

**General Academic Institutions Formula
Advisory Committee (GAIFAC)
FY 2020-2021 Biennial Appropriations
Report on the Commissioner's Charges**

January 10, 2018

The General Academic Institutions Formula Advisory Committee (GAIFAC), organized in August 2017 (Attachment A), met to address the charges identified by the Commissioner relating to formula funding for the 2020-2021 biennium (Attachment B). The GAIFAC met on the following days: August 31, September 20, October 19, and November 8, 2017.

Charge 1:

Study and make recommendations for the appropriate funding levels for the operations support and space support formulas and the percent split between the "utilities" and "operations and maintenance" (O&M) components of the space support formula. (TEC, Section 61.059 (b))

Recommendation:

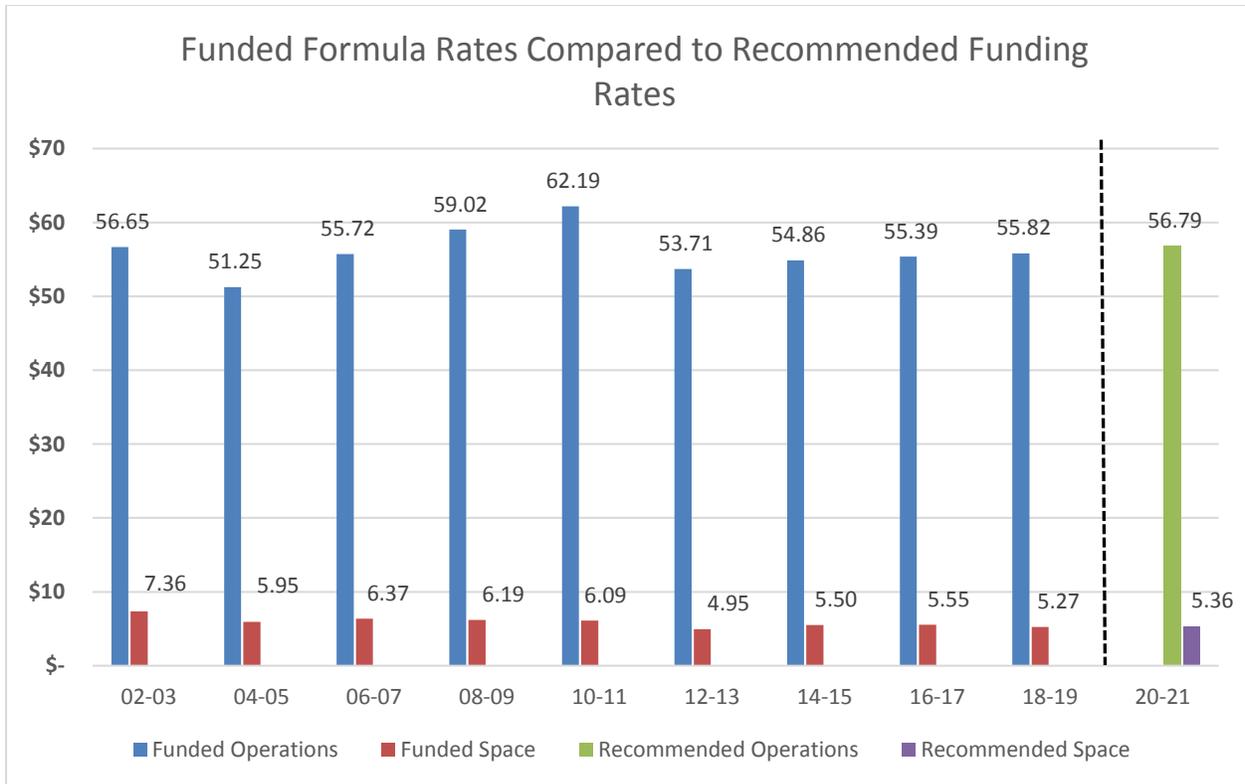
Recognizing the current fiscal realities and challenges in the state, the GAIFAC is recommending a reasonable increase based on the funding levels appropriated for the 2018-19 biennium plus inflation and growth. These increases are vital if Texas is to increase student completions at the rate required to reach the goals of *60x30TX*, the state plan for Texas Higher Education. Institutions will see increasing costs in order to retain and graduate the increased numbers of economically disadvantaged and first-generation college students that will comprise a large portion of the required gains.

The GAIFAC recommends the Legislature fund growth and inflation for the 2020-2021 biennium. Using an inflationary rate of 1.7%, a growth rate of 2.6% in weighted semester credit hours (WSCH), and a projected increase of 5.0% in predicted square feet, formula funding for the 2020-2021 biennium would be \$4,971 million; this represents an increase of \$219 million (4.6%). The committee believes this increase is necessary to move toward the goals of *60X30TX*, while preserving the quality of higher education. Regarding each portion of the formula:

- Fund the Operations Support formula and Teaching Experience Supplement at a rate of \$56.79 per WSCH for the 2020-21 biennium.
 - ❖ This rate would fund the Operations Support formula and Teaching Experience Supplement at approximately \$4,178 million, an increase of \$175 million or 4.4 percent;
 - ❖ The recommended rate would increase \$0.97, or 1.7 percent, to account for inflation, compared to the \$55.82 rate funded for the 2018-19 biennium;
 - ❖ The overall funding level assumes a 2.6 percent increase for growth in WSCH between the 2016 and 2018 base years using the recommended rate of \$56.79 per WSCH;
 - ❖ The recommendations would allocate available funding using a relative weight matrix based on the three-year average of expense per semester credit hour to include fiscal years 2016, 2017, and 2018.

- Fund the Space Support formula at a rate of \$5.36 per square foot for the 2020-21 biennium.
 - ❖ This rate would fund the Space Support formula at \$776 million, an increase of \$45 million or 6.1 percent;
 - ❖ The recommended rate would increase \$0.09, or 1.7 percent, to account for inflation, compared to the \$5.27 rate funded for the 2018-19 biennium;
 - ❖ The rate assumes a 5.0 percent increase for growth in square feet between fall 2016 and 2018;
 - ❖ Split the recommended space support rate between “utilities” and “operations and maintenance” components using FY 2018 utility rates, update the utility rate adjustment factors using the FY 2018 utilities expenditures, and allocate the space support formula using the fall 2018 space model predicted square feet.
 - ❖ Fund the Small Institution Supplement for the 2020-21 biennium at a rate of \$750,000 annually for institutions with fewer than 5,000 headcount and incrementally reduce this supplement as institutions’ headcount approaches 10,000. This rate funds the supplement at a level of approximately \$16 million, which would be a decrease of approximately \$600,000, or 3.9 percent, compared to the \$16.7 million appropriated for the 2018-19 biennium.

As shown by the graph on the next page, the committee’s recommended increases are in line with previous increases provided by the Legislature. For context, it should be noted that these rates are much less than the rates that would be required to restore the 2010-11 rates plus inflation. For example, if the Legislature were to fund Operations Support for the 2020-21 biennium at the 2010-11 rate plus inflation, the rate would be \$71.43; \$14.64 more per weighted semester credit hour than the committee’s requested rate of \$56.79.



The committee recommends that the estimated funding levels above, which are based on projected growth, be updated when institutions submit enrollment data for the base period.

It was noted by the committee at its first meeting that compression in the formula matrix had caused WSCH to grow at a lower rate than SCH. A workgroup appointed by the committee began to look at the expenditure study data, which affects the matrix, but it was not able to complete its analysis, because of the complexity of the issue and the limited time available for it to complete its work. The committee recommends that the workgroup continue its study so it can inform the next formula advisory committee.

Charge 2:

Study and make recommendations for the appropriate funding level for, and for the refinement of, the graduation bonus formula. (TEC, Section 61.0593)

Recommendation:

For Texas to reach the completion goal of 550,000 by 2030, more low-income students and more students who aren't college ready will need to graduate. These students require more services, such as advising and tutoring, but the current formulas don't account for these additional costs. The committee recommends a new graduation bonus formula to help fund these services. Believing this new formula is important, but also recognizing current fiscal realities, the committee recommends that funding for the graduation bonus be phased in over two biennia. This phase in would be accomplished by delaying initial funding until the second year of the 2020-21 biennium and then continuing funding at the FY 2021 rates for both years of the 2022-23 biennium. The recommended rates are \$500 for bachelor's degrees awarded to

students who are not at risk and \$1,000 for bachelor's degrees awarded to students who are at risk. Funding for the 2020-21 biennium would be approximately \$80 million in the second year of the biennium (2021); funding for the 2022-23 biennium would be \$80 million each year. This new formula would support advising, tutoring, and the other interventions many students need to earn a degree. Funding for at-risk students is recommended at a higher rate because these students require more services, and these extra services are not accounted for in the operations support formula. Funding would be based on a three-year average.

For the purpose of this model, an at-risk student is someone who is eligible to receive a Pell grant or whose SAT or ACT score was below the national average for the year taken.

The first priority is to fully fund the operations support formula in support of basic operations; funding for the graduation bonus is outside and separate from the operations formula and is intended to fund degree completion initiatives in support of the state's *60x30TX* goals.

Charge 3:

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

Recommendation:

- Fund competency-based education courses (not modules) using the existing formula calculation and updated expenditure-based weights for the 2020-21 biennium.
 - ❖ Institutions offering competency-based courses should report hours to the Coordinating Board once the institution has an indication that the student has begun engaging with the course materials;
 - ❖ Competency-based education courses may only be reported for funding if they are linked to coursework in the Academic Course Guide Manual (ACGM), Workforce Education Course Manual (WECM), or the University Course Inventory.
- Institutions that are interested in formula funding for prior learning assessments are encouraged to track these expenses and to provide this data to the THECB, so it can inform the next formula advisory committee as it makes funding recommendations. The THECB should provide a template to institutions tracking these costs, and it should provide a template for tracking startup costs for CBE programs.

Attachment A
General Academic Institutions Formula Advisory Committee Roster

Name	Institution
Mr. Edward T. Hugetz (Chair) (2018) Interim Senior VP for Academic Affairs & Provost	University of Houston-Downtown 1 Main Street Houston, TX 77002
Ms. Kathryn Funk-Baxter (Vice Chair) (2022) Vice President for Business Affairs	The University of Texas at San Antonio, One UTSA Circle, San Antonio TX 78249
Mr. Bob Brown (2022) VP for Finance & Administration	University of North Texas 1501 W. Chestnut St., Suite 206 Denton, Texas 76201
Ms. Susan Brown (2018) Assistant VP for Strategic Analysis & Institutional Reporting	The University of Texas - Rio Grande Valley, 1201 West University Dr. Edinburg, TX 78539
Mr. John Davidson (2022) Associate VP – Budget, Planning & Analysis	The University of Texas at Arlington 219 West Main St. Arlington, TX 76019
Dr. Danny Gallant (2022) VP for Finance & Administration	Stephen F. Austin State University P.O. Box 6108, SFA Station Nacogdoches, TX 75962
Dr. Dana G. Hoyt (2018) President	Sam Houston State University Box 2027 Huntsville, TX 77341
Dr. Harrison Keller (2020) Vice Provost for Higher Ed Policy & Research	The University of Texas at Austin 1 University Station G1000 Austin, TX 78712
Mr. Raaj Kurapati (2022) VP for Finance & CFO	Texas A&M University-Kingsville 700 University Blvd. MSC 144 Kingsville, TX 78363
Dr. James Marquart (2020) Provost and Vice President Academic Affairs	Lamar University PO Box 10002 Beaumont, TX 77710
Dr. Karen Murray (2020) Executive Vice President of Academic Affairs & Provost	Tarleton State University 1333 West Washington Stephenville, TX 76402
Dr. Paula M. Short (2018) Senior Vice President for Academic Affairs & Provost	University of Houston 4302 University Dr., Room 204 S2019 Houston, TX 77204
Ms. Noel Sloan (2020) Chief Financial Officer & Vice President of Administration & Finance	Texas Tech University 2500 Broadway Lubbock, TX 79409
Dr. Jerry R. Strawser (2020) Executive VP of Finance & Administration & CFO	Texas A&M University 1181 TAMU College Station, TX 77843
Ms. Angie W. Wright (2020) Vice President for Finance & Administration	Angelo State University 2601 West Ave N San Angelo, TX 76903

Attachment B
**Commissioner's Charge to the General Academic Institutions Formula Advisory
Committee (GAIFAC) for the 2020-2021 Biennial Appropriations**

Background

The GAIFAC addresses the operations and space support formulas as well as the small institution and teaching experience supplements. The general academic institution formulas were introduced in Texas in the mid-1960s, reworked during the 1998-1999 biennium, and first fully funded with an expenditure-based relative weight matrix in the 2010-2011 biennium.

The operations support formula allocates funds on weighted semester credit hours (WSCH) in support of faculty salaries, departmental operating expenses, library, instructional administration, research enhancement, student services, and institutional support. The formula operations support formula and teaching experience supplement allocated 84 percent of the total formula funding at a rate of \$55.82 per WSCH for the 2018-2019 biennium. The teaching experience supplement incentivizes the use of tenured and tenure-track faculty in undergraduate courses and allocated 2018-2019 biennium funds with a 10 percent bonus of WSCH.

The space support formula, which includes educational and general space support and a small institution supplement, allocates funds on predicted square feet (an estimate of the space needed based on activity) in support of plant-related and utility expenses. The space support formula allocated 16 percent of the total formula funding at a rate of \$5.27 per predicted square foot for the 2018-2019 biennium. The small institution supplement distributes additional resources on headcount for the reduced economies of scale associated with operating small institutions. The 2018-2019 biennium allocated \$1.5 million to each institution with fewer than 5,000 headcount. This amount is gradually reduced as the institution approaches 10,000 headcount.

Commissioner's Charges

The GAIFAC, conducted in an open and public forum, is charged with proposing a set of formulas that provide the appropriate funding levels and financial incentives necessary to best achieve the four major goals of *60x30TX* plan. A preliminary written report of its activities and recommendations is due to the Commissioner by December 7, 2017, and a final written report by February 2, 2018. The GAIFAC's specific charges are to:

1. Study and make recommendations for the appropriate funding levels for the operations support and space support formulas and the percent split between the "utilities" and "operations and maintenance" (O&M) components of the space support formula. (TEC, Section 61.059 (b))
2. Study and make recommendations for the appropriate funding level for, and for the refinement of, the graduation bonus formula. (TEC, Section 61.0593)
3. Study and make recommendations on the treatment of competency-based courses in formula allocations.

**Attachment C
Meeting Minutes**

**Meeting of the General Academic Institutions Formula Advisory Committee
Texas Higher Education Coordinating Board
Board Room, First Floor
1200 East Anderson Lane, Austin
Thursday, August 31, 2017
1:24 p.m.**

Minutes

Attendees: Mr. Edward T. Hugetz (Chair), Ms. Kathryn Funk-Baxter (Vice Chair), Mr. Bob Brown, Ms. Susan Brown, Mr. John Davidson, Dr. Dana G. Hoyt, Dr. Danny Gallant, Dr. Harrison Keller, Dr. Karen Murray, Dr. Paula M. Short, Ms. Noel Sloan, Dr. Jerry Strawser, and Ms. Angie W. Wright

Absent: Dr. James Marquart, Mr. Raaj Kurapati

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

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

- i. The chair requested committee members be prepared to take up this charge during the September meeting and Dr. Eklund agreed to provide additional information on Competency-Based Education (CBE).
- 6. The committee considered future meeting dates.
 - a. The committee will meet on September 20, November 8, December 6, and January 10 (if needed) at 1:00 p.m. The chair requested that staff poll the committee by email for availability of the October meeting to determine if October 11 or October 19 worked for the majority of committee members, and whether a morning versus afternoon meeting was preferred.
- 7. The meeting was adjourned at 2:26 p.m. until September 20, 2017 at 1:00 p.m.

**Meeting of the General Academic Institutions Formula Advisory Committee
Texas Higher Education Coordinating Board
Board Room, First Floor
1200 East Anderson Lane, Austin
Wednesday, September 20, 2017
1:00 p.m.**

Minutes

Attendees: Mr. Edward T. Hugetz (Chair), Ms. Kathryn Funk-Baxter (Vice Chair), Ms. Susan Brown, Mr. John Davidson, Dr. Danny Gallant, Mr. Raaj Kurapati, Dr. Karen Murray, Dr. Paula M. Short, Ms. Noel Sloan, Dr. Jerry Strawser, and Ms. Angie W. Wright

Absent: Mr. Bob Brown, Dr. Dana G. Hoyt, Dr. Harrison Keller, and Dr. James Marquart

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

1. The meeting was called to order at 1:02 p.m.
2. The minutes from the meeting on August 31, 2017, were reviewed and amended to show that Mr. Bob Brown, Ms. Susan Brown, Mr. John Davidson, Dr. Danny Gallant, and Dr. Jerry Strawser were in attendance. The minutes were unanimously approved by nomination from Dr. Gallant with a second from Dr. Strawser.
3. The committee discussed, reviewed, and considered the Commissioner's 2020-2021 biennium charges.
 - a. To inform discussion on Charge 1, relating to the funding levels, Dr. Eklund provided a presentation on THECB's strategic plan, *60X30TX*.
 - i. Dr. Hugetz acknowledged the complexity of higher education funding in Texas with its various sources and interdependences. The committee inquired why research was not specifically mentioned in the plan. Dr. Gardner clarified that research, as well as many other institutional initiatives, are critical, even though not specifically mentioned in the plan. *60X30TX* builds upon the foundation set by *Closing the Gaps* which included a research goal and strategies to promote research, many of which were adopted by the state.
 - b. Also related to Charge 1, Dr. Eklund presented an overview of the GAI Expenditure Study and its calculation methodology.
 - i. There was discussion about the variability in the relative weights. After review and further discussion, Dr. Hugetz proposed that a working group be formed to explore what may be causing fluctuations in the weights over time. Volunteers for the workgroup include Mr. Hugetz, Ms. Funk-Baxter, Ms. Brown, Dr. Gallant, Dr. Short, Ms. Sloan, and Dr. Strawser. After an inquiry by Mr. Kurapati, Dr. Hugetz noted that anyone on the FAC could attend the workgroup meetings, should they choose to do so, even if not officially named to the work group.

- c. Related to Charge 2, Mr. David Young presented on the Graduation Bonus formula.
 - i. Dr. Gallant asked if the committee could consider student's first generation designation as part of the graduation bonus measure. Dr. Eklund shared that this is a challenge because this data is self-reported, the field is optional (so some students choose not to report), and many report it as "Unknown". Mr. Young noted that the two criteria used for the graduation bonus as it is currently envisioned do cover approximately 96% of the at-risk population, as defined by the federal government.
 - d. Review of Charge 3, regarding competency-based education (CBE), began with a presentation by Dr. Eklund.
 - i. Dr. Eklund commented on the growth of CBE in Texas, the current methodology of funding these programs, challenges of funding non-course based programs, and funding considerations.
 - ii. Ms. Brown asked if there were any Texas pilot institutions considering non-course-based CBE (not linked to SCH). Dr. Eklund said Dr. Jennifer Nailos, a Program Director in the Academic Quality and Workforce division, could provide more information at the October meeting.
 - iii. The committee asked about any additional data the Board had on CBE completions. Dr. Eklund volunteered to share information we have from TAMU-Commerce but noted that the program is not growing as fast as the institution had projected.
4. The committee discussed action items for the October meeting:
- a. The committee would like for staff to provide data on the percentage split between Utilities and Operations and Maintenance (O&M) funding.
 - b. Staff will send out proposed dates for a remote, WebEx meeting for the Expenditure Study working group to meet before the October 19th meeting.
 - c. Mr. Hugetz suggested that the committee consider the inclusion of the graduation bonus as part of the formula funding level recommendation. The committee should be prepared to discuss this item further in October.
 - d. The chair requested that staff prepare funding level projections based on growth and inflation for the October meeting.
5. A motion for adjournment was made by Ms. Brown, seconded by Dr. Gallant, and the committee unanimously approved. The meeting adjourned at 2:55 p.m. until October 19th, 2017 at 1:00 p.m.

**Meeting of the General Academic Institutions Formula Advisory Committee
Texas Higher Education Coordinating Board
Board Room, First Floor
1200 East Anderson Lane, Austin
Thursday, October 19, 2017
1:00 p.m.**

Minutes

Attendees: Mr. Edward T. Hugetz (Chair), Mr. Bob Brown, Ms. Susan Brown, Mr. John Davidson, Dr. Danny Gallant, Dr. Dana G. Hoyt, Dr. Harrison Keller, Ms. Noel Sloan, and Ms. Angie W. Wright

Absent: Ms. Kathryn Funk-Baxter (Vice Chair), Mr. Raaj Kurapati, Dr. James Marquart, Dr. Karen Murray, Dr. Paula M. Short, and Dr. Jerry Strawser

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

1. The meeting was called to order at 1:00 p.m.
2. The minutes from the meeting on September 20, 2017, were unanimously approved with a motion by Dr. Gallant and a second by Mr. Davidson.
3. The committee considered the Commissioner's 2020-2021 biennium charges.
 - a. Related to Charge 3, Dr. Jennifer Nailos provided a presentation regarding competency-based education (CBE).
 - i. Mr. Hugetz asked Dr. Nailos to summarize what the committee might consider in its recommendation. Dr. Nailos suggested developing funding recommendations for each type of CBE program, since the programs vary across the state.
 - ii. Dr. Eklund shared that the new reporting requirements for CBE data this semester will allow these courses to be funded if the student has engaged in the coursework by the 12th day of class.
 - iii. Dr. Gardner said that in addition to thinking about funding current CBE programs, we also need to think long term. For example, if more institutions start doing prior learning assessments (PLA), how should they be compensated for the costs associated with those assessments?
 - iv. Mr. Brown questioned whether CBE was different enough from other instructional modalities to warrant a different methodology in funding. Several committee members agreed that the state should consider funding CBE the same way it funds other course-based delivery methods. The committee also supported the recommendation that institutions doing a significant amount of PLA should start tracking their costs, so the committee could take a closer look at funding PLA in two years.

- v. The committee requested that staff draft a recommendation for review at the November meeting.
- b. Related to Charge 2, the committee reviewed information on the graduation bonus methodology and the calculated values of the bonus based on the number of degrees awarded in FY 2014-2016.
 - i. There was consensus among the committee in support for the graduation bonus as it is simple and rewards success. Discussion revolved around whether the committee should advocate to include the bonus as part of base formula funding or to have it funded separately. The committee agreed that leaving the bonus separate would communicate the importance of rewarding success on its own, and it would recognize the need for stability in base funding.
 - ii. Dr. Keller shared the idea of using progress toward degree as a metric that would provide an intermediate measure of success. Several committee members said their institutions are not able to standardize the use of this metric at this time.
 - iii. While the committee supported the goal of funding the graduation bonus at \$500 per bachelor's degree and \$1,000 per bachelor's degree for at-risk students, it decided that the best approach would be to ask for adoption of the bonus incrementally, at 50% of the total for the FY 2020-21 biennium, and advocating for the eventual adoption of 100% of bonus level funding.
 - iv. The committee requested that staff draft a recommendation for review at the November meeting.
- c. The committee discussed the following items related to Charge 1:
 - i. Utility to O&M Split - The committee reviewed data provided by staff on the Utilities to O&M split in the Space Support formula.
 - ii. Funding Level - Mr. Keaton explained the calculations for growth and inflation in the funding level projections for the FY 2020-21 biennium.
 - 1. The committee agreed to request funding for inflation and growth in projected enrollments.
 - 2. Mr. Young explained that last biennium, the committee had recommended funding rates, meaning that when the base year data is available, there will be changes to the total recommended funding level. The committee supported this approach.
 - 3. The committee requested that staff draft a recommendation for review at the November meeting.

- iii. Expenditure Study Workgroup – Ms. Brown, Chair of the expenditure study workgroup, shared information on the progress of the group. She said they are still looking at data to better understand the compression that has taken place in the matrix. It was recommended that the workgroup continue to meet after the GAIFAC concludes its work.
4. A motion for adjournment was made by Ms. Brown, seconded by Dr. Keller, and the committee unanimously approved. The meeting adjourned at 2:48 p.m. The GAIFAC will conduct its next meeting on Wednesday, November 8, 2017, at 1:00 p.m.

**Meeting of the General Academic Institutions Formula Advisory Committee
Texas Higher Education Coordinating Board
Board Room, First Floor
1200 East Anderson Lane, Austin
Wednesday, November 8, 2017
1:00 p.m.**

Minutes

Attendees: Mr. Edward T. Hugetz (Chair), Ms. Kathryn Funk-Baxter (Vice Chair), Mr. Bob Brown, Ms. Susan Brown, Mr. John Davidson, Dr. Dana G. Hoyt, Mr. Raaj Kurapati, Dr. Karen Murray, Ms. Noel Sloan, Dr. Jerry Strawser, and Ms. Angie W. Wright

Absent: Dr. Danny Gallant, Dr. Harrison Keller, Dr. James Marquart, and Dr. Paula M. Short

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

8. The meeting was called to order at 1:00 p.m.
9. The minutes from the meeting on October 19, 2017, were unanimously approved with a motion by Dr. Hoyt and a second by Ms. Brown.
10. The committee considered the Commissioner's 2020-2021 biennium charges.
 - a. The committee discussed a draft recommendation on Charge 1 that advocated for funding increases needed to meet projections of a 2.6% growth in weighted semester credit hours, a 5.0% increase in predicted square feet, and a 1.7% increase for inflation. The draft also addresses the work started by the Expenditure Study workgroup and recommends the continuation of the workgroup so it can inform the next formula advisory committee.
 - i. Mr. Kurapati suggested the report include wording that the committee considered the current economic health of the state as part of its recommendation. The committee members also thought it prudent to point out that funding still hasn't rebounded to the levels it reached in the 2010-11 biennium. