130.312, in a single centralized location, organized to improve the readability of the Board's administrative code. Because the old rules in Ch. 9 have been superseded by the new rules in Ch. 2, the Coordinating Board proposes repeal of the old rules. The new rule language better aligns with TEC 130.0104 and 61.0512 and improves the navigability and readability of rules for institutions subject to these requirements. The proposed repeal will remove the old rules superseded by the new rule content. The new rule language brings Coordinating Board processes and procedures closer to the requirements of statute, contained in TEC 61.0512, while also improving the navigability and readability of rules for institutions subject to these requirements. The proposed repeal will remove the old rules superseded by the new rule content.

Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, will present this item and be available to answer questions.

Date Published in the *Texas Register*: October 13, 2023

The 30-day comment period with the *Texas Register* ended on November 12, 2023

No comments were received regarding these rules.

Chapter 9:
Program Development in Public Two-Year Colleges

Subchapter J:
Academic Associate Degree and Certificate Programs

§9.181 Purpose.

§9.182 Authority.

§9.183 Degree Titles, Program Length, and Program Content.

§9.184 Criteria for New Academic Associate Degree Programs and Steps for Implementation.

§9.185 Academic Certificates.

§9.186 Academic Programs Offered by Texas State Technical College-Harlingen.

~~9.181 Purpose~~

~~This subchapter provides rules for the structure of academic associate degree programs offered by public community colleges, Texas State Technical College-Harlingen, and the Lamar State Colleges that are eligible for state appropriations.~~

~~9.182 Authority~~

~~The Texas Education Code, §§61.003, 61.0513, 61.053, 61.054, 61.055, 61.061, 61.062(c) — (d), 61.075, 130.001(b)(3) — (4), 130.003(e)(1), (2), (3) and (7) and 135.04, authorize the Coordinating Board to adopt policies, enact regulations, and establish rules for the coordination of postsecondary certificate and associate degree programs eligible for state appropriations.~~

~~9.183 Degree Titles, Program Length, and Program Content~~

~~(a) An academic associate degree may be called an associate of arts (AA), an associate of science (AS), or an associate of arts in teaching (AAT) degree.~~

~~—(1) The AA is the default title for an academic associate degree program if the college offers only one type of academic degree program.~~

~~—(2) If a college offers both AA and AS degrees, the degree programs may be differentiated in one of two ways, including:~~

~~—(A) The AA program may have additional requirements in the liberal arts and/or the AS program may have additional requirements in disciplines such as science, mathematics, or computer science; or~~

~~—(B) The AA program may serve as a foundation for the Bachelor of Arts (BA) degree and the AS program for the Bachelor of Science (BS) degree.~~

~~—(C) Each academic associate degree must provide a clearly articulated curriculum that can be associated with a discipline or field of study leading to a baccalaureate degree, and must be identified as such in the institution's program inventory.~~

~~—(3) The AAT is a specialized academic associate degree program designed to transfer in its entirety to a baccalaureate program that leads to initial Texas teacher certification. This title should only be used for an associate degree program that consists of a Board-approved AAT curriculum.~~

~~(b) Academic associate degree programs must consist of 60 semester credit hours (SCH).~~

~~(c) If the number of SCH required to complete a proposed academic associate's degree exceeds 60, the institution must provide detailed written documentation describing the compelling academic reason for the number of required hours, such as programmatic accreditation requirements, statutory requirements, or licensure/certification requirements that cannot be met without exceeding the 60-hour limit. The Coordinating Board will review the documentation provided and make a determination to approve or deny a request to exceed the 60-hour limit. Institutions of higher education must be in compliance with this subsection on or before the 2015 fall semester.~~

~~(d) Except as provided in paragraphs (1), (2), and (3) of this subsection, academic associate degree programs must incorporate the institution's approved core curriculum as prescribed by §4.28 of this title (relating to Core Curriculum) and §4.29 of this title (relating to Core Curricula Larger than 42 SCH).~~

~~—(1) A college may offer a specialized academic associate degree that incorporates a Board-approved field of study curriculum as prescribed by §4.32 of this title (relating to Field of Study Curricula) and a portion of the college's approved core curriculum if the coursework for both would total more than 60 SCH; or~~

~~—(2) A college may offer a specialized academic associate degree that incorporates a voluntary statewide transfer compact and a portion of the college's approved core curriculum if the coursework for both would total more than 60 SCH.~~

~~—(3) A college that has a signed articulation agreement with a General Academic Teaching Institution to transfer a specified curriculum may offer a specialized AA or AS (but not AAT) degree program that incorporates that curriculum.~~

~~9.184 Criteria for New Academic Associate Degree Programs and Steps for Implementation~~

~~(a) New academic associate degree programs shall be approved if all of the following conditions are met:~~

~~—(1) The institution shall certify that the following criteria have been met:~~

~~—(A) The program has institution and governing board approval.~~

~~—(B) There is recent evidence of both short-term and long-term student demand for the program.~~

~~—(C) Enrollment projections reflect student demand estimates to ensure the financial self-sufficiency of the program.~~

~~—(D) The institution has an enrollment management plan for the program.~~

~~—(E) If the program does not follow a Board-approved field of study curriculum or a Board-approved statewide articulation transfer curriculum, the institution has or will initiate a process to establish transfer of credit articulation agreements for the program with senior-level institutions.~~

~~—(F) The program is designed to be consistent with the standards of the Southern Association of Colleges Commission on Colleges, other applicable accrediting agencies, and is in compliance with applicable licensing authority requirements.~~

~~—(G) Adequate funding is available to cover all new costs to the institution over the first five years after the implementation of the program.~~

~~—(H) The program complies with all applicable provisions contained in divisions of this subchapter and, adheres to the Standards for Academic Associate Degree Programs approved by the Board.~~

~~—(2) The institution proposing the program shall notify all public institutions within 50 miles of the teaching site of their intention to offer the program at least 30 days prior to submitting their request to the Coordinating Board. If no objections are received, the Coordinating Board staff shall update the institution's program inventory accordingly. If objections occur, the proposed program shall not be implemented until all objections are resolved. If the proposing institution cannot resolve the objection(s), the proposing institution may request the assistance of the Assistant Commissioner of Workforce, Academic Affairs and Research to mediate the objections and determine whether the proposing institution may implement the proposed program.~~

~~—(3) New Program Approval. The Board delegates to the Commissioner final approval authority for all certificate programs, applied associate degree programs, and academic associate degrees that meet Board policies for approval as outlined in the Guidelines for Instructional Programs in Workforce Education and this subchapter. The Commissioner may delegate this final authority.~~

~~(b) The Coordinating Board reserves the right to audit a certificate or degree program at any time to ensure compliance with any of the requirements in this subchapter.~~

~~9.185 Academic Certificates~~

~~A college may award an academic certificate to a student who completes:~~

~~—(1) the college's approved core curriculum; or~~

~~—(2) a Board approved field of study curriculum; or~~

~~—(3) fifty percent of the courses specified in a voluntary statewide transfer compact.~~

~~9.186 Academic Programs Offered by Texas State Technical College Harlingen~~

~~(a) Texas State Technical College Harlingen may offer the associate of science degree in accordance with the provisions of Texas Education Code §135.51(b)(1-2).~~

~~(b) An associate of science degree program offered by TSTC Harlingen shall not unnecessarily duplicate existing programs offered in the service areas of Del Mar College, South Texas College, or Texas Southmost College.~~

Subchapter L – Multidisciplinary Studies Associate Degrees

<rule>

§9.550. Purpose.

§9.551. Authority.

§9.552. Definitions.

§9.553. Multidisciplinary Studies Associate Degree Program.

§9.554. Adoption of Program.

§9.555. Student Advising.

~~9.550 Purpose~~

~~The purpose of this subchapter is to establish the Coordinating Board's oversight for public community colleges regarding Multidisciplinary Studies Associate Degrees.~~

~~9.551 Authority~~

~~Authority for this subchapter is provided by Texas Education Code, §130.0104, which provides the board with the authority to administer Multidisciplinary Studies Associate Degrees.~~

~~9.552 Definitions~~

~~The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.~~

- ~~–(1) Board or Coordinating Board—The Texas Higher Education Coordinating Board.~~
- ~~–(2) Core Curriculum—Has the meaning as defined by §4.28 of this title (relating to Transfer of Credit, Core Curriculum and Field of Study Curricula).~~
- ~~–(3) Degree Plan—The meaning as defined in Texas Education Code, §51.9685(a)(1).~~
- ~~–(4) Four-year College or University—A degree-granting postsecondary institution as define in Texas Education Code, §61.003(3).~~
- ~~–(5) Multidisciplinary Studies Associate Degree Program—A coordinating board approved associate of arts or associate of science degree composed of the college's core curriculum and enough additional courses to equal 60 semester credit hours (SCH). The SCH beyond the core curriculum must be selected by the student, in consultation with an academic advisor, and transfer to a specific field of study or major at a university of the student's choice.~~
- ~~–(6) Public Community College—The meaning as defined in Texas Education Code, §61.003(2).~~

~~9.553 Multidisciplinary Studies Associate Degree Program~~

~~A multidisciplinary studies associate degree program established at a junior college under this section must require a student to successfully complete:~~

- ~~–(1) The junior college's core curriculum adopted under Texas Education Code, Texas Education Code §61.822(b); and~~
- ~~–(2) After completion of the core curriculum under paragraph (1) of this subsection, the courses selected by the student in the student's completed degree plan accounts for all remaining credit hours required for the completion of the degree program; and~~
- ~~–(3) Emphasizes the student's transition to a particular four-year college or university that the student chooses; and prepare for the student's intended field of study or major at the four-year college or university.~~

~~9.554 Adoption of Program~~

~~The governing board of each public junior college district shall establish a multidisciplinary studies associate degree program which meets the requirements of this subchapter at each junior college in the district.~~

~~9.555 Student Advising~~

~~A student enrolled in a multidisciplinary studies associate degree program shall file a degree plan as prescribed by TAC Chapter 4, Subchapter T. The student must meet with an academic advisor to complete a degree plan, as defined by §9.553 of this title (relating to Multidisciplinary Studies Associate Degree Program), that:~~

- ~~–(1) Accounts for all remaining credit hours required for the completion of the degree program; and~~
- ~~–(2) Emphasizes the student's transition to a particular four-year college or university that the student chooses; and~~
- ~~–(3) Preparations for the student's intended field of study or major at the four-year college or university.~~

CHAPTER 9: PROGRAM DEVELOPMENT IN PUBLIC TWO-YEAR COLLEGES

SUBCHAPTER N: BACCALAUREATE DEGREE PROGRAMS

<rule>

§9.670. Purpose.

§9.671. Authority.

§9.672. Definitions.

§9.673. General Provisions.

§9.674. Program Requirements.

§9.675. Required Articulation Agreements.

§9.676. Special Requirements for Nursing Degree Programs.

§9.677. Funding.

§9.678. Reporting.

~~9.670 Purpose~~

~~The purpose of this subchapter is to establish the Coordinating Board's oversight for public junior colleges regarding offering certain baccalaureate degree programs.~~

~~9.671 Authority~~

~~Authority for this subchapter is provided by Texas Education Code, §130.302 and §130.312, which provides the board with the authority to adopt rules to administer and approve certain baccalaureate degree programs at public junior colleges.~~

~~9.672 Definitions~~

~~The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.~~

~~–(1) Baccalaureate degree programs—Any grouping of subject matter courses consisting of at least 120 semester credit hours which, when satisfactorily completed by a student, will entitle that student to a degree from a public junior college, public senior college or university or a medical or dental unit.~~

~~–(2) Bachelor of Applied Arts and Science (BAAS)—Builds on an Associate of Applied Science (AAS) degree, as defined in §9.1 of this chapter (relating to Definitions), combined with enough additional core curriculum courses and upper level college courses to meet the minimum semester credit hour requirements for a bachelor's degree. The degree program is designed to grow professional management skills of the learner and meet the demand for leadership of highly technical professionals in the workplace. May also be called a Bachelor of Applied Technology (BAT) or Bachelor of Applied Science (BAS).~~

~~–(3) Carl D. Perkins Career and Technical Act of 2006 (Public Law 109-270, and any successor(s) thereto). The Act requires core indicators of performance for career and technical education students to be developed by each eligible agency in its State plan.~~

~~–(4) Coordinating Board—The Texas Higher Education Coordinating Board.~~

~~–(5) External financial governing bodies—The Government Accounting Standards Board, Texas Comptroller of Public Accounts, or similar bodies that direct the structure and process of annual financial reporting. This does not include Boards of Regents or other bodies not having the ability to compel financial reporting changes at all institutions of higher education.~~

~~–(6) General academic teaching institution—Means any college or university as defined in Texas Education Code Section 61.003(3).~~

~~–(7) Governing board—The body charged with policy direction of any public junior college, including but not limited to boards of directors, boards of regents, boards of trustees, and independent school district boards insofar as they are charged with policy direction of a public junior college.~~

~~–(8) Institutions of higher education—Any college or university as defined in Texas Education Code §61.003(8).~~

~~–(9) Medical and dental unit—Any college or university as defined in Texas Education Code §61.003(5).~~

~~–(10) Pilot project—Refers to a public junior college authorized by the Coordinating Board to offer a baccalaureate degree before January 1, 2017.~~

~~—(11) Positive Assessment of the overall financial health of a district—A score of 2.0 or higher on the composite financial index as produced by the THECB in the annual Community College Financial Condition Report. (As required by the General Appropriations Act, 85th Texas Legislature, Article III Education, Public Community/Junior Colleges, Rider 12 and any successor(s) thereto).~~

~~—(12) Public Junior College—Any junior college as defined in Texas Education Code, §61.003(2).~~

9.673 General Provisions

~~(a) All baccalaureate degree programs offered at public junior colleges must comply with the provisions of this subchapter.~~

~~(b) A public junior college offering a baccalaureate degree program under this subchapter must meet all applicable accreditation requirements of the Southern Association of Colleges and Schools Commission on Colleges of a Level II institution.~~

~~(c) A public junior college district offering a baccalaureate degree program may not offer more than five baccalaureate degree programs at any time unless the institution previously participated in a pilot project to offer baccalaureate degree as defined in §9.672(10) of this subchapter not withstanding if accredited as a single institution or as separate institutions within a district.~~

~~(d) Except as provided by subsection (e) of this section, a public junior college may be approved to offer a baccalaureate degree program under this subchapter only if its junior college district:~~

~~—(1) has a taxable property valuation of not less than \$6 billion based on the preceding year's calculations as determined by the county's appraisal district. This valuation shall include the valuation of the taxing district as well as any branch campus maintenance tax valuations; and~~

~~—(2) has received a positive assessment of the overall financial health, as defined in §9.672 of this subchapter, on the most recent Community College Financial Condition Report. If changes to financial reporting, mandated by external financial governing bodies as defined in §9.672 of this subchapter directing financial reporting processes, or other extraordinary factors have a short-term impact to the assessment of the financial health of the institution, the Coordinating Board may, at the Commissioner's discretion:~~

~~—(A) Use the most recent report not impacted by the mandated changes; or~~

~~—(B) Calculate the financial health correcting for the mandated changes or extraordinary factors.~~

~~(e) The requirement of subsection (d)(1) of this section does not apply to baccalaureate degree programs in nursing if the public junior college district:~~

~~—(1) has a taxable property valuation of not less than \$4 billion on the preceding year's calculations as determined by the county's appraisal district; and~~

~~—(2) does not have a four-year institution of higher education located in county(ies) of the public junior college district.~~

~~(f) Offering a baccalaureate degree program under this subchapter does not otherwise alter the role and mission of a public junior college.~~

~~(g) Degree programs offered under this subchapter are subject to the continuing approval of the coordinating board.~~

9.674 Program Requirements

- ~~(a) Must meet the same criteria and standards the coordinating board uses to approve baccalaureate degree programs at general academic teaching institutions and medical and dental units.~~
- ~~(b) Before a baccalaureate degree program can be offered at a public junior college these additional requirements must be met:

 - ~~—(1) workforce need for the degree program must be documented in the region served by the junior college; and~~
 - ~~—(2) how the degree program would complement the other programs and course offerings of the junior college; and~~
 - ~~—(3) documentation of program success for the underlying associate degree, such as licensure pass rates, employment placement rates, and completion rates.~~~~
- ~~(c) Before a public junior college may be authorized to offer a baccalaureate degree program under this subchapter, the public junior college must submit a report to the coordinating board that includes:

 - ~~—(1) a long-term financial plan for receiving accreditation from the Southern Association of Colleges and Schools, Commission on Colleges;~~
 - ~~—(2) a long-term plan for faculty recruitment that:

 - ~~—(A) indicates recruitment strategies and the ability to pay the increased salaries of doctoral faculty; and~~
 - ~~—(B) ensures the program would not draw faculty employed by a neighboring institution offering a similar program; and~~~~
 - ~~—(3) detailed information on the manner of program and course delivery.~~~~

9.675 Required Articulation Agreements

- ~~(a) Before a public junior college may offer a baccalaureate degree program, the institution must provide at least three articulation agreements with general academic teaching institutions or medical and dental units that:

 - ~~—(1) provide detailed information regarding existing course transfer and dual enrollment pathways, detailing the maximum number of students that can be served by the agreements, and~~
 - ~~—(2) explain why existing facilities and resources cannot be expanded to meet workforce need, and~~
 - ~~—(3) documentation that the established articulation agreements are at capacity, or~~
 - ~~—(4) the reasons why no articulation agreements have been established.~~~~
- ~~(b) The Coordinating Board may not authorize a public junior college to offer a baccalaureate degree in a field if articulation agreements with general academic teaching institutions or medical and dental units are sufficient to meet the needs of that field.~~
- ~~(c) Each public junior college that offers a baccalaureate degree program under this subchapter must enter into a teach-out agreement for the first five years of the program with one or more general academic teaching institutions or medical and dental units to ensure that students enrolled in the degree program have an opportunity to complete the degree if the public junior college ceases to offer the degree program.~~
- ~~(d) The coordinating board may require a general academic teaching institution or medical and dental unit that offers a comparable baccalaureate degree program to enter into an articulation agreement with the public junior college as provided by this subsection.~~

~~(e) Each public junior college that offers a program under this subchapter must inform all students who enroll in the program covered by the articulation agreement about the opportunity to complete the degree at a general academic teaching institution or medical and dental unit.~~

9.676 Special Requirements for Nursing Degree Programs

~~Before a public junior college may offer a baccalaureate degree program in nursing, the institution must:~~

- ~~–(1) provide evidence to the coordinating board and the Texas Board of Nursing that the public junior college has secured adequate long-term clinical space and documentation from each clinical site provider indicating that the clinical site has not refused a similar request from a general academic teaching institution or medical and dental unit; and~~
- ~~–(2) establish that the corresponding associate degree nursing program offered by the public junior college has been successful as indicated by job placement rates and licensing exam scores for the previous three years; and~~
- ~~–(3) be a bachelor of science degree program that meets the standards and criteria the Texas Board of Nursing uses to approve pre-licensure degree programs at general academic teaching institutions and medical and dental units regardless of whether the program is a pre-licensure or post-licensure program; and~~
- ~~–(4) be accredited or seeking accreditation by a national nursing accrediting body recognized by the United States Department of Education; and~~
- ~~–(5) A public junior college offering a baccalaureate degree program in the field of nursing under this subchapter must demonstrate to the coordinating board that it will maintain or exceed the 2016–2017 academic year enrollment level of the institution's associate degree nursing program each academic year until the 2021–2022 academic year; and~~
- ~~–(6) the institution must receive program approval from the Texas Board of Nursing.~~

9.677 Funding

~~(a) Except as provided by subsection (b) of this section, a degree program created under this subchapter may be funded solely by a public junior college's proportionate share of state appropriations under §130.003, local funds, and private sources.~~

~~(b) This subchapter does not require the legislature to appropriate state funds to support a degree program created under this subchapter. Nor does this subsection prohibit the legislature from directly appropriating state funds to support junior-level and senior-level courses to which this subsection applies.~~

~~(c) The coordinating board shall weigh contact hours attributable to students enrolled in a junior-level or senior-level course offered under this subchapter used to determine a public junior college's proportionate share of state appropriations under Section 130.003 in the same manner as a lower division course in a corresponding field unless the college participated in a pilot project to offer baccalaureate degree programs as defined in §9.672(10) of this subchapter.~~

~~(d) Notwithstanding subsection (c) of this section, in its recommendations to the legislature relating to state funding for public junior colleges, the coordinating board shall recommend that a public junior college that participated in a pilot project to offer baccalaureate degree~~

~~programs as defined in §9.672(10) of this subchapter receive substantially the same state support for junior-level and senior-level courses in the fields of applied science, applied technology, dental hygiene, and nursing offered under this subchapter as that provided to a general academic teaching institution for substantially similar courses.~~

~~(c) In determining the contact hours attributable to students enrolled in a junior-level or senior-level course in the field of applied science, applied technology, dental hygiene, or nursing offered under this section used to determine a public junior college's proportionate share of state appropriations under §130.003, the coordinating board shall weigh those contact hours as necessary to provide the junior college the appropriate level of state support to the extent state funds for those courses are included in the appropriations.~~

~~(f) A public junior college may not charge a student enrolled in a baccalaureate degree program offered under this subchapter tuition and fees in an amount that exceeds the amount of tuition and fees charged by the junior college to a similarly situated student who is enrolled in an associate degree program in a corresponding field. This subsection does not apply to tuition and fees charged for a baccalaureate degree program in the field of applied science or applied technology previously offered as part of a pilot project to offer baccalaureate degree programs as defined in §9.672(10) of this subchapter.~~

9.678 Reporting

~~Each public junior college offering a baccalaureate degree program under this subchapter shall conduct a review of each baccalaureate degree program offered and prepare a biennial report on the operation, quality, and effectiveness of the baccalaureate degree programs in a format specified by the board. A copy of the report shall be delivered to the coordinating board by January 1 of each odd-numbered year.~~

AGENDA ITEM X-I (7)

Consideration and possible action to amend Board Rules, Chapter 21, Subchapter D, Sections 21.51 and 21.52, concerning the Texas First Early High School Completion Program

RECOMMENDATION: Approval

Background Information:

Senate Bill 1888, 87th Legislature, Regular Session, created the Texas First Early High School Completion Program and the Texas First Scholarship Program to promote efficiency in the state public education system and incentivize postsecondary enrollment of high-performing students at eligible institutions. Senate Bill 2294, 88th Legislature, Regular session, amended the Texas First Early High School Completion Program and the Texas First Scholarship Program to expand the program and to provide clarification regarding certain requirements. The amended rules in Texas Administrative Code, Title 19, Part I, Chapter 21, Subchapter D, Sections 21.51-21.52, will align the rules with statutory changes that were enacted on September 1, 2023, through Senate Bill 2294.

Rule 21.51 amends the definition of institutions eligible to participate in the program. The proposed amendments reflect the expansion of the program to all Texas public institutions of higher education to align with statutory changes.

