

REPORT OF THE REVIEW PANEL
TEXAS HIGHER EDUCATION COORDINATING
BOARD

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Review Panel

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Background

The External Panel Review was initiated by Commissioner Don W. Brown who asked members "to review the responsibilities and procedures of the Texas Higher Education Coordinating Board and to recommend any changes that would increase the value it adds to Texas higher education's quality, access, efficiency, and responsiveness to state needs." The panel was asked to determine what the Coordinating Board should do, and what it should not do in the context of two dominant issues facing Texas:

- 1) How to provide real opportunities for all the people of the state to fully participate and succeed in higher education, and
- 2) How to meet the growing demand for higher education services over the next 10-15 years when state appropriations of general revenue are unlikely to increase at the same rate.

The Panel was asked to take a comprehensive view and recommend changes that it concluded were advisable, including statutory ones.

As a part of the review process, the Panel examined letters from various campuses containing perspectives on what the Coordinating Board should and should not be doing, Coordinating Board planning documents and other reports, Board agendas, and legislation outlining the Board's responsibilities. The Panel met with staff, representatives of universities and system offices, community colleges; technical colleges, independent colleges and universities, and health science centers; legislators and staff, the Governor; Texas business leaders who were former trustees; Coordinating Board members; and the Commissioner of Education. In all instances, the discussions were, forthright, candid, and enormously helpful to the Panel in developing the suggestions contained in this report. A summary of the discussions and the letters from campuses are in Attachment A. The Panel heard strong consensus that the CB is needed, but very different, and often conflicting, views on what the Coordinating Board should be doing and what it should not be doing.

SUGGESTED EMPHASIS AND CHANGES

As Texas considers the responsibilities and procedures of the Texas Higher Education Coordinating Board, the Panel encourages you to (1) build on strengths, (2) adopt a broad, long-term view that focuses on the most critical issues facing Texas and create a public agenda for higher education in Texas, and (3) reassign responsibilities or streamline the procedures for addressing other issues. We believe that the Board has an important role in determining a strong educational and economic destiny for Texas, and to accomplish these ends, some redirecting and fine-tuning of the Coordinating Board's responsibilities are necessary.

Build on Strengths

1. The Coordinating Board should build on its numerous strengths to help Texans prepare for a better future.

Comments: The Panel heard strong consensus that the Coordinating Board is needed in Texas. The Coordinating Board strengths include:

- *Statewide Perspective of Educational Needs.* A unique and essential Coordinating Board role is addressing the educational needs of the people of the whole state. When Governor Connally first met with the Coordinating Board thirty years ago, he observed, "Texas, the entire state, the youth of this state, is your constituency, and to that constituency you owe your loyalty and allegiance." Further, the "Board is given the power to add planning, imagination, and coordination to supplement the taxpayers' dollars in higher education." Governor Connally's powerful charge to the Coordinating Board was mentioned by persons in nearly every group with whom the Panel met, including one person who said "the Board seems to work best when it is an advocate for students and families."

In 1995, the Governor, Lieutenant Governor, and Speaker of the House underscored the importance of this statewide perspective when they issued a joint statement that the Coordinating Board must consider any changes or improvements to the state's higher education system. "Decisions about our institutions of higher education must be based on sound public policy and the best interests of Texas. These changes must no longer be considered in a piecemeal fashion, but must be carefully reviewed in the context of their impact on our entire higher education system ... It is time for the Coordinating Board to become the funnel for any and all recommendations which will be considered by the Legislature during the next session."

- *Statewide Perspective of Quality and Cost Effectiveness.* Pressures exist in every state, and particularly states with multiple governing board structures, for colleges and universities to expand program offerings and services. At the same time, no state can maintain quality and afford a college in every town or doctoral level instruction at every college. One campus observed that the Coordinating Board serves efficiently as a "brake upon the enthusiasms of the moment." Similarly, Governor Connally encouraged the Board to be cautious with program expansion which can result in duplication of effort and mediocrity.
- *Credibility.* The Coordinating Board has developed substantial credibility throughout Texas as evidenced by the reliance of political leaders on the Coordinating Board for information about higher education issues and legislation. Higher education leaders from the public and the independent colleges and universities also believe that the Coordinating Board's work is meaningful, and that overall relationships with the Board are good.

- *Track Record of Involving Higher Education in Decision-Making.* Several individuals commended the Coordinating Board for its efforts to seek advice from colleges and universities and for its cooperative spirit. Texas has a wealth of resources and talents in the public and independent higher education institutions, and the Board has been very successful in using this expertise through its forums and committee structures.
- *Track Record of Developing Effective Programs.* The Coordinating Board's role in establishing successful programs is evident with initiatives such as the Advanced Research Program and the Advanced Technology Program. Its leadership in addressing stewardship matters, such as deferred maintenance, is recognized in Texas and nationally.
- *Excellent Board/Staff Relationships.* The Board and staff have very positive relationships and work effectively as a team.

Adopt a Broad, Long-term View Focused on the Most Critical Issues and Create a Public Agenda for Higher Education in Texas

2. The Coordinating Board should adopt a broad, long-term view by identifying the three to five of the most critical higher education issues facing Texas and focusing its energies to bring about positive change in these areas. These issues become a new higher education public agenda and strategic vision for Texas.

Comments: While the Panel heard different views on where the Board should focus its energies, most people emphasized the importance of the Board adopting a broader perspective that focuses on big issues. A business leader observed that "there are a number of important challenges facing Texas higher education that are more important than whether an institution adds or remodels a building." "Looking ahead and setting new direction like a scout for the wagon train of the state" was a Board member perspective of the most consequential role. Setting new direction, or developing a "public agenda for higher education in Texas," and building public support for this public agenda are worthy responsibilities for the Board.

The Panel believes that the Board should invest its energies in identifying the three to five most critical, higher education issues affecting Texas' future. Concurrently, the Board should be proactive and engage the talents and resources of all public and independent institutions in actively, positively, and vigorously addressing these issues. The Board has identified a number of issues in its Master Plan for Texas Higher Education, and the Panel underscores the importance of Texas selecting only three to five areas to emphasize. Focusing on a few statewide initiatives that involve all of postsecondary education can make a significant difference. Examples of issues that surfaced in nearly all meetings were "Educate More Texans," "Provide Access to and Graduate More African-American and Hispanic Students," and "Help Public Schools Grow Stronger."

- 3. As a part of the public agenda for Texas higher education, the Coordinating Board and institutions should be accountable and develop ways to measure statewide and institutional progress to determine if strategies work. The Board should also connect the public agenda with funding in a way that encourages colleges and universities to succeed.**

Comments: To achieve success with its public agenda, the Coordinating Board must evaluate overall State progress as well as the progress and performance of various institutions' in achieving the hoped for results. How effective is higher education in pursuing these goals? What are the most effective ways of measuring and benchmarking progress? Are there core indicators of performance, e. g., statewide measures that could be useful in measuring progress? This approach shifts discussions and attention to services provided and goals achieved.

The Board's responsibilities in developing appropriations formulas and recommendations are fundamental, and they should be connected with the priorities in the public agenda for higher education in Texas by using financial incentives. For example, the Board could modify its current funding system to provide financial rewards for good or improved performance.

- 4. The Coordinating Board should create an understanding of and consensus around the public agenda by discussing these broad, long-term issues with all its constituencies. Consider:**

- a. Involving Regents and Trustees of the colleges and universities directly in the continuing work on the public agenda for Texas higher education**
- b. Involving Texas "public schools" leadership in dialog on substantial issues that connect schools and higher education**
- c. Involving legislative and gubernatorial leadership in establishing and promoting the public agenda for higher education**
- d. Making procedural changes to the Board's meeting activities, schedules and agendas that place central issues of the public agenda for Texas higher education before the Board every time that it meets**

Comments: Successfully addressing the big, long-term issues requires involvement of all constituencies and developing and reaching consensus about a public agenda for Texas higher education. Some specific suggestions include: joint meetings with governing board Regents and Trustees to better communicate and reach consensus on core issues and critical new directions; greater involvement of Regents and Trustees in activities, such as the formula review process where they could be involved as members of Committees or through a Policy Oversight Committee of Board members, Regents and Trustees guiding the efforts of the technical formula work groups; and providing leadership seminars for Regents and Trustees that relate state higher education priorities and campus actions.

The Panel consistently heard the need for higher education to take additional specific actions with public school leadership and that schools and colleges must work together to improve. While a good start has been made by creating a Public Education/Higher Education Coordinating Group, more is needed. Access to higher education does not begin at the freshman year of college, and a collective strategy involving all of postsecondary education is greatly needed to motivate students in the middle grades. Similarly, the most effective way to improve the quality of higher education in Texas is to improve the quality of the public schools, and the Panel encourages the Board to explore initiatives involving more outreach to the public schools and improving teacher education.

Legislative and gubernatorial support is required to achieve these important goals. A clear, concise statement of the public agenda for Texas higher education may be helpful for candid on-going discussions. Some states schedule periodic meetings (e.g., an annual retreat) where legislative leaders, for example, can meet and discuss: the public agenda/priorities of the Board, the rationale for this agenda, and progress made. More frequent contact with these leaders through Coordinating Board member activities during the legislative session could also build support.

Several procedural changes in how the Board itself does business may be necessary including: delegating responsibility to the Commissioner in additional areas, meetings as a Board more than four times a year, rethinking and downsizing Committee structure which now consists of more than ten committees. The Panel stresses the importance of agenda building: the Board's Meeting Agenda should be changed so that most of the discussions focus on major policy matters with these matters on the agenda of every Board meeting. Attention must also be given to extensive orientation for new Board members, perhaps over the course of their first year on the Board. Serving on the Coordinating Board is a major and complex responsibility, and it is difficult to imagine that a new member, no matter how talented or experienced, could serve most effectively without an ongoing orientation in the first year on the Board. Also, development activities for all Board members is crucial.

5. The Coordinating Board should have a well developed research and analytical office taking a broad view of the emerging issues and articulating policy options and their rationale.

Demographic, student, and other analyses that focus on broader issues and the larger picture must be undertaken to provide useful hard data to the Board and recommendations to the Legislature. The Coordinating Board is in a unique position to compile, analyze, and present these data. To implement this suggestion, the Board should replace antiquated structures and software, focus on timely release of up-to-date data and information, and assure that staff capacity is aligned with the analytical and policy development needs.

Streamline Activities

6. The Coordinating Board should engage in an extensive review of current statutory responsibilities and regulations for the purpose of delegating appropriate responsibilities to the Commissioner and assigning maximum flexibility for management functions to the governing boards who must be accountable for these decisions. Areas where streamlining is suggested include:

- a) Academic Mission And Program Review**
- b) Delivery of Courses and Academic Programs Using Technology**
- c) Facilities Management**
- d) Tuition, Fees, and Student Financial Aid**

Comments: The National Commission on the Cost of Higher Education recommended that all governments develop new approaches to academic regulation to ensure public accountability in ways that are less costly and more easily manageable. "It is time to replace the current command-and-control approach to academic regulation with an approach that emphasizes performance . . ."

The Panel reviewed the 90-plus "major" Coordinating Board responsibilities. Many of these current responsibilities focus on management, rather than academic issues, with most of the regulations mandated by the legislature. When compared with other states' programs, Texas tends to have more regulations and reporting. The Panel encourages the legislature and the Coordinating Board to reduce these regulations.

The following questions helped the Panel form suggestions for streamlining:

- *Does the regulatory activity address policy or management matters?* In general, we believe that management matters that do not have significant state fiscal implications are best left with governing boards and institutions.
- *Is the activity primarily of compelling statewide interest or of local interest?* In general, we believe that the Coordinating Board should focus on matters of statewide interest while governing boards and institutions should focus on matters of local interest.
- *Does the Coordinating Board review make a difference? Does it add value to Texas higher education's quality, access, efficiency, and responsiveness to state needs?* In general, we believe that the Coordinating Board should spend most of its time addressing matters that add value.

At the request of the Panel, Coordinating Board staff prepared an analysis of the various statutory requirements and categorized them into low, medium, and high priority. Also, colleges and universities provided a number of extremely helpful suggestions. These two items were helpful to the Panel, and can be useful to the Board as it assesses its

responsibilities. The Panel suggests that the Board consider delegating decisions that might generally be seen as routine to the Commissioner and his staff.

7. The Board should focus on institutional mission, academic program quality, unnecessary duplication, and accountability. It should streamline approval processes for academic and administrative departments, courses, certificates, most associate degrees, and the overall academic program review process.

Comments: The Coordinating Board role in approving missions and programs is central to a high quality education system. One legislator emphasized that approval of mission was essential, and that the Board should assure that the statements are distinctive reflecting the programmatic needs of Texas. The Coordinating Board's new program review process (for associate degree programs, baccalaureate and graduate degree levels) adds value and lessens "program/mission creep" and "empire building tendencies." The Coordinating Board should also consider using performance measures, evaluating the outputs of the programs, assessing the quality of all undergraduate degree programs, developing incentives for high program quality, and assuring ease of transfer from community colleges to four-year institutions.

The Panel suggests that the Coordinating Board review of structural administrative and academic organization changes and minor programmatic changes, such as renaming departments, making divisions into departments, or expanding the tracks of an authorized degree be eliminated. These matters can be effectively managed by the governing boards or through an administrative review process.

The Panel views course approval and approval of certificates and other programs below the associate degree level as local issues that should be approved by the governing boards, rather than the Coordinating Board, with appropriate accountability mechanisms established at the beginning of the process, not post facto. For example, if course approval is eliminated, then institutions could update the course inventory to reflect changes which could then be subject to an audit regarding adherence to guide lines.

8. The Board should encourage the use of technology and new innovative ways to deliver education while streamlining any approval processes for off-campus and distance courses.

Comment: Technology-based and distance education has become more market-driven, and is a "world-market." Consequently, territory and telecommunications cannot be effectively regulated. The Board should: coordinate the technology used in delivery by Texas institutions to assure its compatibility and utility throughout the State, develop processes and incentives that encourage and expedite the joint offering of courses and innovation in course delivery, and encourage faculty development. Given the cost and importance of technology, the Board could consider ways to ensure that investments in these assets are sustained. Similarly, the Board could initiate incentives for the use of technology to provide greater levels of access, efficiencies in delivery, and high quality services.

Given the market nature of technology-based education, the Board should review and streamline policies that interfere with market delivery and entrust decisions on requirements for residency, class contact hours, and library resources to governing boards. At the same time, upfront accountability measures should be developed to measure the quality, results, and cost effectiveness of these programs.

9. The Board should significantly streamline the approval processes for capital construction and focus on accountability guidelines.

Comment: Within the past several years, a number of changes have taken place in Texas that suggest the appropriateness of streamlining certain management regulatory functions in the facilities areas. The formula for funding facilities has been modified with funds allocated based on what space formulas say is needed, rather than actual square footage. The campuses have addressed the "deferred maintenance" issues raised by the Board.

We suggest that the Board consider adopting facilities utilization and building condition standards that assure the renewal of assets and address deferred maintenance. Institutions that can demonstrate that they meet these standards and have demonstrated technical expertise to manage capital construction. should be exempt from approval processes. This change represents a major shift in responsibilities, and some institutions may not have facilities planning offices staffed with architects, construction engineers, and planners. This "capability" factor must be addressed. Some states have decentralized the facilities construction and management function by establishing Construction Management Centers that are housed in the facilities planning offices of larger institutions.

If substantial decentralization is not feasible, we suggest that the Board make concrete changes to the approval process including:

- eliminating from the approval process new construction or renovations funded with locally earned funds, philanthropy, or other external fund sources; using a broader approach, such as approving each institution's master construction plan for the next two years in lieu of approving each individual project as long as a project does not change beyond a threshold (e.g., 15%);
- increasing dollar limits for major repair, renovation, land purchase, and new construction significantly.

10. The Board should develop overall policy directions for student financial aid and tuition and fees and streamline its student financial aid programs.

Comment: The Panel suggests that the Board evaluate Texas' tuition, fees, and student financial aid programs to determine what changes could be made to promote greater access. Would a "free market" approach with each governing board setting tuition and fee rates promote or inhibit access? Could some consolidation of student financial aid programs promote access? Also, the Panel suggests that the Board assess whether student aid programs can be decentralized or redesigned for more effective and easier administration.

Summary Comments

We were impressed with the professionalism, the forthrightness, and particularly, the commitment to education, of all we met. Texas is to be commended for its past efforts and significant accomplishments, and its new efforts to rethink what it is doing and what it should not be doing. It is the hope of the Panel that this report will be helpful to the Board, institutions, Governor, and State Legislature in setting future directions for higher education in Texas.

**SUMMARY OF QUESTIONS AND COMMENTS
FOR THE EXTERNAL REVIEW PANEL
TEXAS HIGHER EDUCATION COORDINATING BOARD**

Overarching Directions

What overarching, or global, recommendations should be made, e.g.:

- 1. What is the appropriate role for the Coordinating Board? Should the Coordinating Board be an advocate for higher education? Spokespeople for higher education? A research and planning operation? An initiator of policy or a developer of policy options?**

Feedback: The prevalent campus view is that the Coordinating Board should be an advocate and promote higher education. One institution said that the Coordinating Board should be an advocate, not only for institutions, but for students and the public. Another stated that "the Board seems to work best when it is an advocate for students and families." Although statutes frequently direct the Coordinating Board to "advocate" or "encourage" - the political perspective is that advocacy of institutions is not an appropriate role. Some legislative leadership believe that the Coordinating Board should have a well developed research and analytical office taking a broad view of the emerging policy issues and articulating policy options and their rationale for the legislature's consideration, but not taking a position in support of one option. Other legislative leadership believe that the Board should make specific recommendations on various policy issues. It was also suggested that the Coordinating Board focus on policy-setting and Statewide planning, in the broadest sense, by evaluating various institutions' performance, productivity, and results. Business leaders expressed the viewpoint that there should be more of a policy agenda with the Board advocating accountability, incentive funding and supporting programs that are in demand. Business leaders noted that while colleges don't like to be "judged," the Board should reward good performance and penalize poor performance in areas such as ensuring that faculty are up-to-date and ensuring high quality teacher education programs. Coordinating Board members saw accountability as a big issue with performance tied to funding in areas such as Teacher Test scores and TASP test scores.

- 2. What should the Coordinating Board be doing? Where should it focus its energies?**

Feedback: The Panel heard strong consensus that the Coordinating Board is needed, but different views on where to focus its energies. One political leader emphasized that the Board should spend more time on the "big picture." Several campuses felt that the Board and staff should focus with public and independent higher education on *coordination* of important statewide priorities, such as access, longitudinal tracking, student retention and demographic analyses, articulation among institutions, increasing minority participation, and technological, delivery systems, including distance education. One campus observed that the Coordinating Board should

concentrate resources on programs and research to provide useful hard data and recommendations to the Legislature on shaping Texas higher education for the next five years, e.g., how to accommodate dramatic enrollment growth using the resources of both the public and independent sectors (in areas such as South Texas), and enhance college retention and graduation rates. A political leader observed that the Coordinating Board should be concerned about: (1) service oriented economy; (2) shift to technology; and (3) demographics of the state.

Both staff and institutions emphasized the Coordinating Board's responsibility in assuring high quality educational programs and services in all sectors of postsecondary education. An institution emphasized the importance of assuring that minimum standards are met in curriculum, equipment and qualified faculty for initiating academic programs. In John Connally's charge to the coordinating board, he warned again the constant danger of mediocrity and said "The Board is given the power to add planning, imagination, and coordination to supplement the taxpayers' dollars in higher education ... Be spokesmen for higher education - lend encouragement, praise progress, support excellence, applaud imagination and initiative."

The Coordinating Board was sometimes described as a necessary "referee," or traffic cop, in its program and fiscal responsibilities. Coordination of statewide program efforts to avoid unnecessary duplication and costs was viewed as a major responsibility by campus and political leaders. One campus said that the Coordinating Board can serve efficiently as a "brake upon the enthusiasms of the moment." Another institution suggested that the Coordinating Board could facilitate cooperative educational programs between community colleges and TSTC. The Commission was also viewed as a responsible partner with the private sector.

Some observed that the Connally charge should remain in forefront of all of the Coordinating Board activities.

Some political leaders emphasized the need for a strong partnership between the Coordinating Board and the Department of Education including cooperation in coordinating the TASP test with the test needed to graduate from high school, involvement in education reform through the teacher preparation process, through partnerships with high schools to prepare students for the rigorous and lengthy curricula faced in academic programs, e.g., health education, and through initiating conversations about school-college issues. Business leaders felt that the Board should evaluate the quality of the teacher preparation programs. It was also noted that communication with Coordinating Board leadership and the Commissioner of K-12 has improved.

Several institutions encouraged the Coordinating Board to be a leader in advocating diversity in face of the challenges presented by Hopwood.

Some interviewees observed that the Board spends an inordinate amount of time reacting to institutional requests rather than initiating actions, such as evaluation of current program quality, placing a strong emphasis on mission, and taking a macro view. As an

example, the Coordinating Board could effectively take a leadership and proactive role in initiating student financial aid policy and programs.

It was suggested that the Coordinating Board combine forces with other Boards and sympathetic legislators in an effort to reduce the burden of unnecessary state regulations and create less paperwork, particularly duplicative work. A similar suggestion was to coordinate more effectively with SACS in areas such as institutional effectiveness with the Coordinating Board focusing its efforts on matters not already extensively monitored by other agencies such as SACS.

One institution observed that Coordinating Board can play a role in communicating the complexity of higher education, for example, the financing of academic health centers. Others observed that Coordinating Board should focus on activities that not one institution can do, e.g., compilation and analysis of demographic data and economic models.

Coordinating Board members saw the staff and its willingness to find ways to do things rather than find ways to not do them as one of the Board's strengths.

One panelist asked whether there should be a pre or post audit focus? Should the Coordinating Board create the policy discussion and accountability versus creating the solution?

3. What should the Coordinating Board not be doing?

Feedback: A prevalent theme was that certain oversight or regulatory functions, particularly in the academic program and facilities areas should be streamlined, or decentralized, to avoid excessive bureaucracy, micro-management, and delays in approvals. Many of the regulations are legislatively mandated, however, one legislator noted that the Coordinating Board has an over legislated mission with too many statutory directions, and the Board's mission should be streamlined. Institutions support reducing regulations, but it was observed that "regulation is part of the culture of Texas" and that the Coordinating Board may have to increase regulation because of the "complexity" of higher education. A business leader observed that "there are a number of important challenges facing Texas higher education that are more important than whether an institution adds or remodels a building." In particular, the demand for higher education and how Texas will fund that demand was identified as an extraordinary challenge. Coordinating Board members emphasized the importance of more evaluation and feedback to the Board particularly in terms of cost effectiveness and better service delivery, particularly in the academic arena.

One panelist asked if there are additional areas where the Board should delegate routine decisions to the Commissioner and staff, to facilitate expeditious review?

If the Panel recommends more local control, or decentralization, what are the implications for local boards or systems? What are effective ways to educate Board members? What accountability measures should be in place?

4. Should the Coordinating Board focus its energies on developing a widely understood and accepted strategic plan or vision? What would that vision look like?

Feedback: Several participants noted that having a college in your town is an economic development tool, and that the Coordinating Board has a critical role in assisting the legislature in making decision on establishing colleges. There was consensus that the Coordinating Board's authority to approve missions and programs should continue, but be streamlined. One legislator said that the college and university mission statements all "read the same," and the Board should assure that the statements are distinctive. Some legislative leadership believe that detailed five year planning is needed while others support a market driven approach. Several institutions indicated that the Coordinating Board should take leadership in comprehensive strategic planning. Although a strategic planning document exists, comments seemed to be referring to a different type of strategic plan - one that focuses on four to six major policy issues. One political leader emphasized the importance of strategic vision, with three to five goals and ways to measure progress in achieving them. Some political leaders observed that the Coordinating Board should go back to basics: missions; benchmarks, objectives.

One Coordinating Board member said that the Board serves as a scout for the wagon train of the state - looking out ahead and setting new direction. Similarly, a business leader observed that the Coordinating Board should keep the brightest beams on the major issues on the horizon. It was suggested that the vision should represent a "public agenda" for higher education with a theme of protecting quality and providing greater access, and that it should be used to build support for the various constituencies.

Academic Responsibilities

5. What are CB's essential responsibilities in the Academic Area? Does the panel desire to recommend streamlining or decentralizing some activities? What is the rationale for the changes? What accountability measures should be in place?

Feedback: A business leader observed that the Coordinating Board spends significant time on approving programs and much less time evaluating the outputs of the programs. Articulation and duplication were frequently mentioned in discussions. There was general agreement that the Coordinating Board's new program review process (for associate transfer programs, baccalaureate and graduate degree levels) adds value and lessens "program/mission creep" and "empire building tendencies." Some campuses and systems, however, see program review as their responsibility in concert with accreditation agencies. Several campuses suggested streamlining the processes, including:

- Eliminate review of administrative and academic organization of institutions (with a filing of organization charts and a directory for informational purposes);

- Consider handling structural and programmatic changes that have no cost implications for the state (e.g., renaming departments, turning divisions into departments, or expanding the tracks of an authorized degree), through an administrative review process, rather than bringing these issues to the Coordinating Board;
- Decentralize course approval and approval of certificates and other programs below the associate degree level to the governing boards;
- Let the market take care of program expansion;
- Eliminate course approval and update the course inventory to reflect changes which are then subject to an audit regarding adherence to guidelines;
- Reduce the amount of information required, e. g., minimize extensive needs analysis;
- Allow universities greater latitude to implement degree programs at outreach sites;
- Assign Higher Education Regional Councils more authority for final decisions.

One institution expressed the view that the Coordinating Board should assess the quality of all undergraduate degree programs, not just new ones. One legislator observed that the course approval should remain with the Coordinating Board to assure that there isn't duplication.

In other areas, campuses also saw a responsibilities for the Coordinating Board with the core curricula, and some believe that the Coordinating Board should assume an advocacy role on issues such as NAFTA retraining.

In the area of financing programs, it was suggested that the Coordinating Board establish a more direct link between the Legislative Budget Office to ensure the phase-in of state funding for new programs in years 3, 4, 5. A second suggestion was that institutions be given the flexibility to use any type of funds - state appropriated or otherwise - to develop and fund new programs (addresses concern that funding for new academic programs which must come from non-state monies places enormous limitations on smaller, growing institutions).

A panelist suggested that the responsibility for approval of various courses, certificates, and degrees be examined in terms of compelling state interest vs. local issue.

A panelist asked how can the Coordinating Board effectively approve degree programs and courses in less time?

One Panel member asked if policy/mission issues on Ph.D. programs be approved by the Coordinating Board and then have the quality issues relative to curriculum approved by the governing board?

- 6. What are the Coordinating Board's essential responsibilities in TASP? Does the panel desire to recommend streamlining or decentralize some activities?**

What is the rationale for the changes? What accountability measures should be in place? some activities? What is the rationale for the changes? What accountability measures should be in place?

Feedback: Several institutions suggested simplifying the rules and regulations governing TASP. It was observed that requiring the TASP test, transcripts, etc., during admissions often becomes difficult in initiating programs for business and industry; the colleges prefer to use the testing instruments, testing dates, sites, cut off scores and incentives most appropriate for each community; timeliness of TASP rules and alternative test decisions can create communications problems with students. Business leaders felt that the Board should deal with schools that perform poorly on TASP.

7. What are the Coordinating Board's essential responsibilities in Distance Education and using technology in instructions? Does the panel desire to recommend streamlining or decentralizing some activities? What is the rationale for the changes? What accountability measures should be in place?

Feedback: Several individuals emphasized that the Board should encourage the use of technology and new innovative ways to deliver education. Some campuses observed that the Coordinating Board should continue to coordinate off-campus long-distance learning programs and courses to assure that high standards; other campuses observed that institutions should have more flexibility in the delivery of off-campus and distance courses, with these activities becoming more market-driven so that territory and telecommunications cannot be regulated. Campuses suggested:

- Develop a Master Plan for distance education;
- Develop processes that encourage and expedite the joint offering of courses;
- Reexamine traditional academic quality measures. Requirements for residency, class contact hours, and library resources must be redefined because of new developments in technology, and delegate these decisions to governing boards;
- Coordinate technology used in delivery to assure its compatibility and utility throughout the State;
- Eliminate additional approval based on the method of delivery or location for colleges offering a course within the taxing district or service area;
- Have the same rules and procedures for lower as well as upper division courses;
- Replace annual plans with semester plans or more timely mechanisms;
- Review policies whereby established institutions have a partial veto on new courses or programs within their geographical areas;
- Disband the regional councils.

Funding for Operations and Tuition/Fees/Residency and Student Aid

8. *What are the Coordinating Board's essential responsibilities in the funding? Does the panel desire to recommend streamlining or decentralizing some activities? What is the rationale for the changes? What accountability measures should be in place?*

Feedback: The colleges and universities believe that developing a funding formula is an important role of the Coordinating Board although it was noted that it was difficult to make changes and that in the past year significant changes were implemented by the legislature. A few suggestions were made including:

- Tier universities according to mission and recognize that one formula may not be sufficient and fund each university according to mission and hold it accountable for its productivity;
- Be an open and strong advocate for improved funding for community colleges;
- For the space model and its relationship with the infrastructure support formula, give appropriate consideration to the unique mission of institutions, and complete an analysis by an independent consultant;
- Strengthen support for its successful research programs (Political and higher educational leadership believe that these programs work extremely well in design and results);
- Provide an appellate role for student residency issues with an on-line site;
- Decentralize or redesign of student aid programs for more effective and easier administration and modify the Texas Work-Study Program to be consistent with the Federal College Work-Study program;
- Consider changes to tuition and student financial aid to promote greater access;
- Establish a free market for tuition with each governing board setting its own rates.

The science and technology grant programs were viewed as strong, and it was suggested that they be expanded to include the humanities.

Facilities Approval Process

9. *What are Coordinating Board's essential responsibilities in the facilities area? Does the panel desire to recommend streamlining or decentralizing some activities? What is the rationale for the changes? What accountability measures should be in place?*

Feedback: Suggestions for streamlining the process for facilities approval include:

- With changes in the formula, the Coordinating Board's involvement could be eliminated;
- Buildings constructed with monies from external sources should be outside the purview of the Coordinating Board;
- For Health Education Health Components, new construction or renovations funded with locally earned funds, philanthropy, or revenue bonds should not require Coordinating Board approval (with a waiver from institution stating that no additional general revenues will be requested for operation of the facility);
- Approve each institution's master construction plan for the next two years in lieu of approving each individual project and add conditions that if a project changes beyond a 10% threshold or if funding sources change, then additional approval is necessary;
- Increase dollar limits for major repair, renovation, or new construction - One campus recommended \$600,00 for new construction (from \$300,000) and \$1 million for major repair and renovation (from \$600,000),

- The Coordinating Board should continue to scrutinize renovation and rehabilitation of buildings and insist that deferred maintenance be addressed before new buildings are approved;

- Review procedures for land purchases (Within existing legislation, allow institutions to proceed with purchases up to \$200,000 per purchase, and purchase land within an approved Master Plan without further authorization);
- Develop facilities standards and facility financing manual and reduce campus planning staff time and travel.

Reporting

10. What are Coordinating Board's essential responsibilities in the reporting area? Does the panel desire to recommend streamlining or decentralizing some activities? What is the rationale for the changes?

Feedback: Suggested changes:

- Include clear definitions of all variables in reporting manuals, and revise and reissue manuals annually, with changes clearly identified, make manuals more accessible to staff, both in print and electronically, review standardize definitions regularly for consistency, meaning, usefulness and accuracy;
- Be flexible with mid-year updates of course inventories, increase the number of categories of courses that can be retained when untaught, especially instruction courses;
- Provide access to institutions to their own on-line inventories (approved off-campus courses, distance learning courses, degree programs);
- Simplify process and make them more flexible to meet changing customer needs, e.g., reporting annual student and class report in lieu of multiple reports;
- Combine distance learning and other course data bases;
- Eliminate paperwork by using exception reporting, rather than reproducing entire data bases each year, e.g., out of district course reports;
- Prepare higher education performance measure reports for the Legislative Budget Board, submitting them simultaneously to institutions for review (esp., State Board of Nursing, State Board of Engineering, and the Texas Education Agency) and ensure that data collected from institutions coincides with similar data required by the Legislative Budget Board/Legislature Performance Measure reporting;
- Limit reporting to essential issues and collaborate with other state agencies to minimize duplication of effort;
- Release more up-to-date data and information;
- Convene Institutional Research practitioners to conduct a sunset review of data collection in light of its applicability and reliability;
- Coordinate more with institutional planning offices, with Coordinating Board training programs held more frequently, with more in-depth program content;
- Develop a closer relationship with SACS and use information formats and requirements similar if not congruent with SACS;
- Use electronic communication systems more for data collection and distribution;

- Insure that data on the web is accessible and useful and place on the web a comprehensive list of all reports and databases;
- Replace antiquated structures and software.

Other Areas

11. What are ways that the Coordinating Board can insure good communications with all its constituencies?

Legislative and gubernatorial leadership have become more reliant on the Coordinating Board for information about higher education issues and legislation. One person emphasized the importance of the Coordinating Board developing good relationships with all substantive legislative committee members, and another suggested that more visibility of Board members during the legislative session could increase the perception of Coordinating Board's advocacy role.

Several individuals commended the Coordinating Board for its efforts in seeking campus feedback. It was noted that the Coordinating Board should continue to use institutional expertise, that the efforts of Blue Ribbon committees are important, and that gathering input from the field on policy issues is a good practice.

It was also suggested that the Coordinating Board consider special joint meetings with governing board Trustees and Regents to better communicate and reach consensus on core issues and critical new directions. The Coordinating Board should also consider greater involvement of Regents and Trustees in other activities. For example, they could be involved in the formula review process as members of Committees or through a Policy Oversight Committee guiding the efforts of the technical formula work groups. It was observed that providing continuing education for Regents/Trustees could be an important role for the Board. Some suggested that it may be necessary for the Coordinating Board to meet more frequently given its breadth of responsibilities.

Other suggestions include:

- Increase use of electronic networks to replace as many meetings as possible.
- Encourage the practice of staff visits to colleges.
- Develop a Coordinating Board listserve, where various questions can be posed and resolved, or for a discussion forum about the Coordinating Board in general.
- Schedule time for the Board to discuss macro issues.
- Establish an advisory committee composed of one representative from each of the various organizations - TACC, TACRAO, University Presidents' Association, etc.
- Ask the HEPAC to make recommendations directly to the Commissioner.