

TEXAS HIGHER EDUCATION COORDINATING BOARD

**COMMITTEE ON AFFORDABILITY, ACCOUNTABILITY
AND PLANNING**

1200 EAST ANDERSON LANE, ROOM 1.170
AUSTIN, TEXAS
September 27, 2018
9:00 a.m.

CHAIR
S. Javaid Anwar

VICE CHAIR
Arcilia C. Acosta

Michael J. Plank
Donna N. Williams
Welcome W. Wilson
Michelle Q. Tran
Student Representative, Ex-Officio
Stuart W. Stedman,
Board Chair, Ex-Officio

AGENDA

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

- I. Welcome and Committee Chair's meeting overview
- II. Consideration of approval of the minutes from the June 20, 2018, meeting of the Committee on Affordability, Accountability and Planning
- III. Consideration of approval of the Consent Calendar
- IV. Public Testimony on Agenda Items Relating to the Committee on Affordability, Accountability and Planning
- V. Matters relating to the Committee on Affordability, Accountability and Planning
 - A. Consideration of adopting the staff's recommendation to the Committee relating to the five-year review of the Higher Education Fund (HEF) allocation
 - B. Data Highlight: The Changing Pipeline to Completion
 - C. Report on facilities projects that were submitted to the Coordinating Board
 - D. Consideration of adopting the staff recommendation to the Committee relating to the report on Student Financial Aid in Texas Higher Education, Fiscal Year 2017 (*General Appropriations Act, Senate Bill 1, Article III, page III-54, 85th Texas Legislature, Regular Session*)
 - E. Consideration of adopting the staff recommendation to the Committee relating to the approval of the nominated members of the Financial Aid Advisory Committee
 - F. Update on Emergency Aid Network Activities
- VI. Adjournment

Note: Highlighted items in gray are on the Consent Calendar

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

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

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

Committee on Affordability, Accountability and Planning

AGENDA ITEM I

Welcome and Committee Chair's meeting overview

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

Committee on Affordability, Accountability and Planning

AGENDA ITEM II

Consideration of approval of the minutes from the June 20, 2018, meeting of the Committee on Affordability, Accountability and Planning

RECOMMENDATION: Approval

TEXAS HIGHER EDUCATION COORDINATING BOARD

MINUTES

Committee on Affordability, Accountability and Planning

1200 East Anderson Lane, Room 1.170

Austin, Texas

June 20, 2018, 9:00 a.m.

DRAFT Minutes

The Texas Higher Education Coordinating Board Committee on Affordability, Accountability and Planning convened at 9:00 a.m. on *June 20, 2018*, with the following members present: S. Javaid Anwar, Chair, presiding; Arcilia C. Acosta, Vice Chair; Donna N. Williams; Welcome W. Wilson; and Stuart W. Stedman, Ex-Officio. Michael J. Plank and Michelle Tran, Student Representative, Ex-Officio, were not in attendance.

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

AGENDA ITEM	ACTION
I. Welcome and Committee Chair's meeting overview	Mr. S. Javaid Anwar called the meeting to order and advised that the meeting was being broadcast over the Internet.
II. Consideration of approval of the minutes from the March 21, 2018, Committee meeting	On motion by Ms. Donna N. Williams, seconded by Mr. Welcome W. Wilson, the Committee approved this item.
III. Consideration of approval of the Consent Calendar	Mr. S. Javaid Anwar stated the following items were on the Consent Calendar for consideration: Agenda Items V-F and V-G (1) through V-G (7) of the Proposed Rules. On motion by Mr. Welcome W. Wilson, seconded by Ms. Arcilia C. Acosta, the Committee approved the Consent Calendar.
IV. Public Testimony on Agenda Items Relating to the Committee on Affordability, Accountability and Planning	Mr. S. Javaid Anwar stated there was no public testimony.

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

A. Consideration of adopting the Commissioner's recommendation to the Committee relating to approval of the *60x30TX* progress report

Dr. Julie A. Eklund, Assistant Commissioner for Strategic Planning and Funding, presented an overview of the report. Dr. Eklund, Dr. Rex Peebles, Assistant Commissioner for Academic Quality and Workforce, and Mr. Jerel Booker, Assistant Commissioner for College Readiness and Success, were available to answer questions.

On motion by Mr. Welcome W. Wilson, seconded by Ms. Donna N. Williams, the Committee approved this item.

B. Consideration of adopting the staff recommendation to the Committee relating to the approval of the Energy Savings Performance Contract for West Texas A&M University.

Mr. Randy Rikel, Vice President for Business and Finance, West Texas A&M University, gave a brief project presentation and was available to answer questions pertaining to the project.

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

On motion by Ms. Arcilia C. Acosta, seconded by Ms. Donna N. Williams, the Committee approved this item.

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

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

No action required on this item.

D. Update on Preparations for the 86th Texas Legislative Session

Mr. John Wyatt, Director for External Relations, provided a brief presentation regarding interim activities in preparation for the legislative session and was available to answer questions.

No action required on this item.

E. Report Consideration of adopting the staff recommendation to the Committee relating to the report on the TEXAS Grant Program (*Senate Bill 28, 82nd Texas Legislature, Regular Session*)

Dr. Charles W. Puls, Deputy Assistant Commissioner for Student Financial Aid Services, provided a brief presentation and was available to answer questions about this report.

On motion by Ms. Arcilia C. Acosta, seconded by Mr. Welcome W. Wilson, the Committee approved this item.

F. Consideration of adopting the staff recommendation to the Committee relating to the appointment of a student representative to the Financial Aid Advisory Committee

This item was on the Consent Calendar.

G. Proposed Rules

(1) Consideration of adopting the Commissioner's recommendation to the Committee relating to the repeal of Chapter 21, Subchapter A, Sections 21.1, 21.3, 21.9, and 21.10 of the Board rules, concerning General Provisions

This item was on the Consent Calendar.

(2) Consideration of adopting the Commissioner's recommendation to the Committee relating to Chapter 22, Subchapter A, proposed new Sections 22.5-22.8 of Board rules, concerning General Provisions

This item was on the Consent Calendar.

(3) Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 22, Subchapter D, Sections 22.61-22.64, and proposed new Sections 22.66 of the Board rules, concerning the Texas Public Educational Grant Program (TPEG)

This item was on the Consent Calendar.

(4) Consideration of adopting the Commissioner's recommendation to the Committee relating to the repeal of Chapter 22, Subchapter J, Sections 22.181-22.188 of Board rules, concerning the Texas Career Opportunity Grant Program

This item was on the Consent Calendar.

(5) Consideration of adopting the Commissioner's recommendation to the Committee relating to the proposed repeal of Chapter 22, Subchapter F, Sections 22.113-22.116 and new Sections 22.13-22.115 of Board rules, concerning the Matching Scholarships to Retain Students in Texas Program

This item was on the Consent Calendar.

(6) Consideration of adopting the Commissioner's recommendation to the Committee relating to Chapter 22, Subchapter M, proposed new Section 22.265 of Board rules, concerning the Texas Educational Opportunity Grant Program

This item was on the Consent Calendar.

<p>(7) Consideration of adopting the Commissioner's recommendation to the Committee relating to moving Chapter 22, Subchapter W of Board rules, relating to the Good Neighbor Scholarship Program, to Chapter 21, Student Services, new Subchapter U</p>	<p>This item was on the Consent Calendar.</p>
<p>VII. Adjournment</p>	<p>The meeting adjourned at 10:20 a.m.</p>

Committee on Affordability, Accountability and Planning

AGENDA ITEM III

Consideration of approval of the Consent Calendar

RECOMMENDATION: Approval

Background Information:

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

Consent Calendar

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

- E. Consideration of adopting the staff recommendation to the Committee relating to the approval of the nominated members of the Financial Aid Advisory Committee

Committee on Affordability, Accountability and Planning

AGENDA ITEM IV

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

RECOMMENDATION: No action required

Background Information:

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

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-A

Consideration of adopting the staff's recommendation to the Committee relating to the five-year review of the Higher Education Fund (HEF) Allocation

RECOMMENDATION: Approval

Background Information:

The Texas Higher Education Coordinating Board is required by Texas Education Code, Section 62.022 to conduct a five-year review of the Higher Education Fund (HEF) allocation methodology to verify the equity of allocations and make recommendations for changes to funding levels. The results of this study will be provided to the Legislative Budget Board and the Texas Legislature.

As specified in statute and standard operating procedures, staff sought the full participation of all institutions eligible for HEF-distributions to serve on a stakeholder group to inform the study. A Webex meeting was held on August 2, 2018, and input was provided by all HEF-eligible institutions.

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

AGENDA ITEM V-B

Data Highlight: The Changing Pipeline to Completion

RECOMMENDATION: No action required

Background Information:

The first two goals of the *60x30TX* strategic plan for higher education in Texas – the 60x30 educated population and completion goals – are vital to the future of the state’s economy. This presentation will explore how these two goals relate to one another and clarify common misunderstandings. It will also include a closer look at one of the targets under the completion goal – increasing the number of completions among economically disadvantaged students in Texas higher education.

The 60x30 educated population and completion goals are distinct but interrelated measures of the educational strength of the state. The educated population goal aims for 60 percent of the population between ages 25 and 34 to hold a degree or certificate by 2030, while the completion goal aims to have at least 550,000 students complete a certificate, associate, bachelor’s, or master’s degree from a Texas institution of higher education in 2030. Increasing the number of students awarded degrees and certificates within the state each year will be a primary driver in achieving our 60x30 educated population goal, but it is not the only factor. A strong Texas economy is another driver, as it plays an important role in both fostering in-migration of educated workers from other states and countries and providing opportunities for young adults who earned credentials in Texas.

The number of credentials awarded to economically disadvantaged undergraduate students has nearly doubled over the last 10 years. Completions by this group now make up the majority of undergraduate completions in the state, making it a critical population for reaching the completion and educated population goals. The growing number of credentials earned by economically disadvantaged students is primarily due to an increased number of this category of students entering higher education in the state, but also reflects improving outcomes for this population. As these numbers continue to grow, it will be even more important to support this group in order to meet the target of 246,000 economically disadvantaged student completions in 2030. Success in achieving this target has the potential to raise workforce outcomes for economically disadvantaged completers, improving the overall quality of life for Texans and for their children.

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

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-C

Report on facilities projects that were submitted to the Coordinating Board

RECOMMENDATION: No action required

Background Information:

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

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

Reviewed Projects

Institution Project Name	Project Cost	Standard Met Yes/No			
		Space Usage	Space Need	Cost	Building Efficiency
The University of Texas System <i>Construct UT System Building</i>	\$142,100,000	NA ¹	NA ¹	No ²	No ²
University of Houston-Downtown (TRB) <i>Construct Science and Technology Building</i>	\$75,500,000	Yes	Yes	Yes	No ³
University of Houston-Clear Lake (TRB) <i>Construct Stem and Classroom Building</i>	\$65,700,000	Yes	Yes	Yes	Yes
University of Houston (TRB) <i>Construct New Academic Building at the University of Houston Sugar Land</i>	\$54,000,000	Yes	Yes	Yes	Yes
University of Houston System (TRB) <i>Construct New Katy Academic Building</i>	\$52,328,200	NA ¹	NA ¹	Yes	Yes
University of Houston-Clear Lake (TRB) <i>Construct Recreation and Wellness Center</i>	\$38,200,000	Yes	Yes	Yes	Yes
University of Houston-Clear Lake (TRB) <i>Construct Health Sciences and Classroom Building at Pearland</i>	\$24,624,000	Yes	Yes	Yes	No ⁴

1 Space Usage Efficiency (SUE) and Space Need are not calculated for university system projects.

2 This project does not meet the project standard for cost and parking efficiency for the parking structure only. This project does meet the standard for cost and building efficiency for the office portion of the project.

3 This project meets the building efficiency for the Science and Technology building but not for the North Plant (NP). The NP would be generally considered mechanical space and therefore would have no assignable space to contribute to the overall efficiency of the building.

4 This project contains 24,152 square feet of shelled space to be completed by the institution at a later date, once completed the building will meet standard with a 74 percent building efficiency.

Guidelines Used for Capital Project Reviews

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

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-D

Consideration of adopting the staff recommendation to the Committee relating to the report on Student Financial Aid in Texas Higher Education, Fiscal Year 2017 (General Appropriations Act, Senate Bill 1, Article III, page III-54, 85th Texas Legislature, Regular Session)

RECOMMENDATION: Approval

Background Information:

General Appropriations Act, Senate Bill 1, Article III, Section 25, 85th Texas Legislature, directs the Texas Higher Education Coordinating Board (THECB) to prepare an annual report concerning student financial aid at Texas public and independent institutions of higher education. Following Board adoption, the report will be forwarded to the Legislative Budget Board no later than November 1, 2018. The report provides a comprehensive analysis of the financial aid awarded to students in Texas.

Ms. Lesa Moller, Senior Director for Student Financial Aid Programs, will present an overview of the report and be available to answer questions.

Committee on Affordability, Accountability and Planning

AGENDA ITEM V-E

Consideration of adopting the staff recommendation to the Committee relating to the approval of the nominated members of the Financial Aid Advisory Committee

RECOMMENDATION: Appoint Members

Background Information:

Coordinating Board staff are requesting new member appointments for the Financial Aid Advisory Committee (FAAC). Board staff will seek confirmation of these appointments at the October 2018 Board meeting.

In accordance with Texas Education Code, Section 61.0776, and Texas Government Code, Section 2110.0012, the FAAC was created to make recommendations regarding the development, implementation, and evaluation of state financial aid programs for college students. To strengthen student access to higher education, the committee also advises the Board regarding strategies for communicating financial aid information to students, parents, secondary school counselors, and others.

The FAAC consists of individuals representing public and private institutions of higher education, public school counselors, and other stakeholders. All members of the advisory committee have student financial aid, admissions, or enrollment background experience. The FAAC meets quarterly, and most members serve for a term of three years.

The appointments are needed to replace outgoing members whose terms have expired and to expand representation within certain institutional sectors and geographic regions. Agency staff and the FAAC Chair, Vice Chair, and Past Chair reviewed the nominations submitted by institutional chancellors and presidents and other stakeholders. A list of the candidates recommended for appointment to the FAAC appears on the following page.

Ms. Lesa Moller, Senior Director for Student Financial Aid Programs, will be available to answer questions.

Recommended new members:

Delisa Falks, President
Texas Association of Student Financial Aid Administrators (TASFAA)
(Nominated for a one-year term as the TASFAA representative.)

Paul Galyean, Director of Financial Aid
Jacksonville College
(Term ending 2021)

Heidi Granger, Assistant Vice President, Student Financial Services
The University of Texas at El Paso
(Term ending 2021)

Charles (Ed) Kerestley, Director of Financial Aid
Angelo State University
(Term ending 2021)

Karen LaQuay, Director Financial Aid
Wayland Baptist University
(Term ending 2020, to serve the remainder of unexpired term due to Dana Mingo vacating her position on the committee)

Tam Nguyen, Financial Aid Counselor
University of North Texas Health Science Center
(Term ending 2021)

Kelly Prater, Director of Financial Aid
Amarillo College
(Term ending 2021)

Arnold Trejo, Executive Director, Financial Aid
Texas A&M University - Kingsville
(Term ending 2020, to serve the remainder of unexpired term due to Billy Satterfield vacating his position on the committee.)

Denise Welch, Director of Financial Aid
Panola College
(Term ending 2021)

Brent Williford, Dean Financial Aid and Scholarships
Blinn College
(Term ending 2020, to serve the remainder of unexpired term due to Peggy Watts vacating her position on the committee.)

AGENDA ITEM V-F

Update on the Activities of the Emergency Aid Network

RECOMMENDATION: No Action Required

Background Information:

The Emergency Aid Network (EA Net), charged with identifying strategies and promising practices that help promote processes for effective emergency aid and financial literacy programs in Texas, began meeting on a bi-monthly basis in June 2017. Since that time, the 42 EA Net members from student services, financial aid, and other departments at public higher education institutions across Texas have been meeting bi-monthly, either in person or virtually, and operating both as a learning community and as an advocacy group. During their regular meetings, EA Net members have been learning from one another's experiences, and from national and state experts, about approaches and best practices in campus-based emergency aid programs that have the potential to increase student graduation and persistence rates.

As the culmination of their work, the EA Net will hold the *Advocating for Emergency Aid Programs in Higher Education Convening* on September 10-11, 2018, in Austin and present promising and best practices and their recommendations. All institutions of higher education, as well as nonprofit organizations and stakeholders from across Texas, have been invited to attend and provide input on the final draft of the EA Net's final draft report. Institutional representatives will be encouraged to offer input into the EA Net's recommendations for emergency aid programs in Texas, as well as be informed about the opportunity to apply for future mini grants to improve or expand their existing emergency aid programs.

Supported with private funding and based on results from a survey sent to 178 institutions of higher education in Texas, the Texas Higher Education Coordinating Board invited 10 Texas public higher education institutions to participate in the EA Net, ensuring a diversity of representation by sector, system, and location. Four to five designated representatives from two- and four-year Texas higher education institutions with significant under-represented minority populations and existing emergency aid programs were recommended by the presidents of their institutions to participate as members of the EA Net.

Ms. Monique Lee Whitley, Project Coordinator for the EA Net, and Dr. Mary E. Smith, Assistant Deputy Commissioner for Planning and Policy, will present an update on the EA Net's activities and be available to answer questions.