Rule 21.52 amends eligibility for the Texas First Diploma. The amendment clarifies that a school district must award the diploma to interested, qualified students. The amendment also expands the assessments used to determine mastery for the “language other than English” subject area.

Dr. Jennielle Strother, Assistant Commissioner for Student Success, will present this item and be available to answer questions.

Date Published in the Texas Register: October 27, 2023.

The 30-day comment period with the *Texas Register* ends on: November 27, 2023.

Summary of comments received: No public comments were received.

CHAPTER 21. STUDENT SERVICES

SUBCHAPTER D. TEXAS FIRST EARLY HIGH SCHOOL COMPLETION PROGRAM

§21.51. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Coordinating Board--The agency, including staff, known as the Texas Higher Education Coordinating Board [~~"Coordinating board" means the agency, including staff, known as the Texas Higher Education Coordinating Board~~].

(2) Eligible Institution--An institution of higher education according to Texas Education Code, §61.003(8) [~~"Eligible institution" means an institution of higher education that is designated as a research university or emerging research university under the coordinating board's accountability system~~].

(3) Institution of Higher Education--An institution of higher education according to Texas Education Code 61.003 [~~"Institution of higher education" has the meaning assigned by Texas Education Code §61.003~~].

(4) Open-enrollment Charter--Has the meaning assigned by Texas Education Code, §12.002(3) and subchapter D.

(5) [(4)] Program--The [~~"Program" means the~~] Texas First Early High School Completion Program established under this section includes an open-enrollment charter high school or high school that is within a Texas school district.

§21.52. Eligibility for Texas First Diploma.

(a) Notwithstanding any other state or local law, a school district or open-enrollment charter school shall allow a student to graduate and receive a high school diploma [~~a student is entitled to early high school graduation~~] under the Texas First Early High School Completion Program if the student meets the criteria established in paragraphs (1) and (2) of this subsection. A student who achieves a required score on an assessment to meet the requirement of any one of paragraphs (1) and (2) of this subsection, shall be allowed to use that same assessment to meet the requirement of another section if the student's score meets the required minimum for each section.

(1) The student has met the following minimum criteria at the time of graduation:

(A) Earned at least twenty-two (22) high school credits by any permissible method, including credit by examination;

(B) Earned a final Grade Point Average equivalent to 3.0 on a 4.0 scale;

(C) Earned an overall scaled score in at least the 80th percentile on one or more of the following assessments: ACT, SAT, PSAT/NMSQT, TSIA/TSIA2, or GED, or alternatively, has a grade point average in the top ten percent of the student's current class during the current or semester prior to the counselor's or administrator's verification under subsection (b) of this section of a student's eligibility for early graduation under the Program; and

(D) Completed the requirement for the State of Texas Assessments of Academic Readiness End-of-Course (STAAR EOC) examinations for English I or II, Algebra I, and Biology by one of the following methods:

(i) If the student has taken the STAAR EOC for English I or II, Algebra I, and Biology, the student has achieved the satisfactory level of performance as defined by the Commissioner of Education; or

(ii) If the student has not taken the required STAAR EOC assessment for English I or II, Algebra I, or Biology, the student has satisfied the STAAR EOC requirement by achieving a passing score on a substitute assessment for that subject area authorized under Title 19 Texas Administrative Code, Chapter 101, Subchapter DD, §101.4002(b).

(2) The student has demonstrated the student's mastery of each subject area of English/Language Arts, Mathematics, Science, Social Studies, and a language other than English through assessments or other means eligible institutions commonly use to place students in courses that may be credited toward degree program requirements. A student may demonstrate mastery of each subject area, as applicable, by meeting one or more of the following criteria:

(A) Earning a score on the STAAR EOC assessment that meets the college readiness standards necessary to be exempt from application of the Texas Success Initiative as set out in Title 19 Texas Administrative Code, Chapter 4, Subchapter C, §4.54;

(B) Credit earned in a course in the core curriculum of an institution of higher education in which the student received at least a C; or

(C) Meeting the standards on the assessments set out in Figure 1.

Figure: 19 TAC §21.52(a)(2)(C) (.pdf)

~~{Figure: 19 TAC §21.52(a)(2)(C)}~~

(b) A counselor or administrator at the public school of a student who is eligible for early graduation under the Program must verify that the student meets the requirements in subsection (a)(1) and (2) of this section using a method established by the Coordinating Board prior to issuing a diploma to the student under this Program. A student is responsible for providing the official copy of the assessment results to their counselor or administrator to verify these requirements.

(c) A school that issues a diploma under the Program shall require the minimum number of assessments to demonstrate that the student meets the criteria established in subsection (a)(1) and (2) of this section and may not require a student to take any other STAAR End-of-Course assessment to graduate under the Program, except as required by this section.

TEXAS FIRST EARLY HIGH SCHOOL COMPLETION PROGRAM

Figure: 19 TAC §21.52(a)(2)(C)

Subject Area Assessments and Benchmarks

ASSESSMENT INSTRUMENT	ENGLISH SUBJECT AREA	MS	MATH SUBJECT AREA	MS	SCIENCE SUBJECT AREA Biology, Physics, Chemistry, or other science	MS	SOCIAL STUDIES SUBJECT AREA History, Government, Economics, Psychology, or other social studies	MS	LANGUAGE OTHER THAN ENGLISH SUBJECT AREA World language or Computer Science	MS
SAT	EBRW	480	Math	530	SAT ST	700	SAT ST	690	SAT ST	730
ACT	English	18	Math	22	Science	23	Reading	22	--	--
PSAT/NMSQT	EBRW	460	Math	510	--	--	--	--	--	--
ACT – Plan	English	19	Math	19	Science	20	Reading	18	--	--
AP	English	3	Math	3	AP ST	3	AP ST	3	AP ST	3
CLEP	English	50	Math	50	CLEP ST	50	CLEP ST	50	CLEP ST	50
IB	Language/Literature	4	Math	4	Sciences ST	4	Individuals and Societies ST	4	Language Acquisition ST	4
TSIA	Reading	351 +4E	Math	450	--	--	--	--	--	--
TSIA2	ELAR	945 ± 5E	Math	950	--	--	--	--	--	--
GED	English	165	Math	165	Science	165	Social Studies	165	--	--
FLATS										P (Pass) 101, 102, or 201

Gray Column indicates minimum score (MS) ST =

Subject Test

E= Essay

AGENDA ITEM X-I (8)

Consideration and possible action to adopt amendments to Board Rules Chapter 22, Subchapter T, Sections 22.550-22.552 and 22.554-22.556, concerning the Texas First Scholarship

RECOMMENDATION: Approval

Background Information:

These amendments align the rules with statutory changes that were enacted on September 1, 2023, through Senate Bill 2294, 88th Texas Legislature, Regular Session.

Amendments to rules 22.550 and 22.552 reflect the expansion of the program to all Texas public institutions of higher education.

Amendments to rules 22.551, 22.554, and 22.555 clarify the academic year used in determining the discontinuation of a student's eligibility and determining the scholarship amount. This establishes a standard to be used across all participating institutions to reflect that the discontinuation of a student's eligibility and the scholarship amount are based on the first academic year that begins after a student's graduation from high school. Rule 22.556 is amended to align the calculation of the disbursement with the reporting period used to make the calculation.

Rule 22.556 is also corrected from what was published in the proposed rule due to the inadvertent strikethrough of the word “board” instead of “staff. This is a nonsubstantive change.

Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, will present this item and be available to answer questions.

Date Published in the *Texas Register*: October 27, 2023

The 30-day comment period with the *Texas Register* ended on: November 26, 2023.

No comments were received regarding this rule.

CHAPTER 22 STUDENT FINANCIAL AID PROGRAMS

SUBCHAPTER T TEXAS FIRST SCHOLARSHIP

§22.550. Authority and Purpose.

(a) Authority. Unless otherwise noted in a section, the authority ~~[Authority]~~ for this subchapter is provided in the Texas Education Code, Chapter 56, Subchapter K-1, Texas First Scholarship Program. This subchapter establishes procedures to administer Texas Education Code, §§56.221 - 56.227.

(b) Purpose. The purpose of this program is to incentivize the enrollment of high performing students at ~~[the]~~ Texas ~~[public research and emerging research]~~ institutions of higher education as defined in Texas Education Code, §61.003.

§22.551. Definitions.

In addition to the words and terms defined in §13.142 of this title ~~[Title]~~ (relating to Definitions) and §22.1 of this chapter ~~[Chapter]~~ (relating to Definitions), the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Academic Year--The 12-month period starting with the fall semester.

(2) [(4)] Program--The Texas First Scholarship program.

(3) [(2)] Scholarship--The Texas First Scholarship.

§22.552. Eligible Institutions.

(a) Participation.

(1) For any student graduating through the Texas First Early High School Completion Program on or after September 1, 2023, institutions of higher education, as defined in Texas Education Code, §61.003, are required to apply the state credit available to a student through the Program to the eligible student's cost of attendance, as outlined in §22.555 of this subchapter (relating to Scholarship Amount).

(2) For any student graduating through the Texas First Early High School Completion Program before September 1, 2023, institutions of higher education, as defined in Texas Education Code, §61.003, that are [institutions] designated as either a public research university or public emerging research university under the coordinating board's accountability system are required to apply the state credit available to a student through the Program to the eligible student's costs of attendance, as outlined in §22.555 of this subchapter [(relating to Scholarship Amount)].

(b) Responsibilities. Participating public institutions are required to abide by the General Provisions outlined in subchapter ~~[Subchapter]~~ A of this chapter ~~[Chapter]~~ (relating to General Provisions).

(c) Approval. Each eligible public institution must enter into an agreement with the Board, the terms of which shall be prescribed by the Commissioner or his/her designee, prior to receiving reimbursement through the program.

§22.554. Discontinuation of Eligibility or Non-Eligibility.

State credit offered to a student through this program expires at the end of the first academic year that begins following the student's graduation from high school.

§22.555. Scholarship Amount.

(a) The scholarship is issued by the Coordinating Board ~~[staff]~~ as a state credit for use by an eligible student at any eligible institution.

(1) For a student who graduated from high school two or more semesters or the equivalent earlier than the student's high school cohort, the state credit offered to the student will equal the maximum annual (two semester) TEXAS Grant award determined by the Coordinating Board ~~[staff for the applicable academic year]~~. The calculation is based on TEXAS Grant value for the first academic year that begins following the student's graduation from high school.

(2) For a student who graduated from high school less than two semesters or the equivalent earlier than the student's high school cohort, the state credit offered to the student will equal half of the amount described by paragraph (1) of this subsection.

(b) The amount of state credit offered to a student under the program may not be considered in the calculation of any state or institutional need-based aid awards or the calculation of the student's overall financial need, unless the combination of the credit and other federal, state, and institutional financial aid, excluding work-study and loan programs, for which the student would otherwise be eligible exceeds the estimated total cost of attendance at the eligible institution at which the student is enrolled.

(c) On enrollment of an eligible student at an eligible institution, the institution shall apply the state credit to the student's charges for tuition, mandatory fees, and other costs of attendance.

(1) The amount applied for the semester is equal to the lesser of:

(A) The amount of the state credit available to the student; or

(B) The student's actual tuition, mandatory fees, and other costs of attendance at the institution.

(2) Remaining state credit may be applied to subsequent semesters prior to the end of ~~[within]~~ the first academic year that begins following the student's graduation from high school.

§22.556. Institutional Reimbursement.

(a) The Coordinating Board ~~[staff]~~ shall distribute to each eligible institution an amount of funds equal to the amount of state credit applied by the institution under §22.555 of this subchapter (relating to Scholarship Amount) during the ~~[preceding]~~ academic period reported under subsection (b) of this section ~~[year]~~.

(b) The institution's annual Financial Aid Database submission will be used to calculate the reimbursement amount.

AGENDA ITEM X-I (9)

Consideration and possible action to amend and adopt new Board Rules, Chapter 22, Subchapter N, Sections 22.265-22.277, concerning the Texas Leadership Scholars Program

RECOMMENDATION: Approval

Background Information:

The Texas Higher Education Coordinating Board proposes to amend and adopt new rules in Texas Administrative Code, Chapter 22, Subchapter N, establishing the Texas Leadership Scholars program in rule.

This rule establishes the Texas Leadership Scholars framework, allowing the program to provide merit scholarships, coupled with academic achievement support and leadership development, to assist eligible students to enroll in and graduate from public institutions of higher education in this state.

Dr. Jennielle Strother, Assistant Commissioner for Student Success, will present this item and be available to answer any questions.

Date Published in the Texas Register: November 3, 2023

The 30-day comment period with the *Texas Register* ends on December 4, 2023.

Summary of comments received:

Note: This rule was submitted to TX Register, withdrawn, then was resubmitted for renumbering purposes. The public comments below reference the original numbering (§§22.265 - 22.277). Responses will contain references to the current numbering (§§22.285 - 22.297).

Comment 1 from University of Texas at Tyler:

1. Regarding Rule 22.270, the university presents the following comments about allowing scholars to transfer to another participating institution. The university states, “Allowing scholars to transfer to another participating institution is not appropriate and harms the program participants.
 - Disrupts the cohort model that is in place and what is expected of selected members.
 - Disservice to the students who were not selected for the spot that is now vacant.
 - Each institution has a different experience established, if transfers are allowed, institutions will have to determine how to catch a student up on the experiences they have missed. “The university comments that a possible solution is “to allow transfer students

who were not selected nor have participated to be eligible to apply when applications are open. This solution provides additional opportunity to those not selected or aware of the program.”

2. Regarding Rule 22.275, the university asks if a scholar can receive multiple hardships. The university states that the language is not clear enough and that institutions will have to figure out where to place them in relation to their cohort if the hardship involves non-enrollment up to 1 year.
3. Regarding Rule 22.275(b)(4), the university asks if an additional hardship is awarded or if the scholar must register full-time in his/her final semester before graduating, even if the scholar needs less than 12 hours to graduate. The university offers the recommendation to update the current language to reflect that the graduating semester is auto approved for hardship regardless of a previously granted hardship.
4. Regarding Rule 22.275(c), the university asks for clarification about when a hardship starts and for how long. The university suggests clearer language (ie: time of application, academic year, or calendar year) or add language that states that the institution makes the determination.

Response 1:

The Coordinating Board appreciates these comments and provides the following responses.

1. Providing a Scholar the opportunity to transfer not more than one time, allows the scholar to continue in the program when they may experience unknown or unanticipated challenges, or changes on their journey to graduation. A Scholar will not be penalized for a one-time transfer to another eligible institution, and the Scholar will continue to receive support and leadership opportunities. The Coordinating Board will ensure that the eligible institution enrolling the transfer-in scholar receives scholarship funds for the Scholar's remaining period of eligibility. Based on available research, strong cohort models, as required with the Scholar's program, should limit the number of Scholars who seek a one-time transfer.
2. Yes, multiple hardships are allowable so long as the scholar has not exceeded four years of funding. The institution can make the determination if a scholar's cohort needs to change due to the scholar's need to receive a hardship during their eligibility and the institution is provided latitude to develop a hardship policy and make determinations based on said policy.
3. An eligible institution is permitted to and may include such language in its hardship policy as set forth in Rule 22.295(e). Rule 22.295(b)(4) states that a hardship condition may include a Scholar who needs fewer than twelve semester credit hours to complete their degree plan.
4. The institution is responsible for adopting a hardship policy and approving hardships in accordance with the policy.

Comment 2 from University of Texas at El Paso:

1. Regarding Rule 22.267(4), the university presents the following question for clarification: “We understood that the intention of the program was to select students with academic

need (specifically TEXAS Grant eligibility) so that grant aid could essentially cover tuition and fees, and the additional scholarship funding provided by the state would cover housing and fees (seemingly confirmed by language in §22.276). However, when I read §22.267, I don't see a rule requiring eligible institutions to apply the funds this way."

2. Regarding Rule 22.268(5), the university comments that adding "applied for FAFSA/TAFSA and shown a financial need" would be an effective addition to the language.
3. Regarding Rule 22.268(A) the university asks whether information about the "Distinguished Level of Achievement under the "Foundation High School Program" will be included on the website and promotional materials.
4. Regarding Rule 22.268(3), the university presents the question about satisfactory academic progress and seeks clarification about which satisfactory academic progress requirements are to be followed: "...the student's 1st year SAP is decided by the institution, but in their 2nd-4th year isn't SAP determined by the requirements per TEXAS Grant"?
5. Regarding Rule 22.274(1) the university asks for clarification about the scholarship funding length. The university asks if the scholarship funding lasts up to 5 years only if the scholar receives a hardship or if the scholarship duration is 5 years even if the scholar does not receive a hardship.

Response 2:

The Coordinating Board appreciates these comments and offers the following responses:

1. The Coordinating Board will provide a scholarship for housing and food that must be applied towards the scholar's account and may not exceed the cost of attendance. Participating institutions are responsible for utilizing any federal, state, or institutional aid to cover tuition and fees at no cost to the scholar. Each scholar must be Texas Grant eligible to participate in the program; however, it is up to the institution to determine what funds will be allocated to cover tuition and fees for each scholar.
2. Rule 22.288(a)(6) specifically states that a student must be TEXAS Grant eligible. Eligibility for a TEXAS grant includes financial need requirements. Therefore adding "financial need" to (a)(5) would be redundant.
3. A distinguished level of achievement under the foundation high school program will be provided in a guide to coordinators at participating institutions. This information can also be found at 19 Tex. Admin. Code § 74.12.
4. In order to receive an initial award, a student must be Texas Grant eligible. Satisfactory academic progress, as stated in Rule 22.289, is determined by the institution's financial aid office based on the requirements used for federal financial aid programs.
5. A scholar cannot receive an award for a total of more than four years. Eligibility ends after five years unless a hardship is granted. Absent a hardship, it would be difficult for a scholar to remain eligible based on the continuation requirements in 22.288(b).

CHAPTER 22. STUDENT FINANCIAL AID PROGRAMS
SUBCHAPTER N. TEXAS LEADERSHIP SCHOLARS PROGRAM

§22.285.Authority and Purpose.

(a) Authority for this subchapter is provided in Texas Education Code, chapter 61, subchapter T-3, §§61.891 - 61.897, Texas Leadership Scholars Program.

(b) The purpose of this program is to provide merit scholarships coupled with academic achievement support and leadership development to assist eligible students to enroll in and graduate from public institutions of higher education in this state.

§22.286.Definitions.

In addition to the words and terms defined in §22.1 of this chapter (relating to Definitions), the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise. In the event of conflict, the definitions in this subchapter shall control.

(1) Administrator--The institution of higher education contracted by the Texas Higher Education Coordinating Board to administer the Program.

(2) Board--The governing body of the agency known as the Texas Higher Education Coordinating Board.

(3) Commissioner--The Commissioner of Higher Education.

(4) Coordinating Board--The agency known as the Texas Higher Education Coordinating Board and its staff.

(5) Eligible Institution--A general academic teaching institution as defined by section 61.003(3) of the Texas Education Code.

(6) Mentoring--A program in which a student is paired with or serves as a mentor.

(7) Program--The Texas Leadership Scholars Program.

(8) Scholar--An eligible student who applied and was selected to participate in the Texas Leadership Scholars Program by a participating institution.

(9) Scholarship--A scholarship awarded to a scholar under the Program.

§22.287.Eligible Institutions.

(a) Responsibilities. A participating eligible institution is required to:

(1) Abide by the General Provisions outlined in subchapter A of this chapter (relating to General Provisions);

(2) Create and comply with policies that prohibit discrimination against or deny participation in or the benefits of the Program described in this subchapter on the basis; of race, color, national origin, gender, religion, age, or disability;

(3) Comply with the Civil Rights Act of 1964, Title VI (Public Law 88-353) in avoiding discrimination in admissions or employment;

(4) Ensure each Scholar receives sufficient financial aid from federal, state, and institutional grants and scholarships other than the scholarship awarded under the program to cover full tuition and fees for 4 years at no cost to the Scholar so long as the Scholar maintains eligibility; and

(5) Provide all reports regarding the program to the Coordinating Board or Administrator.

(b) Approval.

(1) Agreement. Each eligible institution must enter into an agreement with the Coordinating Board, the terms of which shall be prescribed by the Commissioner, prior to receiving reimbursement through the program.

(2) Approval Deadline.

(A) Each eligible institution must indicate an intent to participate in the program by emailing the Administrator by June 15 and enter into an agreement with the Coordinating Board by August 31 for qualified students enrolled in that institution to be eligible to receive scholarships in the following biennium.

(B) Notwithstanding subparagraph (A) of this paragraph, for the 2023-24 academic year, an eligible institution may indicate intent to participate in the program by the administrative deadline established by the Commissioner.

§22.288.Eligible Students.

(a) To receive an initial award through the Program, a student must:

(1) Submit an application for scholarship consideration through the Coordinating Board or Administrator;

(2) Have Texas resident status, as determined by chapter 21, subchapter B of this title (relating to Determination of Resident Status);

(3) Graduate from a Texas public high school, including an open-enrollment charter school;

(4) Be enrolled full-time in a baccalaureate degree program at a participating institution the fall semester immediately following high school graduation;

(5) Have applied for any available financial aid assistance;

(6) Be TEXAS Grant eligible, as determined by subchapter L, §22.228 of this chapter (relating to Eligible Students) and meet one of the following criteria under subparagraph (A) or (B) of this paragraph:

(A) Graduate with a distinguished level of achievement under the foundation high school program, and:

(i) Graduate in the top 10% of the student's high school graduating class; or

(ii) Submit with the application a nomination letter from the student's high school principal or counselor; or

(B) Be eligible to graduate with a Texas First Diploma as set out in chapter 21, subchapter D of this title (relating to Texas First Early High School Completion Program).

(b) To receive a continuation award through the Program, a scholar must:

(1) Have previously received an initial year award through this Program;

(2) Be enrolled full-time in a baccalaureate degree program where the scholar received initial award or at another participating eligible institution to which the student has transferred during the period of eligibility;

(3) Make satisfactory academic progress toward the baccalaureate degree at the eligible institution, as defined in §22.289 of this subchapter (relating to Satisfactory Academic Progress) unless the scholar is granted a hardship extension in accordance with §22.295 of this subchapter (relating to Hardship Provision);

(4) Have completed or is on target to complete programmatic requirements set forth in §22.291 and §22.292 of this subchapter (relating to Scholarship Selection Criteria and Academic Achievement Support, respectively) as reported by participating institution.

§22.289.Satisfactory Academic Progress.

To qualify for a scholarship, each recipient of the scholarship shall meet the satisfactory academic progress requirements as utilized by the financial aid office of the eligible institution to determine eligibility for federal financial aid programs.

§22.290.Transfer.

A Scholar may transfer to another eligible institution not more than once during the student's period of eligibility. The Coordinating Board shall ensure that a participating eligible institution who enrolls a Scholar receives the scholarship funds for that student's remaining period of eligibility.

§22.291.Scholarship Selection Criteria.

The Coordinating Board or Administrator will receive scholarship applications and will forward qualified applications to each participating eligible institution of interest and the participating eligible institutions shall make selections based on a student's:

- (1) Scholarship interest through the application;
- (2) Ranking of the participating eligible institution as a top choice;
- (3) Eligibility criteria set forth in §22.288 of this subchapter (relating to Eligible Students);
- (4) Evidence of leadership and service within their high school and community; and
- (5) Demonstrated academic achievement and ability.

§22.292.Academic Achievement Support.

(a) Each participating eligible institution shall ensure that each Scholar's experience includes, at a minimum, the following academic programmatic elements:

- (1) Program cohort learning communities;
- (2) Mentoring, research, and internship opportunities;
- (3) Networking with state government, business, and civic leaders; and
- (4) Statewide cohort learning institutes or seminars.

(b) The Coordinating Board may enter into agreements with participating eligible institutions to provide research-based support for scholars to make satisfactory academic progress and graduate on time at participating institutions.

(c) If a participating eligible institution is unable to include a scholar or scholars in subsection (a) of this section, academic programmatic elements, they must provide alternative programming that has been approved by the Commissioner to aid the scholar in making academic progress.

§22.293.Leadership Development.

(a) Each participating eligible institution must ensure that a Scholar's experience includes, at a minimum, the following cohort-based leadership development elements:

(1) Leadership development programming; and

(2) Scholar summer programming which may be met through participating in a leadership conference, study abroad, or internship opportunities.

(b) The Coordinating Board may enter into agreements with participating eligible institutions to provide leadership development opportunities for scholars.

(c) If a participating eligible institution is unable to include a scholar or scholars in subsection (a) of this section, leadership development requirements, they must provide alternative programming that has been approved by the Commissioner to meet similar outcomes.

§22.294.Discontinuation of Eligibility or Non-Eligibility.

(a) A student who has already earned a baccalaureate degree at any public or private post-secondary institution is ineligible to participate in the program.

(b) Unless granted a hardship postponement in accordance with §22.295 of this subchapter (relating to Hardship Provisions), a student's eligibility for a grant ends:

(1) Five years from the start of the semester in which the student enrolls in the baccalaureate degree program at the eligible institution;

(2) Once the student has earned a cumulative total of 150 credit hours, including transferred hours, as verified by the student's institution; or

(3) If a Scholar transfers to another institution, except as authorized under §22.290 of this subchapter (relating to Transfer).

(c) Except as provided in §22.295 of this subchapter, a student may not receive a scholarship more than four years from the start of the semester in which the student enrolls in the baccalaureate degree program at the participating eligible institution.

§22.295.Hardship Provisions.

(a) In the event of a hardship or for other good cause as determined by the eligible institution, the Program Officer at the institution may allow an otherwise eligible Scholar to receive a scholarship:

(1) While enrolled in fewer semester credit hours than required in §22.288 of this subchapter (relating to Eligible Students);

(2) If the Scholar fails to meet the satisfactory academic progress requirements of §22.288 of this subchapter; or

(3) If the scholar requires an extension of the limits found in §22.294(b) of this subchapter (relating to Discontinuation of Eligibility or Non-Eligibility) to complete his or her degree.

(b) Hardship conditions may include:

(1) Documentation of a serious health/condition that makes the Scholar unable to attend school or complete academic study;

(2) Documentation that the Scholar is responsible for the care of a child, spouse, or parent who has a serious health condition, sick, injured, or and that the scholar's provision of care may affect his or her academic performance;

(3) The birth of a child or placement of a child with the student for adoption or foster care; or

(4) Scholar needing fewer than twelve semester credit hours to complete Scholar's degree plan.

(c) A hardship under this section may extend for a period of no longer than one year.

(d) Documentation of the hardship circumstances approved for a Scholar to receive a scholarship must be kept in the Scholar's files, and the institution must identify Scholars approved for a scholarship based on a hardship to the Coordinating Board, so that it may appropriately monitor each Scholar's period of eligibility.

(e) Eligible institutions shall adopt a hardship policy under this section, share such policy with Scholars and have the policy available in the financial aid office for public review upon request.

§22.296.Scholarship Amounts and Allocation of Funds.

(a) Funding. The Coordinating Board may not award through this program an amount that exceeds the amount of state appropriations and other funds that are available for this use.

(b) Scholarship Amounts.

(1) The amount of the scholarship in an academic year shall be the average cost of housing and food at the participating institution as approved by the Coordinating Board; and

(2) An institution may not reduce the amount of a scholarship by any gift aid for which the Scholar receiving the scholarship is eligible unless the total amount of a Scholar's scholarship plus any gift aid received exceeds the Scholar's cost of attendance.

(c) Allocation of Funds.

(1) The Commissioner shall determine and announce the number of initial scholarships available to each participating institution by January 31 of the prior fiscal year set forth in §22.288(a) of this subchapter (relating to Eligible Students);

(2) The number of scholarships for returning scholars will be the number of scholars eligible to receive the scholarship set forth in §22.288(b) of this subchapter; and

(3) Each participating eligible institution will receive an annual allocation equal to the number of scholarships times the average housing and food approved by the Commissioner. This amount shall include the amount necessary to cover the scholarships of a Scholar who transferred to the institution as authorized under this subchapter.

§22.297.Disbursement of Funds.

Upon request by an institution throughout the academic year, the Coordinating Board shall forward to each participating eligible institution a portion of its allocation of funds for timely disbursement to Scholars. Each participating eligible institution shall have until the close of business on August 1, or the first working day thereafter if it falls on a weekend or holiday, to encumber program funds from their allocation. After that date, an institution may lose any funds in the current fiscal year not yet drawn down from the Coordinating Board for timely disbursement to Scholars. Funds released in this manner are deemed returned to the Coordinating Board.

AGENDA ITEM XI-A

Committee chair's overview

Ms. Emma Schwartz, Chair of the Agency Operations Committee, will provide the Board an overview of the items on the agenda.

AGENDA ITEM XI-B

Report on grants and contracts

RECOMMENDATION: No action required

Background Information:

Texas Administrative Code, Title 19, Rule 1.16(j), establishes that any contract for the purchase of goods or services that exceeds \$1 million may be entered into only if the contract is approved and signed by the Commissioner of Higher Education, to whom the board of the Texas Higher Education Coordinating Board (Board), by virtue of this rule, delegates such approval and signature authority. In addition to the Board receiving a quarterly report on “Contracts Executed by the Agency in Accordance with Board Rule 1.16,” agency staff also provides the Board a quarterly report highlighting and listing all grants and contracts exceeding \$1 million.

Anthony Infantini, Chief Financial Officer, is available to answer questions.



Contracts Executed by the Agency Over \$1 Million

September 1, 2023 – January 3, 2024

Department	THECB No.	Supplier Name	Description	Active Date	Total \$
2030 Info Solutions and Services	00156	DEPT OF INFORMATION RESOURCES	PRQ_2276_DIR_DCS	10/26/2023	\$ 11,439,802.18
3030 College and Career Advising	00216	ADMITHUB INC PBC DBA MAINSTAY	1537_MainstayADViChatbot	12/12/2023	\$ 1,000,000.00
3040 Academic and Health Affairs	00037	THE UNIVERSITY OF TEXAS SYSTEM	IAC_2102 UT System JAMP	11/28/2023	\$ 11,696,794.00
3040 Academic and Health Affairs	00090	TEXAS TECH UNIVERSITY HEALTH SCIENCES CE	GRT 2105 TTUHSC FY24	12/27/2023	\$ 1,008,014.00
317 Perkins-AQ&W Admin	29710	Alamo Colleges District	Perkins Basic Grant 2023-2024	9/6/2023	\$ 2,562,390.00
317 Perkins-AQ&W Admin	29759	Houston Community College System	Perkins Basic Grant 2023-2024	9/12/2023	\$ 2,377,990.00
317 Perkins-AQ&W Admin	29730	South Texas College	Perkins Basic Grant 2023-2024	9/7/2023	\$ 2,222,167.00
317 Perkins-AQ&W Admin	29736	Texas State Technical College System	Perkins Basic Grant 2023-2024	9/7/2023	\$ 1,916,770.00
317 Perkins-AQ&W Admin	29732	Tarrant County College District	Perkins Basic Grant 2023-2024	9/7/2023	\$ 1,575,653.00
317 Perkins-AQ&W Admin	29716	Lone Star College System	Perkins Basic Grant 2023-2024	9/7/2023	\$ 1,548,864.00
317 Perkins-AQ&W Admin	29728	San Jacinto College District	Perkins Basic Grant 2023-2024	9/7/2023	\$ 1,477,426.00
317 Perkins-AQ&W Admin	29753	Dallas College	Perkins Basic Grant 2023-2024	9/6/2023	\$ 1,412,239.00
317 Perkins-AQ&W Admin	29752	Collin County Community College District	Perkins Basic Grant 2023-2024	9/7/2023	\$ 1,224,268.00
317 Perkins-AQ&W Admin	29726	Austin Community College	Perkins Basic Grant 2023-2024	9/6/2023	\$ 1,185,870.00
317 Perkins-AQ&W Admin	29711	Amarillo College	Perkins Basic Grant 2023-2024	9/19/2023	\$ 1,148,365.00
317 Perkins-AQ&W Admin	29738	Tyler Junior College	Perkins Basic Grant 2023-2024	9/7/2023	\$ 1,142,114.00
4020 Funding and Resource Planning	00027	BAYLOR COLLEGE OF MEDICINE	SVC_BCM Undergrad Medical Edu	12/13/2023	\$ 23,068,101.60
4020 Funding and Resource Planning	00212	HEALTH AND HUMAN SERVICES COMMISSION	IAC_2250 HHSC	11/21/2023	\$ 14,176,230.49
4020 Funding and Resource Planning	00023	BAYLOR COLLEGE OF MEDICINE	SVC_Baylor College of Med GME	9/22/2023	\$ 9,002,575.00
4020 Funding and Resource Planning	00184	BAYLOR COLLEGE OF MEDICINE	Permanent Health Fund	12/18/2023	\$ 1,914,193.00
4020 Funding and Resource Planning	00268	BAYLOR COLLEGE OF MEDICINE	Permanent Endowment Fund	12/18/2023	\$ 1,425,000.00
510 SFAP - Student Loan Admin	30036	Office of The Attorney General (Legal Svc.)	OAG Contract	9/7/2023	\$ 1,766,273.00
					\$ 96,291,099.27



Contracts Executed by the Agency in Accordance with Board Rule 1.16
September 1, 2023 - January 3, 2024

Department	THECB No.	Supplier Name	Description	Active Date	Total \$
071 SLDS ERC Upgrades 84.372A	30026	Workquest Temps	Temporary Personnel	9/13/2023 \$	108,550.00
071 SLDS ERC Upgrades 84.372A	30022	Workquest Temps	Temporary Personnel	9/6/2023 \$	64,750.14
075 OnCourse	29545	Instructure Inc	Instructure Subscriptions Renewal	9/25/2023 \$	8,840.00
1001 Commissioners Office	00105	LONGHORN TROPHIES INC	PRQ_2179 Longhorn Trophies	10/11/2023 \$	604.00
1001 Commissioners Office	00106	CLASSIC FORMS & PRODUCTS INC	PRQ_2161_Promo_ClassicForms	10/11/2023 \$	1,702.04
1001 Commissioners Office	00107	UNIVERSITY OF TEXAS AT AUSTIN	PRQ_2160_UT_CopyServices_folde	10/11/2023 \$	1,175.00
1001 Commissioners Office	00110	UNIVERSITY OF TEXAS AT AUSTIN	PRO_2086_UTCOPY_cards	10/11/2023 \$	260.00
1001 Commissioners Office	00150	UNIVERSITY OF TEXAS AT AUSTIN	PRQ_2247_Document Solutions Ba	10/20/2023 \$	966.65
1001 Commissioners Office	00175	DOCUMENT SOLUTIONS UT AUSTIN	PRQ_2275_UT Document Solutions	10/20/2023 \$	894.50
1001 Commissioners Office	00203	LONGHORN OFFICE PRODUCTS INC	PRQ_2254_Longhorn Office	11/6/2023 \$	99.67
1001 Commissioners Office	00207	LONGHORN OFFICE PRODUCTS INC	PRQ_2281 Longhorn Office	11/7/2023 \$	153.32
1001 Commissioners Office	00213	CLASSIC FORMS & PRODUCTS INC	PRQ_2298_Classic Forms	11/9/2023 \$	3,258.95
1001 Commissioners Office	00214	UNIVERSITY OF TEXAS AT AUSTIN	PRQ_2305_UT Document Solution	11/9/2023 \$	2,557.87
1001 Commissioners Office	00234	DOCUMENT SOLUTIONS UT AUSTIN	PRQ_2350_Document Solutions UT	11/21/2023 \$	309.25
1001 Commissioners Office	00249	DOCUMENT SOLUTIONS UT AUSTIN	PRQ_2361_UTDocSolutions_Farias	12/1/2023 \$	752.21
1001 Commissioners Office	00251	UNIVERSITY OF TEXAS AT AUSTIN	PRQ_2337_UT Print Shop	11/30/2023 \$	975.00
1001 Commissioners Office	00337	ASSOCIATION OF GOVERNING BOARDS	PRQ_2406_AGB_AY24	12/20/2023 \$	4,200.00
1001 Commissioners Office	00352	CVENT INC	PRQ_2384 Cvent	12/20/2023 \$	1,600.00
1010 Internal Audit and Compliance	00030	ASSOCIATION OF CERTIFIED FRAUD EXAMINERS	PRQ_2038_ACFE_PaulM	9/25/2023 \$	245.00
1010 Internal Audit and Compliance	00031	ASSOCIATION OF CERTIFIED FRAUD EXAMINERS	PRQ_2037_ACFE_Carlin	9/14/2023 \$	245.00
1010 Internal Audit and Compliance	00103	STATE AUDITOR'S OFFICE	PRQ_2228_SAO_auditwork_AY24	10/20/2023 \$	110,800.00
1010 Internal Audit and Compliance	00160	ASSOCIATION OF CERTIFIED FRAUD EXAMINERS	PRQ_2040_ACFE_training_AY24	10/25/2023 \$	795.00
1010 Internal Audit and Compliance	00161	STATE AUDITOR'S OFFICE	PRQ_2273_SAO_LorraineChavana	10/17/2023 \$	129.00
1010 Internal Audit and Compliance	00163	ASSOCIATION OF GOVERNMENT ACCOUNTANTS-AU	PRQ_2266_AGA_AustinChapter_SW	10/23/2023 \$	42.00
1010 Internal Audit and Compliance	00181	ASSOCIATION OF CERTIFIED FRAUD EXAMINERS	PRQ_2279_ACFE_training_GraceWi	10/27/2023 \$	395.00
1010 Internal Audit and Compliance	00183	ASSOCIATION OF CERTIFIED FRAUD EXAMINERS	PRQ_2280_ACFE_training_GraceWi	10/27/2023 \$	600.00
1010 Internal Audit and Compliance	00227	STATE AUDITOR'S OFFICE	PRQ_2312_SAO_training_Jitendra	11/17/2023 \$	109.00
1010 Internal Audit and Compliance	00230	STATE AUDITOR'S OFFICE	PRQ_2313_SAO_training_JSingh	11/17/2023 \$	219.00
1010 Internal Audit and Compliance	00245	STATE AUDITOR'S OFFICE	PRQ_2335_SAO_training	12/4/2023 \$	248.00
1010 Internal Audit and Compliance	00246	INFORMATION SYSTEMS AUDIT AND CONTROL AS	PRO_2362_ISACA	12/4/2023 \$	160.00
1020 General Counsel	00040	WEST PUBLISHING CORPORATION	PRQ_30068_Westlaw	10/4/2023 \$	3,528.00
1020 General Counsel	00149	DOCUMENT SOLUTIONS UT AUSTIN	PRQ_2232_UTLBJ School of Affai	10/27/2023 \$	6,000.00
1020 General Counsel	00206	WEST PUBLISHING CORPORATION	PRQ_2314_Thomson Reuters	11/7/2023 \$	12,589.92
143 Transfer Grants	30027	Workquest Temps	Temporary Personnel	9/6/2023 \$	73,172.80
144 Leadership Program	29925	The University of Texas At Austin (Serv)	Texas Leadership Scholars Program	9/25/2023 \$	155,496.00
144 Leadership Program	29913	Texas A&M University - San Antonio (Service)	Texas Leadership Scholars Program	9/21/2023 \$	111,000.00
144 Leadership Program	29927	The University of Texas at Dallas (Service)	Texas Leadership Scholars Program	9/21/2023 \$	110,656.00
144 Leadership Program	29923	Texas Woman's University	Texas Leadership Scholars Program	9/21/2023 \$	107,901.00
144 Leadership Program	29924	University of North Texas (Service)	Texas Leadership Scholars Program	9/18/2023 \$	101,555.19
144 Leadership Program	29934	University of North Texas (Service)	Texas Leadership Scholars Program	9/5/2023 \$	89,046.30
144 Leadership Program	29912	Texas A&M University Kingsville (Service)	Texas Leadership Scholars Program	9/11/2023 \$	83,606.25
144 Leadership Program	29922	Texas Tech University (Service)	Texas Leadership Scholars Program	9/13/2023 \$	76,411.00
144 Leadership Program	29926	The University of Texas at Arlington (Service)	Texas Leadership Scholars Program	9/25/2023 \$	75,336.00
144 Leadership Program	29930	The University of Texas at Tyler (Service)	Texas Leadership Scholars Program	9/15/2023 \$	73,325.00

Department	THECB No.	Supplier Name	Description	Active Date	Total \$
144 Leadership Program	29915	Sam Houston State University (Service)	Texas Leadership Scholars Program	9/12/2023 \$	68,340.00
144 Leadership Program	29916	Tarleton State University (Service)	Texas Leadership Scholars Program	9/14/2023 \$	65,076.00
144 Leadership Program	29928	The University of Texas at El Paso (Service)	Texas Leadership Scholars Program	9/11/2023 \$	63,912.20
144 Leadership Program	29919	Texas A&M University-Corpus Christi (Service)	Texas Leadership Scholars Program	9/25/2023 \$	49,532.00
144 Leadership Program	29929	University of Texas Rio Grande Valley (Service)	Texas Leadership Scholars Program	9/15/2023 \$	48,310.00
144 Leadership Program	29931	West Texas A&M University (Service)	Texas Leadership Scholars Program	9/21/2023 \$	31,318.00
144 Leadership Program	29909	Texas A&M International University	Texas Leadership Scholars Program	9/18/2023 \$	19,300.00
144 Leadership Program	29920	Texas Southern University (Service)	Texas Leadership Scholars Program	9/15/2023 \$	10,100.00
145 GEER II DMI Edu & Wkfr	30045	Workquest Temps	Temporary Personnel	9/13/2023 \$	3,886.38
156 GEERII Shared Services	29440	Houston Community College System (Service)	Support Digital Learning Initiatives	9/26/2023 \$	75,000.00
2000 Agency Operations	00190	MONO MACHINES LLC	PRQ_2252_ Mono Machines	10/26/2023 \$	2,493.37
201 Facilities and Support Services	30056	Xerox Corporation	Lease of Xerox Copiers	9/22/2023 \$	2,778.78
201 Facilities and Support Services	29492	Texas State Library & Archives Commission	Records Storage and Imaging Services	9/12/2023 \$	23,000.00
201 General Counsel	29908	Universal Technical Translation Inc	Spanish Translation Services	9/1/2023 \$	50,000.00
201 Information Solutions and Services	29703	KTX System LLC DBA Axserion USA	Maintenance and Software License Renewal	9/14/2023 \$	52,479.20
201 Information Solutions and Services	30052	Esolvit Inc	Temporary Personnel	9/6/2023 \$	18,577.20
2020 Human Resources	00039	HOUSE OF REPRESENTATIVES	PRQ_2141_Flags_THOR	10/12/2023 \$	400.00
2020 Human Resources	00045	XEROX CORPORATION	PRQ_2090_Copiers_Xerox	10/16/2023 \$	22,031.16
2020 Human Resources	00071	UNIVERSITY OF TEXAS AT AUSTIN	PRQ_2167_LBJ_training	10/11/2023 \$	20,000.00
2020 Human Resources	00173	ALLIANCE WORK PARTNERS	PRO_2133_Alliance Work Partne	10/23/2023 \$	6,500.00
2020 Human Resources	00209	HOUSE OF REPRESENTATIVES	PRQ_2323_Retirement flag	11/8/2023 \$	16.96
2020 Human Resources	00223	QUADIENT INC	PRQ_2336_Quadient_Mail Machine	12/29/2023 \$	4,007.50
2020 Human Resources	00264	CARASOFT TECHNOLOGY CORP	PRQ_2380_Carahsoft Tech	12/13/2023 \$	10,098.93
2020 Human Resources	00265	CARASOFT TECHNOLOGY CORP	PRQ_2381_Carahsoft Tech	12/13/2023 \$	48,183.81
2020 Human Resources	00332	TEXAS FACILITIES COMMISSION	PRQ_2416_Texas Facilities Comm	12/14/2023 \$	8,713.15
2020 Human Resources	00335	TEXAS FACILITIES COMMISSION	PRQ_2417_Texas facilities Comm	12/27/2023 \$	6,980.00
2030 Info Solutions and Services	00022	SHI GOVERNMENT SOLUTIONS INC	PRQ_1865_Moveit	9/15/2023 \$	11,678.66
2030 Info Solutions and Services	00049	PTC INC	PRQ_1873_PTC Inc.	10/10/2023 \$	992.00
2030 Info Solutions and Services	00050	SYSaid TECHNOLOGIES	PRQ_2073_Add_SYSaid	10/10/2023 \$	2,250.00
2030 Info Solutions and Services	00051	LYNCVERSE TECHNOLOGIES, INC.	PRQ_1876_Lyncverse Tech	10/10/2023 \$	2,750.00
2030 Info Solutions and Services	00054	SHI GOVERNMENT SOLUTIONS INC	PRQ_1878_SHI	10/10/2023 \$	2,083.20
2030 Info Solutions and Services	00072	DAMAN CONSULTING INCORPORATED	PRQ_2191_Daman	9/27/2023 \$	85,000.00
2030 Info Solutions and Services	00073	LOBLOLLY CONSULTING LLC	PRQ_2192_Loblolly	9/29/2023 \$	73,000.00
2030 Info Solutions and Services	00076	DAMAN CONSULTING INCORPORATED	PRQ_2190_Daman	9/29/2023 \$	92,000.00
2030 Info Solutions and Services	00101	LOBLOLLY CONSULTING LLC	PRQ_2053_Loblolly Sreeja	10/6/2023 \$	13,413.24
2030 Info Solutions and Services	00102	SHI GOVERNMENT SOLUTIONS INC	PRQ_2166_SHI BURP	10/30/2026 \$	3,261.60
2030 Info Solutions and Services	00122	LOBLOLLY CONSULTING LLC	PRQ_2182_Loblolly	10/18/2023 \$	49,500.00
2030 Info Solutions and Services	00123	LOBLOLLY CONSULTING LLC	PRQ_2181_Loblolly	10/18/2023 \$	118,800.00
2030 Info Solutions and Services	00151	CLUDO INC	PRQ_1877_Cludo	10/18/2023 \$	6,980.00
2030 Info Solutions and Services	00156	DEPT OF INFORMATION RESOURCES	PRQ_2276_DIR_DCS	10/26/2023 \$	11,439,802.18
2030 Info Solutions and Services	00174	AT&T	PRQ_1872_AT&T Local	10/25/2023 \$	1,600.00
2030 Info Solutions and Services	00191	MICROSOFT CORPORATION	PRQ_2303_Microsoft Extension	10/26/2023 \$	-
2030 Info Solutions and Services	00193	Esolvit Inc.	PRQ_2208_Esolvit	10/31/2023 \$	17,536.00
2030 Info Solutions and Services	00194	LOBLOLLY CONSULTING LLC	PRQ_2209_Loblolly	10/31/2023 \$	32,000.00

Department	THECB No.	Supplier Name	Description	Active Date	Total \$
2030 Info Solutions and Services	00197	LOBLOLLY CONSULTING LLC	PRQ_2264 Loblolly	10/31/2023 \$	41,958.40
2030 Info Solutions and Services	00198	Esolvit Inc.	PRQ_2263 Esolvit	10/31/2023 \$	42,096.00
2030 Info Solutions and Services	00199	DAMAN CONSULTING INCORPORATED	PRQ_2262 Daman	10/31/2023 \$	43,200.00
2030 Info Solutions and Services	00200	DAMAN CONSULTING INCORPORATED	PRQ_2261 Daman	10/31/2023 \$	49,600.00
2030 Info Solutions and Services	00201	DAMAN CONSULTING INCORPORATED	PRQ_2260 Daman	10/31/2023 \$	47,120.00
2030 Info Solutions and Services	00202	CDW GOVERNMENT INC	PRQ_2183_CDW Government	11/6/2023 \$	26,083.30
2030 Info Solutions and Services	00208	Abila Inc	PRQ_2091_Abila Inc	11/3/2023 \$	9,044.31
2030 Info Solutions and Services	00228	TASSCC	PRQ_2330_TASSCC_conference 24	11/22/2023 \$	750.00
2030 Info Solutions and Services	00229	TASSCC	2318_TASSCC_conference 24	11/22/2023 \$	500.00
2030 Info Solutions and Services	00232	CDW GOVERNMENT INC	PRQ_2340_CDW Government Inc	11/20/2023 \$	15,735.50
2030 Info Solutions and Services	00235	PTC INC	PRQ_2334_PTC Inc	11/22/2023 \$	384.91
2030 Info Solutions and Services	00236	CLUDO INC	PRQ_2341_Cludo	11/22/2023 \$	1,200.00
2030 Info Solutions and Services	00238	STATACORP LP	PRQ_1883_StataCorp LP	11/27/2023 \$	1,640.00
2030 Info Solutions and Services	00239	Staples Contract & Commercial	PRQ_2345_Staples Contract & Co	11/22/2023 \$	232.66
2030 Info Solutions and Services	00240	CDW GOVERNMENT INC	PRQ_2345_CDW Government	11/22/2023 \$	667.43
2030 Info Solutions and Services	00241	INSIGHT PUBLIC SECTOR INC	PRQ_1879_Insight Public Sector	11/22/2023 \$	50,666.01
2030 Info Solutions and Services	00287	AT&T CORP.	PRQ_2035_AT&T_Web Penetration	12/21/2023 \$	180,000.00
2040 Financial Services	000269	Staples Contract & Commercial	PRQ_2365_Staples Contract & Co	12/13/2023 \$	573.55
2040 Financial Services	00029	UNIVERSITY OF NORTH TEXAS	IAC_PFIA_UNT	12/6/2023 \$	-
2040 Financial Services	00192	WORKQUEST	PRQ_2301_Purchaser III Amendment	12/1/2023 \$	29,832.00
2040 Financial Services	00215	WORKQUEST	PRQ_2274_WorkQuest_Accountant	11/10/2023 \$	25,009.60
2040 Financial Services	00247	SHI GOVERNMENT SOLUTIONS INC	PRQ_2360_1099Express_SHI	12/6/2023 \$	289.61
2040 Financial Services	00257	COUNTY CLERK OF BEXAR COUNTY	PRQ_2394 Bexar County	12/11/2023 \$	600.00
2040 Financial Services	00266	LONGHORN OFFICE PRODUCTS INC	PRQ_2344_Longhorn Office	12/7/2023 \$	117.30
2040 Financial Services	00325	TEXAS FACILITIES COMMISSION	PRQ_2398_Texas facilities Comm	12/14/2023 \$	1,200.00
2050 Student Financial Aid Programs	00016	Globalscope Communications Corporation	PRQ_2104_Globalscope	10/31/2023 \$	111,000.00
2050 Student Financial Aid Programs	00017	PROCESS TO PROCESS DELIVERIES	PRQ_2120_Process to Process	10/31/2023 \$	150,000.00
2050 Student Financial Aid Programs	00018	FSX HOLDINGS LLC	PRQ_2118_FSX Holdings	11/7/2023 \$	500,000.00
2050 Student Financial Aid Programs	00019	PITNEY BOWES PRESORT SERVICES INC	PRQ_2115_Pitney Bowes Reserve	10/31/2023 \$	350,000.00
2050 Student Financial Aid Programs	00034	NATIONAL ASSOCIATION OF STATE STUDENT GR	PRQ_NASSGAP_conference	9/20/2023 \$	750.00
2050 Student Financial Aid Programs	00056	ACI PAYMENTS INC	PRQ_2109_ACI PAYMENTS INC	9/27/2023 \$	1,000.00
2050 Student Financial Aid Programs	00057	EXPERIAN INFORMATION SOLUTIONS INC	PRQ_2112_Experian SVS	9/27/2023 \$	60,000.00
2050 Student Financial Aid Programs	00059	NATIONAL STUDENT CLEARINGHOUSE	PRQ_2116_National Student Clea	9/29/2023 \$	6,000.00
2050 Student Financial Aid Programs	00061	E-OSCAR WEB	PRQ_2111_E-OSCAR WEB	9/29/2023 \$	1,500.00
2050 Student Financial Aid Programs	00152	EXPERIAN INFORMATION SOLUTIONS INC	PRQ_2113_Experian Information	10/18/2023 \$	1,200.00
2050 Student Financial Aid Programs	00153	LEXISNEXIS RISK SOLUTIONS	PRQ_2114_LexisNexis Risk Sol	10/18/2023 \$	35,020.00
2050 Student Financial Aid Programs	00154	DEPT OF INFORMATION RESOURCES	PRQ_2110_Dpt of Info Resources	10/20/2023 \$	8,000.00
2050 Student Financial Aid Programs	00158	WORKQUEST	PRQ_2239_Workquest_KaraThompso	10/23/2023 \$	70,000.00
2050 Student Financial Aid Programs	00172	MERIDIANLINK INC	PRQ_2117_Meridianlink	10/25/2023 \$	9,000.00
2050 Student Financial Aid Programs	00177	CORPORATION SERVICE COMPANY	PRQ_2119_Corporation Service C	10/27/2023 \$	25,000.00
2050 Student Financial Aid Programs	00178	Pacer Service Center	PRQ_2121_Pacer Service Center	10/26/2023 \$	200.00
2050 Student Financial Aid Programs	00248	TASFAA	PRQ_2353_TASFAA_AY24	12/4/2023 \$	250.00
2060 Communications	00021	WEB-HED TECHNOLOGIES, INC.	PRQ_1826_WEBHEAD	9/21/2023 \$	1,970.35
2060 Communications	00048	UNIVERSITY OF TEXAS AT AUSTIN	PRQ_2143_UT Copy	9/21/2023 \$	1,152.00

Department	THECB No.	Supplier Name	Description	Active Date	Total \$
2060 Communications	00091	CLASSIC FORMS & PRODUCTS INC	PRQ_2199_Promotion_Classic For	10/11/2023 \$	4,031.39
3000 Academic Affairs Wkfrc Edu	00011	SUSAN MCMULLAN	SVC_DR_22843_UTMBG_DNP_NA	10/6/2023 \$	500.00
3010 Digital Learning	00025	ROBERT BAJOR	SVC_Robert Bajor_Guest Speaker	10/6/2023 \$	7,500.00
3010 Digital Learning	00026	Jan Philipp Schmidt	SVC_Jan Philipp Schmidt_Speake	10/6/2023 \$	10,000.00
3010 Digital Learning	00167	WICHE/WCET	PRQ_2271_WCET_KylahTorre	11/1/2023 \$	850.00
3010 Digital Learning	00205	TXDLA INC	PRQ_2315_TXDLA_MichelleSingh	11/14/2023 \$	175.00
3010 Digital Learning	00220	CLASSIC FORMS & PRODUCTS INC	PRQ_2326 Classic Forms	11/14/2023 \$	2,663.09
3010 Digital Learning	00233	HIED, INC.	PRQ_2015 HiEd Inc	12/1/2023 \$	1,164.75
3020 Workforce Education	29627	DALLAS COUNTY COMMUNITY COLLEGE DISTRICT	GRT_Perkins PEAOP_Dallas	9/1/2023 \$	499,982.00
3020 Workforce Education	00118	Garcia Architects	GRT_2236_Garcia Architects	11/7/2023 \$	3,200.00
3020 Workforce Education	00119	De Colores Children Development Center	GRT_2237 De Colores CDC	11/8/2023 \$	38,400.00
3020 Workforce Education	00155	BRUSTEIN & MANAESEVIT PLLC	PRQ_2185_Bruman_TanishaShorter	10/25/2023 \$	1,500.00
3020 Workforce Education	00157	WORKQUEST	PRQ_2243_Workquest_JamesStone	10/17/2023 \$	30,960.00
3020 Workforce Education	00169	BRUSTEIN & MANAESEVIT PLLC	PRQ_2227_Bruman_AudraPatridge	10/25/2023 \$	1,445.00
3020 Workforce Education	00171	STRADA COLLABORATIVE INC DBA ROADTRIP NA	PRQ_2241_CouncilforAdult_Exper	10/26/2023 \$	800.00
3020 Workforce Education	00243	TEXAS WORKFORCE COMMISSION	PRQ_2375_TWC_VanessaMalo	11/22/2023 \$	500.00
3020 Workforce Education	00271	ALVIN COMMUNITY COLLEGE	GRT_2392 Alvin Com. College	12/29/2023 \$	250,000.00
3020 Workforce Education	00272	ALAMO COMMUNITY COLLEGE DISTRICT	GRT_2392 Alamo Comm College	12/21/2023 \$	250,000.00
3020 Workforce Education	00274	AMARILLO COLLEGE	GRT_2392 Amarillo College	12/29/2023 \$	250,000.00
3020 Workforce Education	00276	CENTRAL TEXAS COLLEGE	GRT_2392 Central Texas College	12/21/2023 \$	250,000.00
3020 Workforce Education	00282	DALLAS COUNTY COMMUNITY COLLEGE DISTRICT	GRT_2392 Dallas County Comm	12/21/2023 \$	500,000.00
3020 Workforce Education	00283	DALLAS COUNTY COMMUNITY COLLEGE DISTRICT	GRT_2392 Dallas County Comm	12/21/2023 \$	250,000.00
3020 Workforce Education	00284	DEL MAR COLLEGE	GRT_2392 Delmar College	12/21/2023 \$	250,000.00
3020 Workforce Education	00289	GRAYSON COUNTY COLLEGE	GRT_2392 Grayson College	12/29/2023 \$	490,039.00
3020 Workforce Education	00290	GRAYSON COUNTY COLLEGE	GRT_2392 Grayson College	12/29/2023 \$	250,000.00
3020 Workforce Education	00299	LAMAR STATE COLLEGE - PORT ARTHUR FINANC	GRT_2392 LSC-Port Arthur	12/29/2023 \$	250,000.00
3020 Workforce Education	00306	PANOLA COLLEGE	GRT_2392 Panola College	12/29/2023 \$	249,930.00
3020 Workforce Education	00307	PARIS JUNIOR COLLEGE	GRT_2392 Paris Junior College	12/29/2023 \$	240,410.00
3020 Workforce Education	00317	WESTERN TEXAS COLLEGE	GRT_2392 Western Texas College	12/29/2023 \$	244,448.00
3020 Workforce Education	00346	SAN JACINTO COMMUNITY COLLEGE DISTRICT	GRT_2392 San Jacinto Comm Coll	12/29/2023 \$	188,602.00
3030 College and Career Advising	00210	TEXAAN ORGANIZATION	PRQ_2285_TEXAAN	11/9/2023 \$	279.00
3030 College and Career Advising	00211	HUBSPOT INC	PRQ_2124_Hubspot Subscription	11/15/2023 \$	17,221.05
3030 College and Career Advising	00216	ADMITHUB INC PBC DBA MAINSTAY	1537_MainstayADViChatbot	12/12/2023 \$	1,000,000.00
3040 Academic and Health Affairs	00005	Bedrich Benes	SVC_Desk Review_UTRGV_PhD Comp	10/6/2023 \$	500.00
3040 Academic and Health Affairs	00014	FABIO MILNER	SVC_DR_Proposal 22717_Applied	10/6/2023 \$	500.00
3040 Academic and Health Affairs	00020	Aram Harrow	SVC_DR_Prop 22629_UTEP_Physi	10/5/2023 \$	500.00
3040 Academic and Health Affairs	00024	JAMES GRAHAM	SVC_DR_Prop 22716-TaSU_OTD	10/6/2023 \$	500.00
3040 Academic and Health Affairs	00032	Bedrich Benes	SVC_SV_UTRGV_22794	10/6/2023 \$	1,000.00
3040 Academic and Health Affairs	00033	LING LIU	SVC_SV_UTRGV-22794_Liu	11/3/2023 \$	1,000.00
3040 Academic and Health Affairs	00035	ENRICO PONTELLI	SVC_SV_UTRGV_22794_Pontelli	10/6/2023 \$	1,000.00
3040 Academic and Health Affairs	00037	THE UNIVERSITY OF TEXAS SYSTEM	IAC_2102 UT System JAMP	11/28/2023 \$	11,696,794.00
3040 Academic and Health Affairs	00042	CHERYL SPULECKI	SVC_SV_UTMBG_Spulecki	10/6/2023 \$	1,000.00
3040 Academic and Health Affairs	00043	MICHELLE GONZALEZ	SCV_SV_UTMBG_Gonzalez	10/13/2023 \$	1,000.00
3040 Academic and Health Affairs	00044	LONNIE HODGES	SVC_SV_UTMBG_Hodges	10/6/2023 \$	1,000.00

Department	THECB No.	Supplier Name	Description	Active Date	Total \$
3040 Academic and Health Affairs	00085	SEYHMUS BALOGLU	SVC_2194_UH_DGHL_DR_Baloglu	9/29/2023 \$	500.00
3040 Academic and Health Affairs	00090	TEXAS TECH UNIVERSITY HEALTH SCIENCES CE	GRT 2105 TTUHSC FY24	12/27/2023 \$	1,008,014.00
3040 Academic and Health Affairs	00111	BAYLOR COLLEGE OF MEDICINE	GRT 2105 Baylor COM FY24	10/11/2023 \$	195,100.00
3040 Academic and Health Affairs	00112	BAYLOR UNIVERSITY MEDICAL CENTER	GRT 2105 BUMC(Dallas) FY24	12/14/2023 \$	97,550.00
3040 Academic and Health Affairs	00113	SANTA ROSA FAMILY HEALTH CENTER	GRT 2105 CHRISTUS Santa Rosa	12/14/2023 \$	235,745.00
3040 Academic and Health Affairs	00114	CHRISTUS SPOHN HEALTH SYSTEM CORPORATION	GRT_2105_Christus spohn_FY24	12/14/2023 \$	325,166.00
3040 Academic and Health Affairs	00115	LONE STAR COMMUNITY HEALTH CENTER INC	GRT_2105_Conroe Medical Educat	11/17/2023 \$	276,391.00
3040 Academic and Health Affairs	00116	VICTORIA OF TEXAS LP	GRT_2105_DeTar Hospital FY24	12/7/2023 \$	186,970.00
3040 Academic and Health Affairs	00117	CHCA WEST HOUSTON LP	GRT 2105 CHCA W Houston FY24	12/14/2023 \$	195,100.00
3040 Academic and Health Affairs	00126	UNTHSC	GRT 2105 HCA MC Fort Worth 24	12/27/2023 \$	138,196.00
3040 Academic and Health Affairs	00128	MEMORIAL HERMANN HOSPITAL SYSTEM	GRT_2105_Mermorial Hermann_FFY	12/7/2023 \$	341,424.00
3040 Academic and Health Affairs	00129	METHODIST HEALTH SYSTEM	GRT 2105 Methodist Health	12/14/2023 \$	146,325.00
3040 Academic and Health Affairs	00130	THE METHODIST HOSPITAL	GRT 2105 Houston Methodist	12/14/2023 \$	195,100.00
3040 Academic and Health Affairs	00131	SCOTT & WHITE HOSPITAL ROUND ROCK	GRT 2105 SW Round Rock FY24	12/8/2023 \$	146,325.00
3040 Academic and Health Affairs	00132	SCOTT & WHITE MEM HOSP	GRT 2105 SW-Temple FY24	12/14/2023 \$	146,325.00
3040 Academic and Health Affairs	00133	CHRISTUS HEALTH ARK-LA-TEX	GRT 2105 Christus St. Michael	12/7/2023 \$	97,550.00
3040 Academic and Health Affairs	00134	TAMUS HEALTH SCIENCE CENTER	GRT 2105 TAMUHSC FY24	12/14/2023 \$	243,875.00
3040 Academic and Health Affairs	00135	TEXAS INSTITUTE FOR GRADUATE MEDICAL EDU	GRT_2105_TIGMER_FY24	12/7/2023 \$	382,070.00
3040 Academic and Health Affairs	00136	TEXAS TECH UNIVERSITY HEALTH SCIENCES CE	GRT 2105 TTUHSC-El Paso FY24	12/14/2023 \$	186,970.00
3040 Academic and Health Affairs	00137	TEXOMA MEDICAL CENTER	GRT 2105 Texoma FY24	12/14/2023 \$	186,970.00
3040 Academic and Health Affairs	00138	UNIVERSITY OF TEXAS AT AUSTIN	GRT 2105 UT Austin Dell FY24	12/14/2023 \$	170,712.00
3040 Academic and Health Affairs	00139	UT HEALTH CENTER AT TYLER	GRT 2105 UTHSC Tyler FY24	12/14/2023 \$	243,888.00
3040 Academic and Health Affairs	00140	UT HEALTH SCIENCE CENTER AT HOUSTON	GRT 2105 UTHSC-Houston FY24	12/14/2023 \$	292,649.00
3040 Academic and Health Affairs	00141	UT HEALTH SCIENCE CENTER SAN ANTONIO	GRT_2105_UTHSC San Antonio	12/7/2023 \$	341,424.00
3040 Academic and Health Affairs	00142	UNIVERSITY OF TEXAS RIO GRANDE VALLEY	GRT_2105_UTRGV_FY24	12/14/2023 \$	382,070.00
3040 Academic and Health Affairs	00143	UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL	GRT 2105 UTSWMC FY24	12/14/2023 \$	341,424.00
3040 Academic and Health Affairs	00144	UNTHSC	GRT_2105_UNT Fort Worth FDC	12/8/2023 \$	100,000.00
3040 Academic and Health Affairs	00145	UNIVERSITY OF TEXAS MEDICAL BRANCH AT GA	GRT 2105 UTM-Galveston FY24	12/8/2023 \$	292,649.00
3040 Academic and Health Affairs	00146	MCLENNAN COUNTY MEDICAL EDUC & RESEARCH	GRT 2105 MCMERF FY24	12/8/2023 \$	292,649.00
3040 Academic and Health Affairs	00165	Aram Harrow	SVC_Site Visit_22629_Harrow	12/6/2023 \$	1,000.00
3040 Academic and Health Affairs	00166	DAVID CEPERLEY	SVC_Site Visit_22629_Ceperley	12/5/2023 \$	1,000.00
3040 Academic and Health Affairs	00168	JOSE WUDKA	SVC_Site Visit_22629_J.Wudka	12/5/2023 \$	1,000.00
3040 Academic and Health Affairs	00179	Secretary of State	PRQ_2248_SecretaryofStateNotar	10/27/2023 \$	11.00
3040 Academic and Health Affairs	00185	RICHARD COLLINS	SVC_DR_WTAMU_R. Collins	12/27/2023 \$	500.00
3040 Academic and Health Affairs	00219	SEYHMUS BALOGLU	SVC_SV_22785_UH_DGHL_Baloglu	12/27/2023 \$	1,000.00
3040 Academic and Health Affairs	00221	ALAN D FAYLL	SVC_SV-UH_DGHL_22785_Fyall	12/29/2023 \$	1,000.00
3040 Academic and Health Affairs	00222	CAROL W SHANKLIN	SVC-SV_UH_DGHL_22785_Shanklin	12/29/2023 \$	1,000.00
3040 Academic and Health Affairs	00253	Program Announcement	Program Annct Nursing Shortage	12/14/2023 \$	-
3040 Academic and Health Affairs	00319	THE CHRONICLE OF HIGHER EDUCATION INC	PRQ_2282_ChronicleHigherEd	12/14/2023 \$	1,427.00
3050 Texas OnCourse	00036	ANNETTE S GRANAT	PRQ_2126_Annette S Granat	10/3/2023 \$	8,460.00
3050 Texas OnCourse	00095	WORKQUEST	PRQ_2061_WorkQuest_ALStrauss	10/6/2023 \$	27,555.60
3050 Texas OnCourse	00096	UNIVERSITY OF TEXAS AT AUSTIN	PRQ_2125_Closedcaption	10/6/2023 \$	1,100.00
3050 Texas OnCourse	00097	UNIVERSITY OF CHICAGO PRESS	PRQ_2128_ChicagoManualStyle	10/27/2023 \$	90.00
3050 Texas OnCourse	00170	San Elizario ISD	1966_San Elizario ISD 29638 TX	12/5/2023 \$	2,500.00

Department	THECB No.	Supplier Name	Description	Active Date	Total \$
3050 Texas OnCourse	00180	TEXAS ASSOCIATION FOR COLLEGE ADMISSION	PRQ_2253_TACAC_membership_AY24	11/6/2023 \$	70.00
3050 Texas OnCourse	00338	TEXAAN ORGANIZATION	PRQ_2363_TEXAAN_McKenzie	12/20/2023 \$	329.00
317 Perkins-AQ&W Admin	29710	Alamo Colleges District	Perkins Basic Grant 2023-2024	9/6/2023 \$	2,562,390.00
317 Perkins-AQ&W Admin	29759	Houston Community College System	Perkins Basic Grant 2023-2024	9/12/2023 \$	2,377,990.00
317 Perkins-AQ&W Admin	29730	South Texas College	Perkins Basic Grant 2023-2024	9/7/2023 \$	2,222,167.00
317 Perkins-AQ&W Admin	29736	Texas State Technical College System	Perkins Basic Grant 2023-2024	9/7/2023 \$	1,916,770.00
317 Perkins-AQ&W Admin	29732	Tarrant County College District	Perkins Basic Grant 2023-2024	9/7/2023 \$	1,575,653.00
317 Perkins-AQ&W Admin	29716	Lone Star College System	Perkins Basic Grant 2023-2024	9/7/2023 \$	1,548,864.00
317 Perkins-AQ&W Admin	29728	San Jacinto College District	Perkins Basic Grant 2023-2024	9/7/2023 \$	1,477,426.00
317 Perkins-AQ&W Admin	29753	Dallas College	Perkins Basic Grant 2023-2024	9/6/2023 \$	1,412,239.00
317 Perkins-AQ&W Admin	29752	Collin County Community College District	Perkins Basic Grant 2023-2024	9/7/2023 \$	1,224,268.00
317 Perkins-AQ&W Admin	29726	Austin Community College	Perkins Basic Grant 2023-2024	9/6/2023 \$	1,185,870.00
317 Perkins-AQ&W Admin	29711	Amarillo College	Perkins Basic Grant 2023-2024	9/19/2023 \$	1,148,365.00
317 Perkins-AQ&W Admin	29738	Tyler Junior College	Perkins Basic Grant 2023-2024	9/7/2023 \$	1,142,114.00
317 Perkins-AQ&W Admin	29755	El Paso County Community College District	Perkins Basic Grant 2023-2024	9/15/2023 \$	861,274.00
317 Perkins-AQ&W Admin	29715	Lee College	Perkins Basic Grant 2023-2024	9/7/2023 \$	849,219.00
317 Perkins-AQ&W Admin	29746	Central Texas College	Perkins Basic Grant 2023-2024	9/6/2023 \$	690,269.00
317 Perkins-AQ&W Admin	29754	Del Mar College	Perkins Basic Grant 2023-2024	9/6/2023 \$	639,816.00
317 Perkins-AQ&W Admin	29717	McLennan Community College	Perkins Basic Grant 2023-2024	9/15/2023 \$	581,773.00
317 Perkins-AQ&W Admin	29762	Lamar Institute of Technology	Perkins Basic Grant 2023-2024	9/7/2023 \$	557,663.00
317 Perkins-AQ&W Admin	29729	South Plains College	Perkins Basic Grant 2023-2024	9/7/2023 \$	520,604.00
317 Perkins-AQ&W Admin	29757	Grayson College	Perkins Basic Grant 2023-2024	9/6/2023 \$	481,760.00
317 Perkins-AQ&W Admin	29765	Laredo Community College	Perkins Basic Grant 2023-2024	9/7/2023 \$	479,081.00
317 Perkins-AQ&W Admin	29723	Odessa College	Perkins Basic Grant 2023-2024	10/2/2023 \$	471,490.00
317 Perkins-AQ&W Admin	29761	Kilgore College	Perkins Basic Grant 2023-2024	9/6/2023 \$	391,123.00
317 Perkins-AQ&W Admin	29744	Blinn College	Perkins Basic Grant 2023-2024	9/15/2023 \$	367,012.00
317 Perkins-AQ&W Admin	29712	Angelina College	Perkins Basic Grant 2023-2024	9/6/2023 \$	350,492.00
317 Perkins-AQ&W Admin	29721	North Central Texas Community College District	Perkins Basic Grant 2023-2024	9/6/2023 \$	326,829.00
317 Perkins-AQ&W Admin	29764	Lamar State College-Port Arthur	Perkins Basic Grant 2023-2024	9/7/2023 \$	305,397.00
317 Perkins-AQ&W Admin	29750	Coastal Bend College	Perkins Basic Grant 2023-2024	9/6/2023 \$	304,058.00
317 Perkins-AQ&W Admin	29719	Navarro College	Perkins Basic Grant 2023-2024	9/6/2023 \$	279,054.00
317 Perkins-AQ&W Admin	29722	Northeast Texas Community College	Perkins Basic Grant 2023-2024	9/18/2023 \$	269,678.00
317 Perkins-AQ&W Admin	29724	Panola College	Perkins Basic Grant 2023-2024	9/7/2023 \$	260,749.00
317 Perkins-AQ&W Admin	29737	Trinity Valley Community College	Perkins Basic Grant 2023-2024	9/7/2023 \$	252,712.00
317 Perkins-AQ&W Admin	29734	Texarkana College	Perkins Basic Grant 2023-2024	9/18/2023 \$	240,657.00
317 Perkins-AQ&W Admin	29731	Southwest Texas Junior College	Perkins Basic Grant 2023-2024	9/7/2023 \$	236,192.00
317 Perkins-AQ&W Admin	29735	Texas Southmost College	Perkins Basic Grant 2023-2024	9/15/2023 \$	215,653.00
317 Perkins-AQ&W Admin	29751	College of the Mainland	Perkins Basic Grant 2023-2024	9/25/2023 \$	215,653.00
317 Perkins-AQ&W Admin	29763	Lamar State College-Orange	Perkins Basic Grant 2023-2024	10/4/2023 \$	209,849.00
317 Perkins-AQ&W Admin	29740	Victoria College	Perkins Basic Grant 2023-2024	9/15/2023 \$	208,510.00
317 Perkins-AQ&W Admin	29742	Weatherford College	Perkins Basic Grant 2023-2024	9/7/2023 \$	204,938.00
317 Perkins-AQ&W Admin	29718	Midland College	Perkins Basic Grant 2023-2024	9/6/2023 \$	191,989.00
317 Perkins-AQ&W Admin	29725	Paris Junior College	Perkins Basic Grant 2023-2024	9/7/2023 \$	187,078.00
317 Perkins-AQ&W Admin	29739	Vernon College	Perkins Basic Grant 2023-2024	9/7/2023 \$	187,078.00

Department	THECB No.	Supplier Name	Description	Active Date	Total \$
317 Perkins-AQ&W Admin	29743	Wharton County Junior College	Perkins Basic Grant 2023-2024	9/7/2023 \$	167,879.00
317 Perkins-AQ&W Admin	29733	Temple College	Perkins Basic Grant 2023-2024	9/7/2023 \$	166,540.00
317 Perkins-AQ&W Admin	29760	Howard College	Perkins Basic Grant 2023-2024	9/18/2023 \$	162,075.00
317 Perkins-AQ&W Admin	29769	Galveston College	Perkins Basic Grant 2023-2024	9/18/2023 \$	162,075.00
317 Perkins-AQ&W Admin	29745	Brazosport College	Perkins Basic Grant 2023-2024	9/25/2023 \$	152,252.00
317 Perkins-AQ&W Admin	29664	Alvin Community College	Perkins Basic Grant 2023-2024	9/6/2023 \$	140,197.00
317 Perkins-AQ&W Admin	29748	Cisco College	Perkins Basic Grant 2023-2024	9/25/2023 \$	125,909.00
317 Perkins-AQ&W Admin	29758	Hill College	Perkins Basic Grant 2023-2024	9/15/2023 \$	113,854.00
317 Perkins-AQ&W Admin	29756	Frank Phillips College	Perkins Basic Grant 2023-2024	9/29/2023 \$	73,224.00
317 Perkins-AQ&W Admin	29727	Ranger College	Perkins Basic Grant 2023-2024	9/15/2023 \$	58,490.00
317 Perkins-AQ&W Admin	29749	Clarendon College	Perkins Basic Grant 2023-2024	9/18/2023 \$	54,471.00
317 Perkins-AQ&W Admin	29779	Lone Star College System	Perkins Leadership Grant 2023-2024	9/8/2023 \$	178,774.00
317 Perkins-AQ&W Admin	29774	Collin County Community College	Perkins Leadership Grant 2023-2025	9/8/2023 \$	171,764.00
4010 Data Management and Research	00002	TEXAS A&M UNIVERSITY - COMMERCE	IAC_29918_TX A&M Commerce	9/29/2023 \$	37,450.00
4010 Data Management and Research	00003	TEXAS STATE UNIVERSITY	IAC_29921_TX State University	9/29/2023 \$	85,890.00
4010 Data Management and Research	00004	TEXAS A & M UNIVERSITY	IAC_TX A&M	9/26/2023 \$	144,694.00
4010 Data Management and Research	00224	LONGHORN OFFICE PRODUCTS INC	PRQ_2296 Longhorn Office	11/14/2023 \$	43.67
4020 Funding and Resource Planning	00023	BAYLOR COLLEGE OF MEDICINE	SVC_Baylor College of Med GME	9/22/2023 \$	9,002,575.00
4020 Funding and Resource Planning	00027	BAYLOR COLLEGE OF MEDICINE	SVC_BCM Undergrad Medical Edu	12/13/2023 \$	23,068,101.60
4020 Funding and Resource Planning	00184	BAYLOR COLLEGE OF MEDICINE	Permanent Health Fund	12/18/2023 \$	1,914,193.00
4020 Funding and Resource Planning	00212	HEALTH AND HUMAN SERVICES COMMISSION	IAC_2250 HHSC	11/21/2023 \$	14,176,230.49
4020 Funding and Resource Planning	00255	R S MEANS COMPANY LLC	PRQ_2320_RSMeans_book	12/6/2023 \$	467.50
4020 Funding and Resource Planning	00268	BAYLOR COLLEGE OF MEDICINE	Permanent Endowment Fund	12/18/2023 \$	1,425,000.00
					\$ 123,149,966.65

AGENDA ITEM XI-C

Review of the “Fiscal Year 2024 Financial Report” to the Board

RECOMMENDATION: No action required

Background Information:

During each quarterly committee meeting, the Finance Department provides a financial report summarizing the agency’s fiscal-year-to-date budgetary and financial activities. This is a financial management report that is developed for both agency and Board use. Staff may revise this report periodically to present the most relevant information.

Key points:

- This report reflects data through the first quarter of Fiscal Year 2024.
 - September 1, 2023, through November 30, 2023
- The report is distributed to the agency executive management monthly.
- Report overview:
 - Budget adjustments are primarily related to cross-biennium budget authority, federal fiscal year adjustments, and adjustments for collected budgets.
 - College Access Loan borrower level volume is trending down for Fiscal Year 2024 and will be monitored as the demand for the spring 2024 semester develops.
 - One bond sale is planned for summer 2024 for new money bonds to fund student loans during the 2024-25 academic year. The level of bond proceeds will depend on College Access Loan demand and is currently expected to be lower than our prior year proceeds.
 - This report reflects the strategy structure as outlined in the General Appropriations Act from the 88th Legislature.

Anthony Infantini, Chief Financial Officer, will present this item and be available to answer any questions.

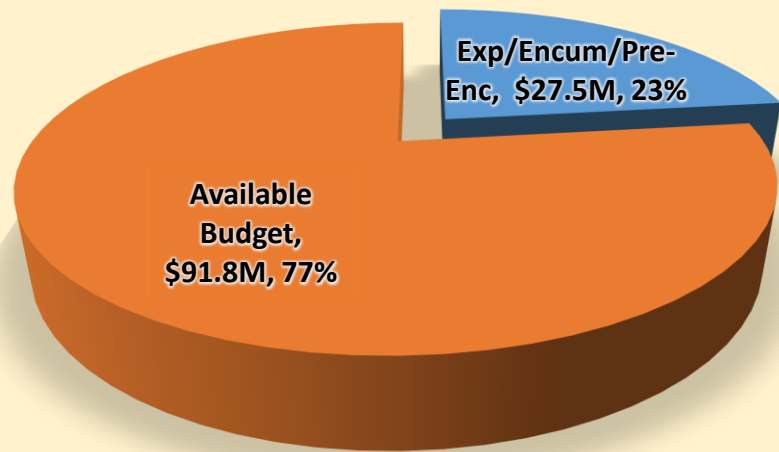


Monthly Financial Report for period ending 11/30/2023

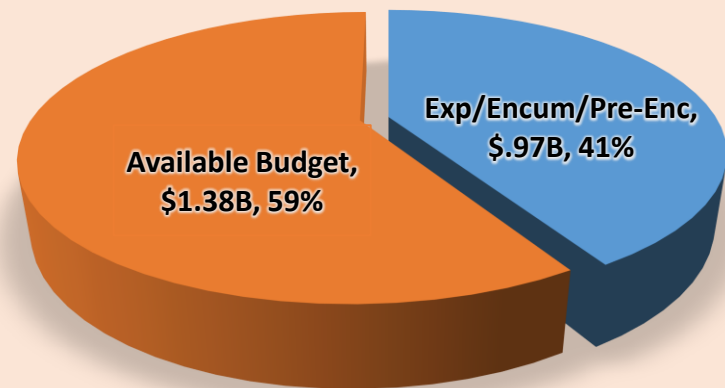
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Operating and Programs Summary Period Ending: 11/30/2023

Operating Strategy (A) Budget



Programs Strategy (B through Z) Budget



Operating and Programs Budget

Period Ending: 11/30/2023

	Original Budget	Budget Adjusts. or Reclass	Adjusted Budget	FYTD Expense	FYTD Encumb	FYTD Pre-Encumb	Available Budget
A. Higher Education Support							
A.1.1 Agency Operations	65,962,790.00	15,000.00	65,977,790.00	7,090,958.80	11,755,815.40	11,784.37	47,119,231.43
A.1.2 Student Loan Programs	8,238,970.00		8,238,970.00	2,048,896.10	3,057,831.46	-	3,132,242.44
A.1.3 College Readiness and Success	14,887,640.00		14,887,640.00	420,626.54	1,864,858.00	-	12,602,155.46
A.1.4 Texas Oncourse Program	3,211,385.00	1,997,173.52	5,208,558.52	695,623.53	128,121.20	137.50	4,384,676.29
A.1.5 Innovation and Collaboration	20,000,000.00		20,000,000.00	386,183.25		50,000.00	19,563,816.75
A.1.6 Computer Science Pipeline	5,000,000.00		5,000,000.00				5,000,000.00
Total A	117,300,785.00	2,012,173.52	119,312,958.52	10,642,288.22	16,806,626.06	61,921.87	91,802,122.37
B. Affordability and Debt							
B.1. 1 Texas Grant Program	475,138,160.00		475,138,160.00	182,027,220.26			293,110,939.74
B.1. 2 Tuition Equalization Grants	97,913,339.00		97,913,339.00	42,980,398.00			54,932,941.00
B.1. 3 TEOG Public Community Colleges	111,000,445.00		111,000,445.00	30,370,679.19			80,629,765.81
B.1. 4 TEOG Pub State/Techincal Colle	11,122,093.00		11,122,093.00	4,884,288.00			6,237,805.00
B.1. 5 College Work Study Program	9,169,523.00		9,169,523.00	(103,381.87)	41,600.00	-	9,231,304.87
B.1. 6 License Plate Scholarships	247,400.00	17,980.50	265,380.50				265,380.50
B.1. 7 Educational Aide Program	481,616.00		481,616.00	58,389.00			423,227.00
B.1. 8 TX Armed Services Scholarships	7,335,000.00		7,335,000.00	1,550,309.00			5,784,691.00
B.1. 9 Open Educational Resources	231,025.00		231,025.00	4,680.00	-	1,801.75	224,543.25
B.1.10 Student Financial Aid	74,669,983.00		74,669,983.00	(114,733.00)			74,784,716.00
B.1.12 Senfronia Thompson Scholarship Program	500,000.00		500,000.00				500,000.00
B.1.13 HB 8 Swift Transfer	32,300,000.00		32,300,000.00				32,300,000.00
Total B	820,108,584.00	17,980.50	820,126,564.50	261,657,848.58	41,600.00	1,801.75	558,425,314.17
C. Industry Workforce							
C.1.1 Career/Technical EDU PGMS	42,681,391.00	970,558.14	43,651,949.14	236,506.89	35,602,493.35	1,113.00	7,811,835.90
C.1.2 Bilingual Education Program	1,099,482.00		1,099,482.00				1,099,482.00
C.1.3 Educational Loan Repayment	39,890,625.00	-	39,890,625.00	-			39,890,625.00
Total C	83,671,498.00	970,558.14	84,642,056.14	236,506.89	35,602,493.35	1,113.00	48,801,942.90
D. Industry Workforce - Health Related							
D.1. 1 Family Practice Residency	8,250,000.00		8,250,000.00		1,579,504.00	4,601,113.00	2,069,383.00
D.1. 2 Preceptorship Program	2,425,000.00		2,425,000.00				2,425,000.00
D.1. 3 GME Expansion	116,550,000.00		116,550,000.00				116,550,000.00
D.1. 4 Trauma Care Program	2,957,203.00		2,957,203.00				2,957,203.00
D.1. 5 Joint Admission Medical Progra	11,696,794.00		11,696,794.00	11,696,794.00			-
D.1. 6 ProfNurseShortageReductionPgm	22,700,000.00		22,700,000.00	(15,859.13)			22,715,859.13
D.1. 7 Child Mental Health Care Conso	15,377,324.00	929,649.66	16,306,973.66				16,306,973.66
D.1. 8 Forensic Psychiatry Fellowship Pgm	2,500,000.00		2,500,000.00				2,500,000.00
D.1. 9 Nursing Scholarships	12,500,000.00		12,500,000.00				12,500,000.00
D.1.10 Rural Resident Physician Program	1,500,000.00		1,500,000.00				1,500,000.00
D.1.11 Nursing Innovation Grant Program	6,000,000.00		6,000,000.00				6,000,000.00
Total D	202,456,321.00	929,649.66	203,385,970.66	11,680,934.87	1,579,504.00	4,601,113.00	185,524,418.79

Operating and Programs Budget (cont.)

Period Ending: 11/30/2023

		Original Budget	Budget Adjusts. or Reclass	Adjusted Budget	FYTD Expense	FYTD Encumb	FYTD Pre-Encumb	Available Budget
E. Baylor College of Medicine								
E.1.1	Baylor Coll of Medicine - UGME	38,446,836.00		38,446,836.00	26,311,533.25	10,932,798.84	-	1,202,503.91
E.1.2	Baylor Coll of Medicine - GME	9,002,575.00		9,002,575.00	9,002,575.00	-	-	-
E.1.3	BaylorCollMedPermEndowFund	1,425,000.00		1,425,000.00		1,425,000.00	-	-
E.1.4	BaylorCollMedPermHealthFund	1,914,193.00		1,914,193.00		1,914,193.00	-	-
E.1.5	Baylor Coll Med Hold Harmless	1,753,079.00		1,753,079.00	1,753,079.00			-
Total E		52,541,683.00	-	52,541,683.00	37,067,187.25	14,271,991.84	-	1,202,503.91
F. Tobacco Funds								
F.1.1	EARNINGS - Minority Health	1,066,551.00	4,721,765.29	5,788,316.29				5,788,316.29
F.1.2	EARNINGS - Nursing/Allied Heal	1,883,810.00		1,883,810.00				1,883,810.00
Total F		2,950,361.00	4,721,765.29	7,672,126.29	-	-	-	7,672,126.29
G. Research and Innovation								
G.1.1	Texas Research Incentive Progr	16,625,000.00		16,625,000.00	16,625,000.00			-
G.1.2	AUTISM Program	3,705,000.00		3,705,000.00	(89,071.93)			3,794,071.93
Total G		20,330,000.00	-	20,330,000.00	16,535,928.07	-	-	3,794,071.93
H. Salary Adjustments								
H.1.1	Salary Increases	1,391,298.00		1,391,298.00				1,391,298.00
Total H		1,391,298.00	-	1,391,298.00	-	-	-	1,391,298.00
Other Programs								
Z.1.1	Community Colleges	1,157,420,866.00		1,157,420,866.00	587,445,337.79			569,975,528.21
Total Z		1,157,420,866.00	-	1,157,420,866.00	587,445,337.79	-	-	569,975,528.21
Total Uses Of Revenue		2,458,171,396.00	8,652,127.11	2,466,823,523.11	925,266,031.67	68,302,215.25	4,665,949.62	1,468,589,326.57

Federal programs are reported separately on the next page.

[illegible]

Project Group	Project Description / ALN / Fed Year	Award Start Date	Award End Date	Award Amount	Expenditures	Obligated	Unobligated Balance	Revenue/ Drawdown	Cash Balance
GEER II	GEERII ACCEL CRED P&V-84.425C-FFY22	1/1/2022	9/30/2023	-	-	-	-	-	-
GEER II	GEERII ADMIN/STAFFING-84.425C-FFY22	1/1/2022	9/30/2023	1,994,274.83	2,100,518.53	85,337.50	(191,581.20)	2,136,145.13	35,626.60
GEER II	GEERII ADVISE TX-84.425C-FFY22	1/1/2022	9/30/2023	3,145,356.05	2,412,188.16	-	733,167.89	3,582,308.93	1,170,120.77
GEER II	GEERII APPLY TX-84.425C-FFY22	1/1/2022	9/30/2023	3,706,851.47	3,701,359.58	5,491.89	(0.00)	3,702,629.07	1,269.49
GEER II	GEERII CCFINIMPL 84.425C-FFY22	1/1/2022	9/30/2023	150,000.00	44,088.77	38,114.84	67,796.39	66,919.03	22,830.26
GEER II	GEERII COMM DL TRAIN&R-84.425C-FFY22	1/1/2022	9/30/2023	-	-	-	-	222,011.40	222,011.40
GEER II	GEERII COLL RDN 84.425C-FFY22	1/1/2022	9/30/2023	2,700,000.00	2,695,000.00	-	5,000.00	3,970,000.00	1,275,000.00
GEER II	GEERII DCS DMI 84.425C-FFY22	1/1/2022	9/30/2023	3,000,000.00	2,911,832.24	23,188.97	64,978.79	3,721,122.40	809,290.16
GEER II	GEERII DCS GAAP 84.425C-FFY22	1/1/2022	9/30/2023	4,145,210.32	3,127,762.51	770,867.22	246,580.59	4,906,917.38	1,779,154.87
GEER II	GEERII DCS MAPTXFUTURE 84.425C-FFY22	1/1/2022	9/30/2023	994,250.22	718,464.21	275,786.01	-	1,130,963.41	412,499.20
GEER II	GEERII DCS MAP MY PATH 84.425C-FFY22	1/1/2022	9/30/2023	-	-	-	-	-	-
GEER II	GEERII DCS-84.425C-FFY22	1/1/2022	9/30/2023	7,410,167.76	7,358,715.00	-	51,452.76	7,511,764.44	153,049.44
GEER II	GEERII DATA CYBR 84.425C-FFY22	1/1/2022	9/30/2023	2,517,247.90	2,135,018.87	62,231.53	319,997.50	3,828,092.48	1,693,073.61
GEER II	GEERII DMI EDU & WKFRC-84.425C-FFY22	1/1/2022	9/30/2023	14,732,165.04	13,998,155.70	716,750.10	17,259.24	14,282,661.88	284,506.18
GEER II	GEERII EDU PREP 84.425C-FFY22	1/1/2022	9/30/2023	1,500,000.00	1,359,985.10	-	140,014.90	3,727,256.02	2,367,270.92
GEER II	GEERII-INTRST REV84.425C-FFY20	1/1/2022	9/30/2023	-	-	-	-	1,440,972.11	1,440,972.11
GEER II	GEERII LEADERSHIP PROG-84.425C-FFY22	1/1/2022	9/30/2023	1,647,994.94	1,647,994.94	-	-	1,647,994.94	-
GEER II	GEERII MAP MY PATH-84.425C-FFY22	1/1/2022	9/30/2023	3,267,948.01	3,267,948.01	-	(0.00)	3,267,948.01	-
GEER II	GEERII MY TX FUTURE-84.425C-FFY22	1/1/2022	9/30/2023	3,508,021.00	3,498,442.64	10,497.63	(919.27)	3,722,266.92	223,824.28
GEER II	GEERII NURSING INNOVAT-84.425C-FFY22	1/1/2022	9/30/2023	7,059,263.74	6,702,692.33	-	356,571.41	8,064,504.32	1,361,811.99
GEER II	GEERII NURSING LRP-84.425C-FFY22	1/1/2022	9/30/2023	2,700,000.00	2,083,308.16	-	616,691.84	2,761,408.14	678,099.98
GEER II	GEERII NURSING OER-84.425C-FFY22	1/1/2022	9/30/2023	2,700,000.00	2,700,000.00	-	-	3,740,000.00	1,040,000.00
GEER II	GEERII NURS SHORTG GRT-84.425C-FFY22	1/1/2022	9/30/2023	3,321,199.27	3,313,986.58	-	7,212.69	4,274,900.52	960,913.94
GEER II	GEERII PROGRESS CRED D-84.425C-FFY22	1/1/2022	9/30/2023	-	-	-	-	-	-
GEER II	GEERII RESEARCH/EDA 84.425C-FFY22	1/1/2022	9/30/2023	-	-	-	-	-	-
GEER II	GEERII SHARED SERV CTR 84.425C-FFY22	1/1/2022	9/30/2023	2,989,488.00	2,925,150.40	-	64,337.60	3,175,150.40	250,000.00
GEER II	GEERII SSI ACCEL&SCALE-84.425C-FFY22	1/1/2022	9/30/2023	16,210,218.39	16,002,389.23	0.02	207,829.14	20,115,307.69	4,112,918.46
GEER II	GEERII SSI EVAL ACC&SC-84.425C-FFY22	1/1/2022	9/30/2023	-	-	-	-	-	-
GEER II	GEERII TRANSFER GRANTS-84.425C-FFY22	1/1/2022	9/30/2023	3,931,540.06	3,693,786.73	100,956.73	136,796.60	3,761,922.41	68,135.68
GEER II	GEERII-TXGRT-TEOG84.425C-FFY22	1/1/2022	9/30/2023	-	-	-	-	-	-

Federal Programs Report (cont.)

Period Ending: 11/30/2023

Project Group	Project Description / ALN / Fed Year	Award Start Date	Award End Date	Award Amount	Expenditures	Obligated	Unobligated Balance	Revenue/ Drawdown	Cash Balance
Perkins	PERKINS-LEADER-84.048-FFY23 (2 YEARS)	9/1/2022	9/30/2024	3,649,347.00	1,134,389.17	2,185,031.69	329,926.14	1,009,937.31	(124,451.86)
Perkins	PERKINS-LEADER-84.048-FFY24 (2 YEARS)	9/1/2023	9/30/2024	3,830,439.00	-	2,855,613.00	974,826.00	-	-
Perkins	PERKINS-ADMIN-84.048-FFY23	9/1/2022	9/30/2023	1,847,173.00	1,127,355.02	9,914.11	709,903.87	891,729.89	(235,625.13)
Perkins	PERKINS-ADMIN-84.048-FFY24	9/1/2023	9/30/2024	1,415,219.00	157,218.02	33,385.00	1,224,615.98	-	(157,218.02)
Perkins	PERKINS-FORMULA-84.048-FFY23	9/1/2022	9/30/2023	39,683,559.85	33,740,057.70	3,976,053.48	1,967,448.67	34,347,619.35	607,561.65
Perkins	PERKINS-FORMULA-84.048-FFY24	9/1/2023	9/30/2024	32,558,733.00	-	32,558,732.00	1.00	-	-
Perkins	PERKINS-NON-TRAD-84.048-FFY23	9/1/2022	9/30/2023	45,000.00	41,591.00	3,409.00	-	41,591.00	-
Perkins	PERKINS-NON-TRAD-84.048-FFY24	9/1/2023	9/30/2024	45,000.00	-	-	45,000.00	-	-
Other Programs	AIR-IES RCT-84.305H-FF16	2/9/2016	12/31/2022	677,085.00	659,913.24	-	17,171.76	659,913.24	-
Other Programs	COREQ DE MODELS-84.305A-FFY22	8/1/2021	7/31/2025	112,067.00	11,236.15	-	100,830.85	10,758.26	(477.89)
Other Programs	HRSA STATE LOAN REPAYM-93.165-FFY23	9/19/2022	8/31/2023	2,501,552.27	237,335.77	-	2,264,216.50	293,952.81	56,617.04
Other Programs	SLDS ERC UPGRADES-84.372A-FFY21	3/1/2021	2/28/2024	375,000.00	70,367.90	239,682.04	64,950.06	52,756.11	(17,611.79)
Total				495,345,267.12	422,492,263.66	44,090,671.09	28,762,332.37	453,059,520.71	30,567,257.05

Agency Budget Year-to-Date Budget Adjustments 1 As of 11/30/2023

Strategy	Budget Adjustments By Strategy	PCA Code	Transaction Description	Increase	Decrease
Agency Operations					
A.1.1	SHEEO FA Learning	46004	BU10 INCRS & ESTABLISH BDGTs PER CASH UB	15,000.00	-
				15,000.00	
Texas Oncourse Program					
A.1.4	OnCourse Initiative	40105	BU10 Budget Adjustments based on UB AY23 to AY24 Adj.	1,997,173.52	-
				1,997,173.52	
License Plate Scholarships					
B.1. 6	Abilene Christian Univ LP	66027	BU10 INCRS & ESTABLISH BDGTs PER CASH UB	1,489.81	-
	Austin College PLT	66016	UB BUDGET TO VARIOUS PROGRAMS	155.54	-
	Baylor Bear Crossover LP	66026	UB BUDGET TO VARIOUS PROGRAMS	1,305.03	-
	Baylor University PLT	66014	UB BUDGET TO VARIOUS PROGRAMS	934.88	-
	Boy Scout License Plates	66008	UB BUDGET TO VARIOUS PROGRAMS	316.43	-
	College for Texans L Plates	66002	UB BUDGET TO VARIOUS PROGRAMS	89.32	-
	Collegiate Crossover Lic Plate	66004	BU10 Budget Adjustments based on UB AY23 to AY24 Adj.	2,076.72	-
	Cotton Boll License Plates	66006	UB BUDGET TO VARIOUS PROGRAMS	1,446.51	-
	Girl Scout License Plates	66007	UB BUDGET TO VARIOUS PROGRAMS	170.19	-
	Houston CC License Plate	66025	UB BUDGET TO VARIOUS PROGRAMS	45.10	-
	Houston Rodeo License Plates	66005	UB BUDGET TO VARIOUS PROGRAMS	298.92	-
	Lubbock Christian Univ PLT	66020	UB BUDGET TO VARIOUS PROGRAMS	152.23	-
	MADD License Plate	66011	UB BUDGET TO VARIOUS PROGRAMS	132.41	-
	Omega Psi Phi License Plates	66013	UB BUDGET TO VARIOUS PROGRAMS	823.28	-
	Rice University PLT	66017	UB BUDGET TO VARIOUS PROGRAMS	618.57	-
	Schreiner University LP	66028	BU10 INCRS & ESTABLISH BDGTs PER CASH UB	448.97	-
	SMU Royalty License Plate	66012	UB BUDGET TO VARIOUS PROGRAMS	3,058.55	-
	Southern Methodist Univ PLT	66018	UB BUDGET TO VARIOUS PROGRAMS	374.21	-
	Southwestern University PLT	66022	UB BUDGET TO VARIOUS PROGRAMS	66.60	-
	St. Mary's University PLT	66021	UB BUDGET TO VARIOUS PROGRAMS	180.11	-
	Texas Christian Univ PLT	66019	UB BUDGET TO VARIOUS PROGRAMS	424.12	-
	TX Water Works License Plate	66001	UB BUDGET TO VARIOUS PROGRAMS	246.53	-
	Univ of Florida Crossover LP	66029	BU10 INCRS & ESTABLISH BDGTs PER CASH UB	3,036.40	-
	Univ of Mary Hardin Baylor PLT	66015	UB BUDGET TO VARIOUS PROGRAMS	67.03	-
	University of St. Thomas PLT	66023	BU10 Budget Adjustments based on UB AY23 to AY24 Adj.	23.04	-
				17,980.50	

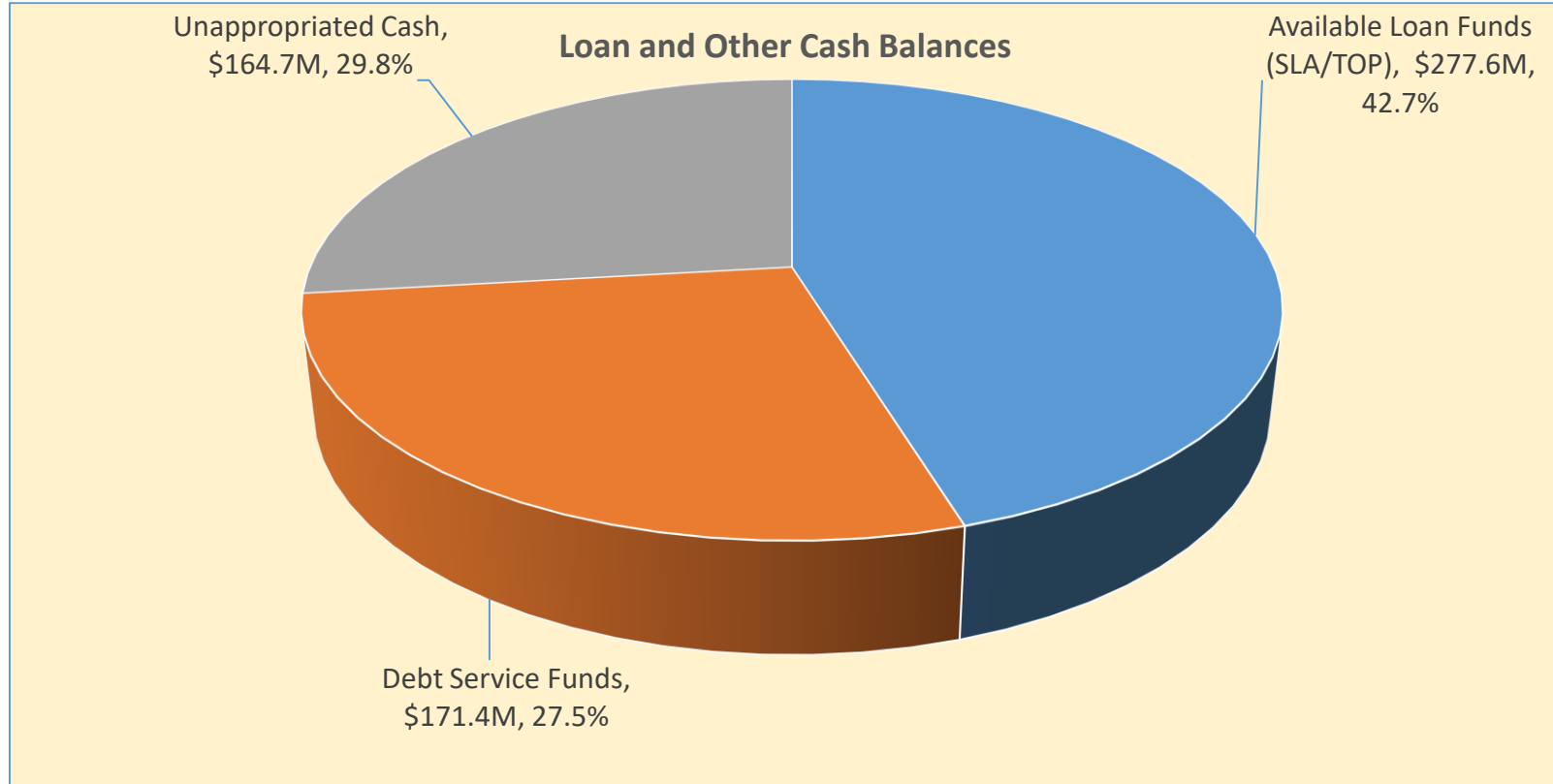
Agency Budget

Year-to-Date Budget Adjustments 2 (continued)

As of 11/30/2023

Strategy	Budget Adjustments By Strategy	PCA Code	Transaction Description	Increase	Decrease
Career/Technical EDU PGMS					
C.1.1	GEERII CC Finance Impl 84.425C	32564	AY24 GEER II BUDGETS_EXP	38,114.84	-
	GEERII College Rdns 84.425C	32561	AY24 GEER II BUDGETS_EXP	148,000.00	-
	GEERII Data M Cybersec 84.425C	32563	AY24 GEER II BUDGETS_EXP	436,653.75	-
	GEERII DMI Edu & Wkfr 84.425C	32545	AY24 GEER II BUDGETS_EXP	1,456,793.52	-
			GEER II DCS BDGT ADJ AM24026600	25,512.00	-
	GEERII Leadership Prog 84.425C	32544	GEER II BDGT ADJ AY23 to AY24	1,710,953.70	-
			GEER II DCS BDGT ADJ AM24026600	-	(152,005.06)
	GEERII Shared Serv Ctr 84.425C	32556	AY24 GEER II BUDGETS_EXP	28,317.40	-
	GEERII Transfer Grants 84.425C	32543	AY24 GEER II BUDGETS_EXP	68,135.68	-
	HRSA State Loan Repaym 93.165	56005	HRSA_EXP_BDGT_AY24	797,258.00	-
SLDS ERC Upgrades 84.372A	54005	Transfer Budget from AY23 to AY24 SLDS.	173,300.14	-	
				4,731,033.97	
Educational Loan Repayment					
C.1.3	Physician Ed Loan Repay Pgm	21949	CORRECT CAPPS FUNDS #S	17,767,492.00	(17,767,492.00)
				-	
Child Mental Health Care Conso					
D.1. 7	ARPA CMHC Consortium 21.027	32554	ADJ ARPA TCMHCC BDGT	419,002.00	-
	CMHC Consortium	32023	UB BUDGET TO VARIOUS PROGRAMS	929,649.66	-
				1,348,651.66	
EARNINGS - Minority Health					
F.1.1	Minority Health Research/Edu	13067	BU10 Budget Adjustments based on UB AY23 to AY24 Adj.	355,660.20	-
			UB BUDGET TO VARIOUS PROGRAMS	4,366,105.09	-
				4,721,765.29	
Total Budget Adjustments				12,831,604.94	

Cash Balance Summary Period Ending: 11/30/2023



Cash balances not related to grant programs

Loan Receivables Review

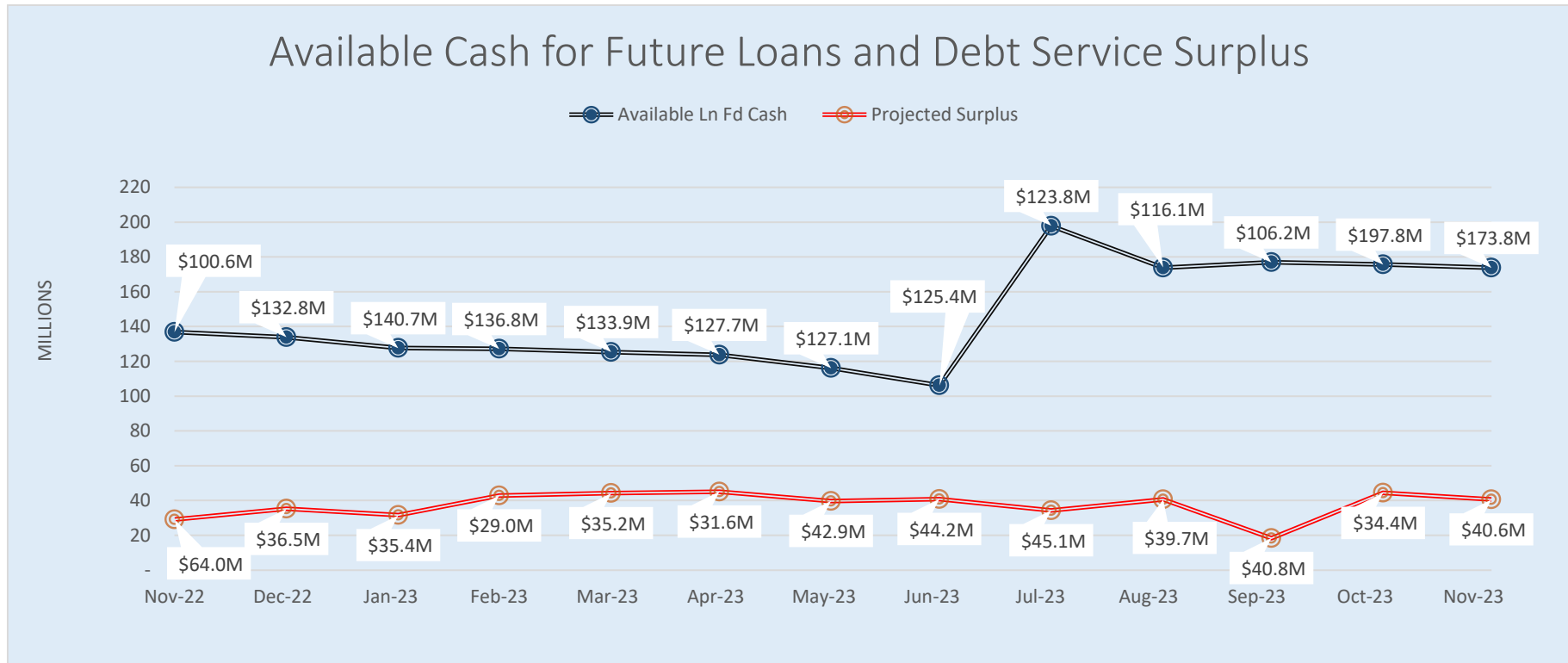
Period Ending: 11/30/2023

Monthly Loan Activity	Principal		Interest		Fees		TOTAL
Beginning Balances - 9/01/2023	\$	1,635,317,687	\$	229,745,540	\$	26,974,219	\$ 1,892,037,446
Loan Disbursements		1,845,810		-		-	1,845,810
Loan Repayments		(7,248,664)		(4,910,906)		(121,708)	(12,281,278)
Judgments Assessed		365,831		(363,430)		(1,594)	807
Interest And Fee Accruals		-		6,447,845		224,783	6,672,629
Other Loan Adjustments		(93,731)		(22,915)		-	(116,647)
Total Changes		(5,130,755)		1,150,593		101,482	(3,878,680)
Ending Balances - 11/30/2023	\$	1,630,186,932	\$	230,896,133	\$	27,075,701	\$ 1,888,158,766

Note: Loan balances are made up of predominantly Hinson-Hazlewood Loans. Other loan types include the B-On-Time, Texas Armed Services Scholarship, Teach for Texas programs and FORWARD loan.

Loan Cash and Debt Review

Period Ending: 11/30/2023



Loan Fund/Cash Flow		
Loan Fund Cash Balance (SLA/TOP)	\$	277,619,179
Less: Indirect Admin Draws Remaining	\$	(16,984,153)
Less: Loan Fund Reserve	\$	(30,000,000)
Less: * Scheduled Loan Disbursements	\$	(56,864,579)
Available Cash for Future Loans	\$	173,770,447

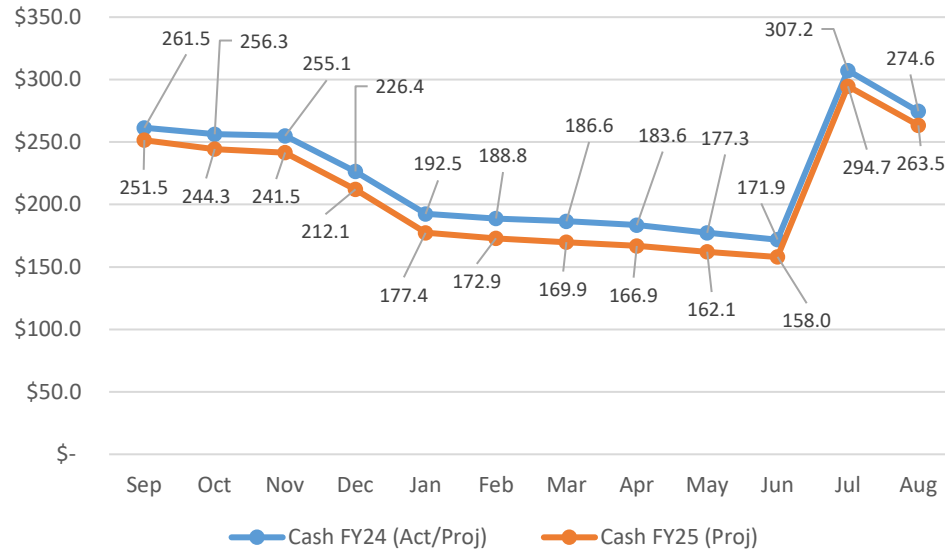
*Net unposted disbursements and certified Loans

Debt Service Cash Flow		
Debt Service Fund Balance	\$	171,352,349
Add: FY24 Proj Loan Repayments	\$	133,521,529
Less: FY24 Pending Debt Payments	\$	(128,412,495)
Fund Excess/(Deficit)	\$	176,461,383
Less: FY25 Debt Service Payments	\$	(135,861,881)
Over/(Under) Reserve Y/E 2024	\$	40,599,501

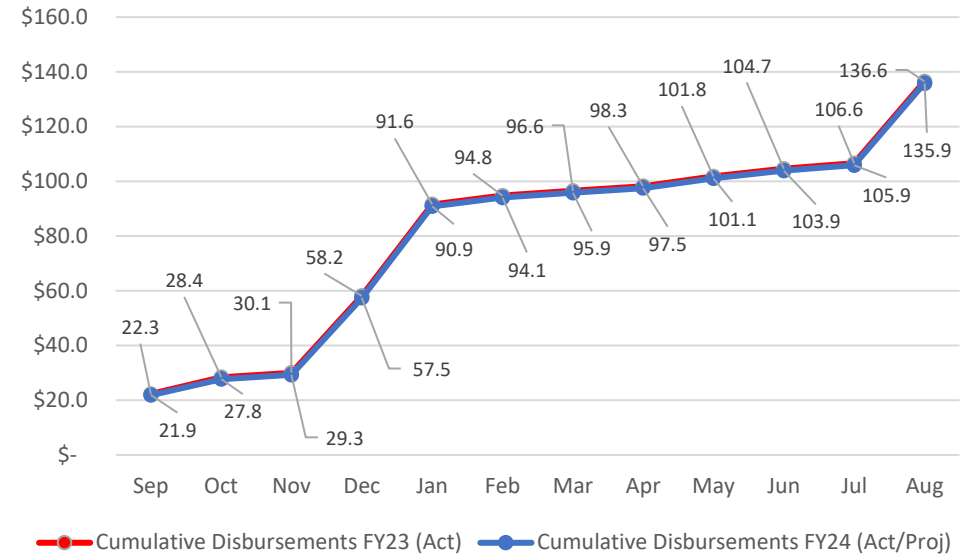
Loan Forecasting and Trending

Period Ending: 11/30/2023

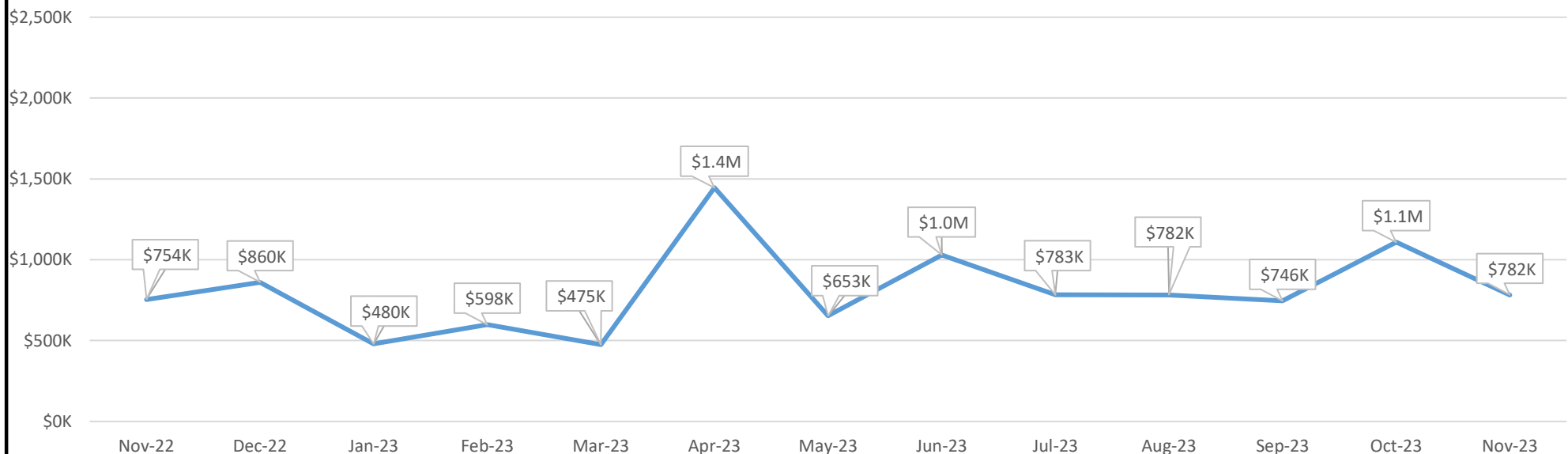
Loan Fund Cash Balance Forecast (\$M)



Cumulative Loan Disbursement Trending (\$M)

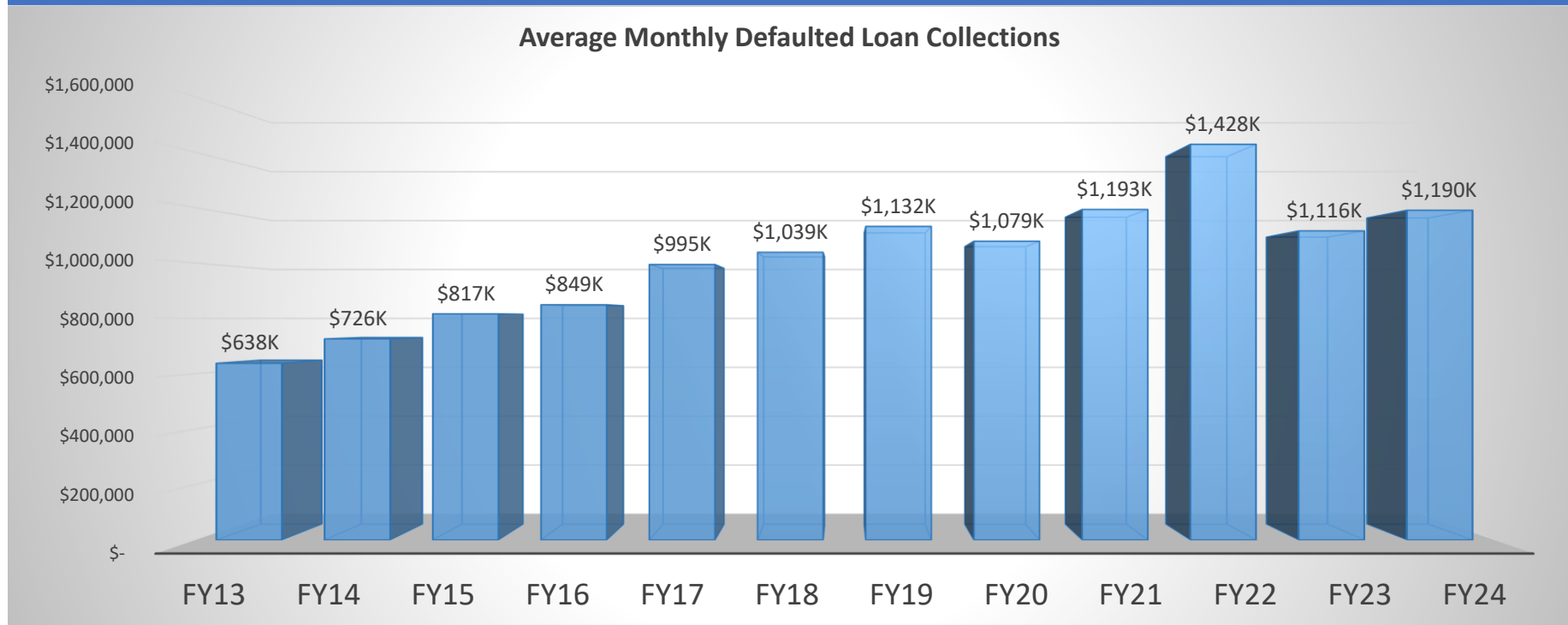
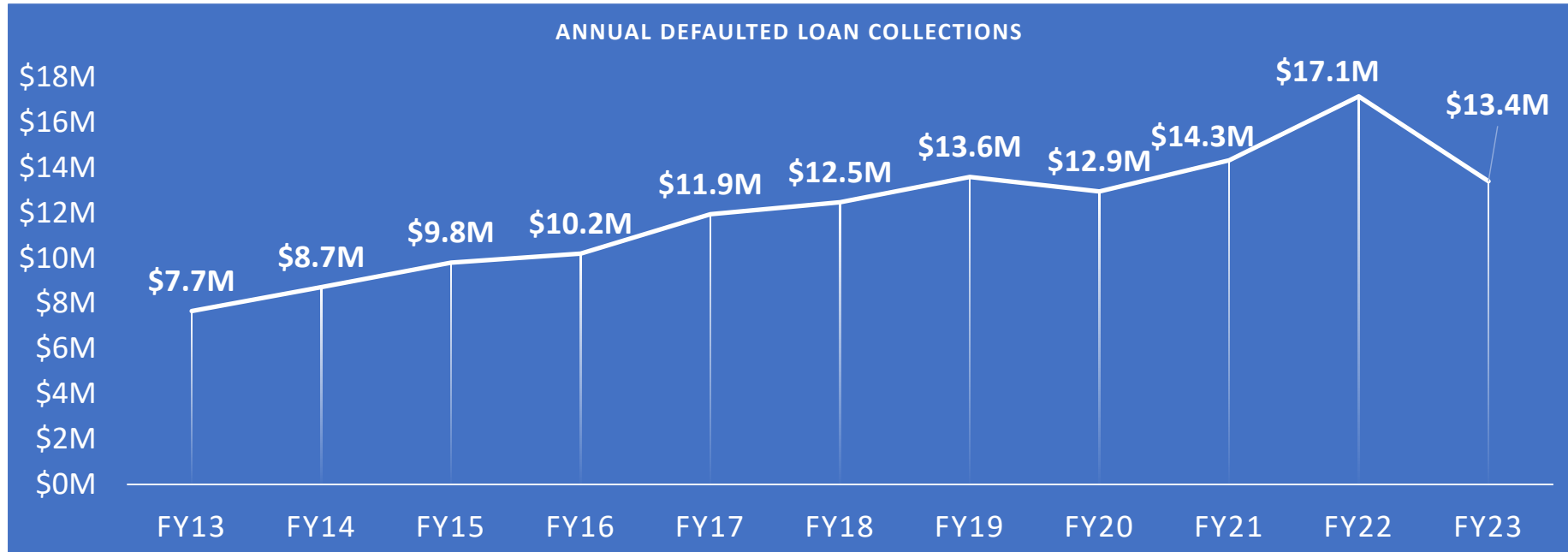


Student Loan Payment Clearing Account (\$K)



Defaulted Loan Collections Report

Period Ending: 11/30/2023



AGENDA ITEM XI-D

Consideration and possible action to approve the updated Internal Audit Charter

RECOMMENDATION: Approval

Background Information:

The International Standards for the Professional Practice of Internal Auditing and the Generally Accepted Governmental Auditing Standards serve as the standards that govern the Texas Higher Education Coordinating Board (THECB) Internal Audit (IA), and the Texas Internal Auditing Act requires that we comply with these professional standards. These standards require an internal audit charter with periodic revisions that reflect important changes to structure or responsibilities, and the board of the THECB affirms and approves changes. The Internal Audit Charter establishes IA's position within the THECB; defines the scope of IA activities; and authorizes access to records, personnel, and physical properties relevant to those activities.

The proposed 2024 IA Charter contains minor changes and reflects a change in the Assistant Commissioner for Internal Audit and Compliance.

Arby Gonzales, Assistant Commissioner for Internal Audit and Compliance, will present this item and be available for questions.

Internal Audit Charter

January 2024

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Texas Higher Education Coordinating Board



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Welcome Wilson Jr.
Daniel O. Wong
Cage M. Sawyers, STUDENT REPRESENTATIVE

McAllen
Arlington
Midland
Austin
Austin
El Paso
Victoria
Houston
Missouri City
Van Alstyne

Harrison Keller, COMMISSIONER OF HIGHER EDUCATION

Agency Mission

The mission of the Texas Higher Education Coordinating Board (THECB) is to serve as a resource, partner, and advocate for Texas higher education, resulting in a globally competitive workforce that positions Texas as an international leader.

Agency Vision

The THECB will be recognized as an international leader in developing and implementing innovative higher education policy to accomplish our mission.

Agency Philosophy

The THECB will promote access to and success in quality higher education across the state with the conviction that access and success without quality is mediocrity and that quality without access and success is unacceptable.

The THECB's core values are:

Accountability: We hold ourselves responsible for our actions and welcome every opportunity to educate stakeholders about our policies, decisions, and aspirations.

Efficiency: We accomplish our work using resources in the most effective manner.

Collaboration: We develop partnerships that result in student success and a highly qualified, globally competent workforce.

Excellence: We strive for excellence in all our endeavors.

The Texas Higher Education Coordinating Board does not discriminate on the basis of race, color, national origin, gender, religion, age or disability in employment or the provision of services.

Please cite this document as follows: Texas Higher Education Coordinating Board. (2023). Internal Audit Charter. Austin, TX.

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Internal Audit Charter

A. Purpose and Mission

The Texas Higher Education Coordinating Board (THECB) Internal Audit's (IA) purpose is to provide independent and objective assurance and advisory services designed to add value and improve THECB's operations. IA's mission is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. IA helps the THECB accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

B. Standards for the Professional Practice of Internal Auditing

IA will adhere to the Texas Internal Auditing Act, Generally Accepted Government Auditing Standards (GAGAS) promulgated by the Government Accountability Office (GAO), and mandatory elements of The Institute of Internal Auditors' *International Professional Practices Framework* (Standards), including the *Core Principles for the Professional Practice of Internal Auditing*, the Code of Ethics, and the Definition of Internal Auditing. The Assistant Commissioner for Internal Audit & Compliance will report periodically to the board of THECB (Board) and executive management regarding IA's conformance to the Code of Ethics and the Standards.

C. Authority

The Assistant Commissioner for Internal Audit & Compliance reports functionally to the Board, through the Agency Operations Committee (AOC), and administratively (e.g., day-to-day operations) to the Commissioner of Higher Education. To ensure, establish, maintain, and assure Internal Audit has sufficient authority to fulfill its duties, the Board will:

- Approve the Internal Audit Charter
- Approve a timely and risk-based Internal Audit Plan
- Approve IA's budget and resource plan
- Receive communications from the Assistant Commissioner for Internal Audit & Compliance on IA's performance relative to its plan and other matters
- Approve decisions regarding the appointment and removal of the Assistant Commissioner for Internal Audit & Compliance
- Approve the remuneration of the Assistant Commissioner for Internal Audit & Compliance
- Make appropriate inquiries of management and the Assistant Commissioner for Internal Audit & Compliance to determine whether there is inappropriate scope or resource limitations

The Assistant Commissioner for Internal Audit & Compliance will communicate and interact directly with the Board, including in executive sessions and between Board meetings as needed.

The Board authorizes IA to:

- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports
- Obtain assistance from the necessary personnel of THECB, as well as other specialized services from within or outside THECB, to complete the engagement

D. Independence and Objectivity

The Assistant Commissioner for Internal Audit & Compliance will ensure that IA remains free from all conditions that threaten internal auditors' ability to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. The Assistant Commissioner for Internal Audit & Compliance will disclose details to appropriate parties if independence or objectivity is impaired in fact or appearance.

Internal auditors will maintain an unbiased mental attitude to perform engagements independently and objectively.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year
- Performing any operational duties for THECB, such as making operational decisions or implementing processes, systems, or procedures for program areas' operations
- Initiating or approving transactions external to the IA department
- Directing the activities of any THECB employee not employed by the IA department, except to the extent that such employees have been appropriately assigned to auditing teams or otherwise assist internal auditors

IA will establish safeguards to limit impairments to independence or objectivity where the Assistant Commissioner for Internal Audit & Compliance has or is expected to have roles or responsibilities that fall outside of IA.

Internal auditors will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to the Board and executive management

- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process they review
- Make balanced assessments of all available and relevant facts and circumstances
- Take necessary precautions to avoid undue influence by their own interests or by others in forming conclusions

The Assistant Commissioner for Internal Audit & Compliance will confirm to the Board the organizational independence of IA at least annually.

The Assistant Commissioner for Internal Audit & Compliance will disclose to the Board any interference and related implications in determining the scope of internal audits, performing work, or communicating results.

E. Scope of IA Activities

The scope of IA activities encompasses, but is not limited to, objective examinations of evidence to provide independent assessments to the Board, management, and outside parties on the adequacy and effectiveness of THECB's governance, risk management, and control processes. IA assessments include evaluating whether:

- Risks relating to achieving THECB's strategic objectives are appropriately identified, assessed, and managed
- THECB's officers, directors, employees, and contractors comply with THECB's policies, procedures, and applicable laws, regulations, and governance standards
- Operation or program results are consistent with established goals and objectives
- Operations or programs are carried out effectively and efficiently
- Processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact THECB
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity
- Resources and assets are acquired economically, used efficiently, and protected adequately

The Assistant Commissioner for Internal Audit & Compliance will report periodically to the Board and executive management regarding:

- IA's purpose, authority, and responsibilities
- IA's plan and performance
- IA's conformance with the IIA's Standards and Code of Ethics, and action plans to address any significant conformance issues
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Board

- Results of audit projects and other activities
- Resource requirements
- Management's response to risk that may be unacceptable to THECB

The Assistant Commissioner for Internal Audit & Compliance also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. IA may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided the IA department does not assume clients' management duties or responsibilities.

IA may identify opportunities to improve the efficiency of governance, risk management, and control processes during engagements. IA will communicate these opportunities to the appropriate level of management.

F. Responsibilities

The Assistant Commissioner for Internal Audit & Compliance is responsible for:

- Submitting to the Board and executive management a risk-based IA plan for review and approval at least annually
- Communicating to the Board and executive management the impact of resource limitations on the IA plan
- Reviewing and adjusting the IA plan to responds to changes in THECB's business, risks, operations, programs, systems, and controls, as needed
- Communicating to the Board and executive management any significant changes to the IA plan
- Ensuring each engagement in the IA plan is executed, including establishing objectives and scope, assigning appropriate and adequately supervised resources, documenting work programs and testing results, and communicating engagement results with applicable conclusions and recommendations to appropriate parties
- Following up on engagement findings and corrective actions, and reporting periodically to the Board and executive management any corrective actions not effectively implemented
- Ensuring IA applies and upholds the principles of integrity, objectivity, confidentiality, and competency
- Ensuring IA collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the IA charter
- Considering trends and emerging issues that could impact THECB and communicating to the Board and executive management, as appropriate
- Considering and applying trends and successful practices in internal auditing, as appropriate

- Establishing and adhering to policies and procedures to guide IA
- Adhering to THECB's policies and procedures, unless such policies and procedures conflict with the IA charter (any such conflicts will be resolved or otherwise communicated to the Board and executive management)
- Conforming with the Standards, with the following qualifications:
 - The Assistant Commissioner for Internal Audit & Compliance will appropriately disclose if IA is prohibited by law or regulation from conforming with certain parts of the Standards.
 - The Assistant Commissioner for Internal Audit & Compliance will ensure that IA conforms with the Standards, even if it also conforms with more restrictive requirements of other authoritative bodies.

G. Quality Assurance and Improvement Program

IA will maintain a quality assurance and improvement program that covers all aspects of its work. The program will include evaluating IA's conformance with the Standards and evaluating whether internal auditors apply the IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of IA and identify opportunities to improve.

The Assistant Commissioner for Internal Audit & Compliance will communicate to the Board and executive management on IA's quality assurance and improvement program, including results of internal assessments and external assessments conducted at least once every three years by a qualified, independent assessor or assessment team from outside THECB.

H. Approval and Signatures

_____ THECB Board Chair	_____ Date
_____ Agency Operations Committee Chair	_____ Date
_____ Commissioner of Higher Education	_____ Date
_____ Assistant Commissioner for Internal Audit & Compliance	_____ Date

Texas Higher Education

COORDINATING BOARD

This document is available on the Texas Higher Education Coordinating Board website:
<https://highered.texas.gov>.

For more information, contact:

Arby James Gonzales, CPA, CFE
Internal Audit & Compliance
Texas Higher Education Coordinating Board
P.O. Box 12788
Austin, TX 78711
PHONE 512-427-6349
arby.gonzales@highered.texas.gov

AGENDA ITEM XI-E

Auditor's update on Internal Audit reports and activities

RECOMMENDATION: No action required

Background Information:

Three reports were completed during the reporting period since the October 2023 Agency Operations Committee meeting.

Projects

1. Started internal audit of the Texas Research Incentive Program.
2. Started advisory project related to Community College Finance.
3. Internal Audit Corrective Action Status Report - January 2024 (summary report)

Fiscal Year 2024 Project Status as of January 2023	Stage of Project
Audit of Grant Research Funding - Texas Research Incentive Program	Fieldwork
Grant funds administration – Review and advisory services	Not started
Information Security – Review and advisory services	Not started
Audit of Contact Administration	Not started
Advisory services related to Community College Finance	Ongoing
Review of State's <i>Building a Talent Strong Texas</i> Strategic Plan (Carry-over from FY2023)	Postponed

Other Internal Audit Activities

- Initiated initiative on agency goals & objectives, processes, and risks assessments
- External auditor coordination
 - Financial statement audit (KPMG) Fiscal Year 2023
 - Federal Compliance portion of the Statewide Single Audit (Clifton, Larson & Assoc.)
- Recruiting an internal Audit Director and vacant IA positions.

Arby Gonzales, Assistant Commissioner for Internal Audit and Compliance, will present this item and be available to answer questions.

AGENDA ITEM XI-F

Auditor's update on state and federal compliance monitoring reports and activities

RECOMMENDATION: No action required

Background Information:

State Compliance Monitoring

The state Compliance Monitoring team completed four projects and a corrective action status report during the reporting period since the October 2023 Agency Operations Committee meeting. The final reports are attached.

Financial aid projects and other reports

1. "Compliance Monitoring Audit of College Access Loan at St. Edward's University" (no findings)
2. "Compliance Monitoring Audit of Tuition Equalization Grant at Jarvis Christian University" (one finding)
3. "Compliance Monitoring Desk Review of the Texas Educational Opportunity Grant at Weatherford College" (no findings)
4. "Compliance Monitoring Desk Review of Formula Funding at the University of Houston" (no findings)
5. "Compliance Monitoring Corrective Action Status Report – January 2024

Fiscal Year 2023 Project Status as of October 2023	Stage
Southwestern Adventist University (TEG)	Reporting
Austin Community College (FF- Follow Up)	Fieldwork
University of Texas Permian Basin (FF)	Planning
San Jacinto College (FF)	Planning
University of Houston (FF)	Planning
University of Texas Health Science Center at Houston (FF)	Planning
University of North Texas (FF)	Planning

Other state compliance monitoring activities

- Fiscal Year (FY) 2024 project planning and notifications
- Complaint-resolution assistance
- Texas Sexual Misconduct Reporting project planning
- Training new compliance specialist

Federal Compliance Monitoring

Federal compliance monitoring activities

- Federal Grant Funding – participation in GEER meetings, training, and planning
- CLA Single Audit assistance for ARPA grant review
- Single audit reviews Planning FY 2023
- Perkins reviews planning/fieldwork FY 2022
- GEER FY 2022 subrecipient monitoring reviews – planning/fieldwork
- Training replacement federal compliance specialist

Arby Gonzales, Assistant Commissioner for Internal Audit and Compliance, and Paul Maeyaert, Director of Compliance for Internal Audit and Compliance, will present this item and be available to answer questions.

AGENDA ITEM XI-F (1)

**Texas Higher
Education**
COORDINATING BOARD

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Daniel O. Wong

Harrison Keller, Ph.D.
COMMISSIONER OF HIGHER
EDUCATION

November 1, 2023

Dr. Montserrat Fuentes
President
St. Edward's University
3001 South Congress
Austin, TX 78704-6489

Re: *A Compliance Monitoring Audit of the College Access Loan (CAL) Program at St. Edward's University*, Report No. THECB-CM-FA-23-021.

Dear Dr. Fuentes,

I am attaching the final report on *A Compliance Monitoring Audit of the College Access Loan (CAL) Program at St. Edward's University*, Report No. THECB-CM-FA-23-021. There were no observations resulting from this engagement.

This Compliance Monitoring report will be presented to the Texas Higher Education Coordinating Board (THECB) Committee on Agency Operations, a standing committee of the THECB Board, in January 2024.

The cooperation of your staff during this audit is greatly appreciated. If you have any questions or comments, please let me know.

Sincerely,



Arby James Gonzales, CPA, CFE
Assistant Commissioner, Internal Audit and Compliance

Executive Summary

St. Edward's University complied with relevant Coordinating Board (THECB) rules and regulations for the College Access Loan (CAL) Program and with Texas Administrative Code (TAC), Title 19, Part 1, Chapter 22, Subchapter C, Sections 22.42-22.55 in the areas of student eligibility, and program reconciliation.

We conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our observations and recommendations based on our audit objectives. We believe the evidence obtained provides a reasonable basis for the observations and recommendations, if any, based on the audit objectives.

Our consideration of internal control was for the compliance purposes described in the objective/scope section and was not designed to identify all deficiencies in internal control.

We reviewed the following areas:

Award Amounts

No reportable observations were noted.

Student Eligibility

No reportable observations were noted.

Financial Need

No reportable observations were noted.

Satisfactory Academic Progress

No reportable observations were noted.

Residency

No reportable observations were noted.

Selective Service Registration

No reportable observations were noted.

Audit Scope, Objective, and Methodology

Our compliance audit included tests of CAL disbursements during fiscal year 2022 for compliance with relevant criteria, including:

- Student Eligibility
- Financial Need
- Satisfactory Academic Progress (SAP)
- Residency
- Selective Service Registration
- Award Amounts

AGENDA ITEM XI-F (1)

Our work included procedures to verify:

- Students met eligibility criteria including SAP requirements;
- Students demonstrated financial need;
- Students fulfilled residency requirements;
- Applicable students registered with the selective service system;
- Award amounts reconciled with St. Edward's University's CAL general ledger; and
- Information security controls related to student information were sufficient for the limited purpose of our audit.

The audit methodology included objectively reviewing and analyzing various forms of documentation, conducting interviews and observations, and performing other tests of controls necessary to achieve the objectives of the audit. THECB used random and judgmental sampling to determine the extent to which St. Edward's University accurately reported CAL data.

Background

The purpose of the CAL Program is to provide state loan funds to enable eligible students to attend institutions of higher education in this state. During fiscal year 2022, there were 144 students at St. Edward's University who received award disbursements totaling \$2,930,818.

PERFORMED BY:

Ms. Shebah Washington, Compliance Specialist
c:

THECB

Board Members

Commissioner's Office

Dr. Harrison Keller, Commissioner of Higher Education
Ms. Melissa Henderson, Chief of Staff
Ms. Sarah Keyton, Associate Commissioner for Administration
Ms. Nichole Bunker-Henderson, General Counsel

Student Financial Aid Programs

Dr. Charles W. Contero-Puls, Assistant Commissioner
Ms. DeCha Reid, Senior Director, Financial Aid Services

St. Edward's University

Mr. Martin E. Rose, Chairman, Board of Trustees
Ms. Jennifer Beck, Senior Director of Student Financial Aid
Mr. Gary Huff, Chief Financial Officer
Ms. Melissa Wilcher, Financial Aid System Analyst
Ms. Valerie Quay, State Aid Coordinator
Mr. Brant Christiansen, Associate Director of Information Security

Independent Colleges and Universities in Texas

Ms. Elizabeth Puthoff, President

State Auditor's Office

Audit Coordinator

Sunset Advisory Commission

Mr. Eric Beverly, Executive Director

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Ms. Sarah Hicks, Budget and Policy Director

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Harrison Keller, Ph.D.
COMMISSIONER OF HIGHER
EDUCATION

November 1, 2023

Dr. Glenell Lee Pruitt
President
Jarvis Christian University
PO Box 1470
Hawkins, TX 75765

Re: *A Compliance Monitoring Audit of the Tuition Equalization Grant at Jarvis Christian University*, Report No. THECB-CM-FA-23-028

Dear Dr. Pruitt,

I am attaching the final report on *A Compliance Monitoring Audit of the Tuition Equalization Grant at Jarvis Christian University*, Report No. THECB-CM-FA-23-028. There was one observation related to noncompliance with Tuition Equalization Grant cash management and disbursement requirements resulting from this engagement. Management's response has been incorporated into the final report.

A follow up review will be performed to evaluate Jarvis Christian University's corrective action to address the noted recommendations.

This Compliance Monitoring audit report will be presented to the THECB Committee on Agency Operations, a standing committee of the THECB Board, in January 2024.

If you have any questions or comments, please let me know.

Sincerely,



Arby James Gonzales, CPA, CFE
Assistant Commissioner, Internal Audit and Compliance

EXECUTIVE SUMMARY

Jarvis Christian University generally complied with relevant Coordinating Board (THECB) rules and regulations for the Tuition Equalization Grant (TEG) program and with Texas Administrative Code (TAC), Title 19, Part 1, Chapter 22, Subchapter B, Sections 22.21-22.32 in the areas of student eligibility and program reconciliation. However, improvement is needed related to noncompliance with TEG cash management and disbursement requirements.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our consideration of internal control was for the compliance purposes described in the objective/scope section and was not designed to identify all deficiencies in internal control.

We reviewed the following areas:

Award Amounts

Noncompliance with TEG cash management and disbursement requirements.

Student Eligibility

No reportable observations were noted.

Financial Need

No reportable observations were noted.

Satisfactory Academic Progress

No reportable observations were noted.

Residency

No reportable observations were noted.

Selective Service Registration

No reportable observations were noted.

Audit Scope, Objective, and Methodology

Our compliance audit included tests of TEG disbursements during fiscal year 2022 for compliance with relevant criteria, including:

- Student Eligibility
- Financial Need
- Satisfactory Academic Progress (SAP)
- Residency
- Selective Service Registration
- Award Amounts

Our work included procedures to verify:

- Students met eligibility criteria including SAP requirements;
- Students demonstrated financial need;

AGENDA ITEM XI-F (2)

- Students fulfilled residency requirements;
- Applicable students registered with the selective service system;
- Reported award amounts reconciled with JCU's student information system data and payment records; and
- Information security controls related to student information were sufficient for the limited purpose of our audit.

The audit methodology included objectively reviewing and analyzing various forms of documentation, conducting interviews and observations, and performing other tests of controls necessary to achieve the objectives of the audit. THECB used random and judgmental sampling to determine the extent to which Jarvis Christian University accurately reported TEG data.

Background

The purpose of the TEG program is to provide grants of money to enable eligible students to attend private or independent Texas colleges or universities in the state. During fiscal year 2022, there were 318 students at Jarvis Christian University who received award disbursements totaling \$1,103,648.

Detailed Observations, Recommendations and Management's Responses**1. Policies and procedures need improvement to comply with TEG cash management and disbursement requirements.**

Policies and procedures need improvement to comply with TEG cash management and disbursement requirements. Jarvis Christian University inappropriately disbursed TEG 2021-2022 awards to students by, a) not timely disbursing funds within three business days, b) not returning undisbursed funds within six business days and not returning or re-allocating or re-disbursing funds to other students within 45 days and not providing notification to THECB, and c) not disbursing funds before the end of the state's fiscal year.

A. Funds were not timely disbursed within three business days.

According to the Texas Administrative Code (TAC), Title 19, Part 1, Chapter 22, Subchapter B, Section, Section 22.2(1)-(2) "(1) Timely Disbursement. Institutions shall disburse state student financial aid funding to a student recipient's account...no later than three business days after receiving the funds.

Of the 697 transactions, 647 transactions (92.83%) were disbursed more than three days after receiving the funds. Of the \$1,103,648 allocated and provided to Jarvis Christian University (JCU) for TEG, only \$64,921 was timely disbursed to students.

<i>Date THECB provided funds</i>	<i>Amount requested</i>	<i>Amount disbursed by JCU on time (within 3 business days)</i>	<i>Number of late disbursements (after 3 business days):</i>	<i>Balance after 3 business days</i>
10/1/2021	\$507,948	\$3,105	280	\$504,843
2/24/2022	\$444,195	\$0	325	\$444,195
8/2/2022	\$122,425	\$61,816	0	\$60,609
8/12/2022	\$29,080	\$0	42	\$29,080
	\$1,103,648	\$64,921	647	\$1,038,727

B. Undisbursed funds were not returned to THECB within six business days; returned or re-allocated and re-disbursed funds to other students were not issued within 45 days; nor was notification provided.

According to the Texas Administrative Code (TAC), Title 19, Part 1, Chapter 22, Subchapter B, Section, Section 22.2(1)-(2) "(1) Timely Disbursement. Undisbursed funds must be returned to the Board no later than six business days after the receipt of funds.... (2) Timely Determination of Ineligibility. For state student financial aid funding already disbursed to a student, except work study, institutions shall return funds to the Board within 45 calendar days of a student becoming ineligible for the funding... In all cases, an institution must provide notification to the Board regarding the change in student eligibility, as appropriate for the particular student financial aid program."

AGENDA ITEM XI-F (2)

Of the \$1,103,648 in TEG funds disbursed by the THECB to JCU over the 2021-2022 grant year, \$635,375 (57.6%) remained undistributed to students and as a balance for more than six (6) business days from the date THECB provided the funds.

<i>Date THECB provided TEG funds</i>	<i>TEG amount provided by THECB</i>	<i>Balance of THECB funds provided after 6 business days</i>	<i>Percentage of THECB funds provided as balance</i>
10/1/2021	\$507,948.00	\$504,843.00	99.4%
2/24/2022	\$444,195.00	\$40,843.00	9.2%
8/2/2022	\$122,425.00	\$60,609.00	49.5%
8/12/2022	\$29,080.00	\$29,080.00	100%
	\$1,103,648.00	\$635,375.00	57.6%

Additionally, the 45-calendar day requirement was not met. For example, on December 10, 2021 there was a balance of undisbursed TEG funds of \$35,518.00. The next activity took place on February 16, 2022, 68 calendar days later. Funds were not timely re-disbursed or returned within the 45-calendar day requirement.

C. TEG funds were not disbursed prior to the end of the state's fiscal year.

Additionally, according to TAC, Section 22.11(g)(4) "Late Disbursements... (4) Unless granted an extension by the staff of the Coordinating Board, late disbursements must be processed prior to the end of the state fiscal year for which the funds were allocated to the institution."

Out of the 697 transactions related to FY2021-2022 TEG funds, 42 transactions (6%) occurred after the end of the state's fiscal year, 8/31/2022. This included 31 disbursements for \$39,825 and 11 reversals for (\$9,122). The net total of these transactions was \$30,703.

<i>Transaction date</i>	<i>Number of Student Disbursements (occurring after 8/31/2022)</i>	<i>Total Disbursal Transaction Amount</i>	<i>Number of Student Reversals (occurring after 8/31/2022)</i>	<i>Total Reversal Transaction Amount</i>
9/9/2022	17	\$30,703.00	0	\$0.00
9/29/2022	0	\$0.00	3	\$(1,983.00)
10/13/2022	0	\$0.00	1	\$(173.00)
11/9/2022	5	\$2,316.00	7	\$(6,966.00)
12/5/2022	9	\$6,806.00	0	\$0.00
	31	\$39,825.00	11	\$(9,122.00)

<i>Total number of transactions occurring after 8/31/2022 (Number of Student Disbursements plus Number of Student Reversals):</i>	42
<i>Total Transaction Amount for transactions occurring after 8/31/2022 (Disbursal Amount plus Reversal Amount):</i>	\$30,703.00

Jarvis Christian University indicated that they were unaware of the TEG cash management and disbursement requirements and will update their policies and procedures to comply with TEG guidelines and requirements for TEG funds. During this engagement, the institution conveyed their desire to have a better understanding of the institutional requirements in managing TEG funds and awarding their students.

Recommendation:

1. Improve policies and procedures to comply with TEG cash management and disbursement requirements. (Texas Administrative Code Title 19, Part 1, Chapter 22, Subchapter B, Section 22.2 and Section 22.11).

Management Response:

The Financial Aid Office will take the following steps to correct the finding:

- *Review the TEG cash management and disbursement requirements each academic year for changes.*
- *Complete reconciliation of TEG awards during each FAD cycle.*
- *Award full TEG allocation before end of academic year.*
- *Reallocate awards to students before August 1st of each year.*
- *Notify the Business Office of each request for funds to track the receipt date.*

Target Implementation date: May 15, 2023

The Business Office will take the following step(s) to correct the finding:

- *Notify the Financial Office via email once the financial aid fund are received in the university bank account.*

PERFORMED BY:

Ms. Elizabeth Steele, Compliance Specialist
c:

THECB

Board Members

Commissioner's Office

Dr. Harrison Keller, Commissioner of Higher Education
Ms. Melissa Henderson, Chief of Staff
Ms. Sarah Keyton, Associate Commissioner for Administration
Ms. Nichole Bunker-Henderson, General Counsel

Student Financial Aid Programs

Dr. Charles W. Contéro-Puls, Assistant Commissioner
Ms. DeChà Reid, Senior Director, Financial Aid Services

Jarvis Christian University

Mr. Torry L. Edwards, Chair, Board of Trustees
Dr. Darrin Rankin, Vice President of Enrollment Management and Retention
Ms. Paula Love, Vice President for Finance and Administration
Ms. Cecelia Jones, Director of Financial Aid

Independent Colleges and Universities in Texas

Ms. Elizabeth Puthoff, President

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Daniel O. Wong

Harrison Keller, Ph.D.
COMMISSIONER OF HIGHER
EDUCATION

November 21, 2023

Dr. Tod Allen Farmer
President
Weatherford College
225 College Park Drive
Weatherford, Texas 76086

Re: *A Compliance Monitoring Desk Review of the Texas Educational Opportunity Grant (TEOG) at Weatherford College*, Report No. THECB-CM-FA-23-018.

Dear Dr. Farmer,

I am attaching the final report on *A Compliance Monitoring Desk Review of the Texas Educational Opportunity Grant (TEOG) at Weatherford College*, Report No. THECB-CM-FA-23-018. There were no observations resulting from this engagement.

Summary

Weatherford College complied with relevant Coordinating Board (THECB) rules and regulations for the Texas Educational Opportunity Grant (TEOG) and with the Texas Administrative Code (TAC), Title 19, Part 1, Chapter 22, Subchapter M, Sections 22.253-22.264 in the areas of student eligibility and program reconciliation.

Our review included tests of TEOG eligibility requirements for data reported and certified by Weatherford College. Our review focused on TEOG data for the financial aid year 2021-2022.

Our work included procedures to verify:

- Students met eligibility criteria including SAP requirements;
- Students demonstrated financial need;
- Students fulfilled residency requirements;
- Reported award amounts reconciled with WC's student information system data and payment records;
- Applicable students registered with the selective service system; and
- Information security controls related to student information were sufficient for the limited purpose of our audit.

This Compliance Monitoring desk review report will be presented to the THECB Committee on Agency Operations, a standing committee of the THECB Board, in January 2024.

AGENDA ITEM XI-F (3)

If you have any questions or comments, please let me know.

Sincerely,

A handwritten signature in blue ink, appearing to read "Arby James Gonzales". The signature is fluid and cursive, with the first name "Arby" being particularly prominent.

Arby James Gonzales, CPA, CFE
Assistant Commissioner, Internal Audit and Compliance

AGENDA ITEM XI-F (3)

PERFORMED BY:

Mr. Jitendra Singh, Compliance Specialist
c:

THECB

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Commissioner's Office

Dr. Harrison Keller, Commissioner of Higher Education
Ms. Melissa Henderson, Chief of Staff
Ms. Sarah Keyton, Associate Commissioner for Administration
Ms. Nichole Bunker-Henderson, General Counsel

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Ms. DeCha Reid, Senior Director, Financial Aid Services

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Dr. Scott Tarnowiecky, Assistant Vice President of Student Services
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Dr. Priscilla Parsons, Executive Director of Technology Services
Mr. William Hudson, Director of Information Systems and Technology Services
Ms. Bailey Brock, Financial Aid Coordinator

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December 19, 2023

Dr. Renu Khator
President and Chancellor
University of Houston
4800 Calhoun Road
Houston, TX 77004

Re: *A Compliance Monitoring Desk Review of Formula Funding at the University of Houston*, Report No. THECB-CM-FF-23-003.

Dear Dr. Khator,

Attached is the final report on *A Compliance Monitoring Desk Review of Formula Funding at the University of Houston*, Report No. THECB-CM-FF-23-003. There were no observations resulting from this engagement.

Summary

Our review included tests of student data reported and certified by the University of Houston, focusing on the following student data and time periods:

- Semester Credit Hours and Tuition Payments for CBM001 (Student Report) during summer semester 2021, and fall semester 2021;
- Tuition Payments for CBMOC1 (Student Census Report) during spring semester 2022;
- Enrollment for CBM004 (Class Report) during summer semester 2021, and fall semester 2021; and
- Enrollment for CBM0CS (Census Student Schedule Report) spring semester 2022;

Our work included procedures to verify:

- Student tuition payment was received in accordance with requirements;
- Reported contact hours were eligible for formula funding;
- Reported enrollment was eligible for formula funding;
- Evidence of academic credentials were maintained to support instructor qualifications; and
- Information Security Controls related to student information were sufficient for the limited purpose of our review.

Our work also included review of a complaint investigated and reported on by the University of Houston Internal Audit department, described in greater detail below, regarding allegations of improper formula funding processes.

AGENDA ITEM XI-F (4)

We will present the Compliance Monitoring report to the Texas Higher Education Coordinating Board (THECB) Committee on Agency Operations, a standing committee of the THECB Board, in January 2024.

I greatly appreciate your staff's cooperation during this review. Please let me know if you have any questions or comments on the conduct of this review.

Sincerely,

A handwritten signature in blue ink, appearing to read "Arby James Gonzales", is positioned above the printed name.

Arby James Gonzales, CPA, CFE
Assistant Commissioner for Internal Audit and Compliance

University of Houston Formula Funding Process Review

The University of Houston Internal Audit department issued a “Formula Funding Process Review” for the University of Houston and University of Houston Downtown on May 18, 2023, in response to a request from the Coordinating Board to investigate a hotline report of allegations regarding improper formula funding processes by both institutions.

The scope of the investigation focused on several matters, including the CBM001 reporting process for UH and UHD Fall semesters for FY20 and FY21. The allegation relating to formula funding stated, “students owing their full balance are allowed to stay enrolled in their courses past the census dates without paying their tuition and fees....”

As a result of their review, the University of Houston Internal Audit department confirmed the allegation by identifying fourteen (14) student accounts that remained enrolled in their courses with an outstanding balance after the census date and did not meet the requirement of delayed financial aid or other appropriate conditions. Additionally, the review identified “control deficiencies and resultant errors in the reporting process which led to the inclusion of students in the CBM001 report that did not meet the criteria to be counted for formula funding.” The report identified recommendations and the institutions are in the process of implementing these recommendations.

Our Compliance Monitoring review focused on the accuracy of the student data reported and certified by the University of Houston. Our review included a sample of 30 students and verified whether students made their first payment by census, which shall be the 12th class day for the fall and spring semesters (16-week sessions) and the 4th class day for each of the summer terms (6-week session) and the remaining balance was paid by the end of that semester. As a result, our review did not note any issues.

We will follow up with additional testing of the institution's certified student data for the next formula funding base year. Using this approach will allow us to review new data occurring after the institution implements recommendations from the University of Houston Internal Audit department.

PERFORMED BY:

Ms. Jamyen Robinson-Hall, Senior Compliance Specialist

cc:

THECB

Board Members

Commissioner's Office

Dr. Harrison Keller, Commissioner of Higher Education

Ms. Melissa Henderson, Chief of Staff

Ms. Sarah Keyton, Associate Commissioner for Administration

Ms. Nichole Bunker-Henderson, General Counsel

Funding and Resource Planning

Ms. Emily Cormier, Assistant Commissioner

The University of Houston

Ms. Diane Chase, Provost and Senior VC/VP, Academic Affairs

Mr. Joseph Curtin, Associate Provost, Institutional Research and Effectiveness

Dr. Susan Moreno, Executive Director, Institutional Research and Information Management

The University of Houston System Office

Mr. Tilman J. Fertitta, Chairman, UH System Board of Regents

Mr. Phillip Hurd, Chief Audit and Compliance Executive

Texas Association of Community Colleges

Dr. Ray Martinez, III, President and Chief Executive Officer

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Office of the Governor-Budget and Policy Division

Ms. Sarah Hicks, Budget and Policy Director

Legislative Budget Board

Mr. Christopher Mattsson, Assistant Director

Compliance Monitoring Corrective Action Status Report - January 2024

<u>Project</u>	<u>Issue date</u>	<u>Recommendation</u>	<u>Expected</u>	<u>Status</u>
Coastal Bend College (Perkins)	5/12/2022	Update Inventory Control Policy	Oct-23	Not Verified
Coastal Bend College (Perkins)	5/12/2022	Establish Centralized Inventory Control	Oct-23	Not Verified
South Plains College (TEOG)	9/19/2022	Update existing degree eligibility review	May-23	Completed, Not Verified
South Plains College (TEOG)	9/19/2022	Return \$3310 to THECB	May-23	Completed, Not Verified
Howard County Junior College (TEOG)	12/16/2022	Update TEOG Tuition Matching procedures	Dec-22	Not Verified
Howard County Junior College (TEOG)	12/16/2022	Corrective Plan to reimburse students	Sep-23	Not Verified
Wayland Baptist University (TEG)	12/16/2022	Update Selective Service review procedures	Dec-22	Not Verified
Wayland Baptist University (TEG)	12/16/2022	Return \$5130 to THECB	Dec-22	Completed, Not Verified
Austin Community College (FF)	5/1/2023	Update Information Security controls	Jun-23	Completed, Not Verified
Paul Quinn College (TEG)	9/15/2023	Update financial aid reporting procedures	Jul-24	Not Verified
Southwestern Christian College (TEG)	9/15/2023	Strengthen Information Security controls	Jun-24	Not Verified
Southwestern Christian College (TEG)	9/15/2023	Update financial aid reporting procedures	Feb-24	Not Verified
Southwestern Christian College (TEG)	9/15/2023	Update existing degree eligibility procedures	Oct-23	Not Verified
Southwestern Christian College (TEG)	9/15/2023	Return \$7800 to THECB	Oct-23	Not Verified
Jarvis Christian University	11/1/2023	Update TEG policies for disb/ cash mgmt	May-24	New

LEGEND	
New	Recommendation is newly reported.
Verified	Verified - Recommendation has been verified as implemented.
Completed, Not Verified	Completed, Not Verified - Recommendation has been completed but has not been tested and verified as implemented.
Not Verified	Not verified - Recommendation is in progress or pending verification.
Verified as not Implemented	Verified as not implemented - Verification determined that either no corrective action was taken, or the corrective action taken did not mitigate the identified risk.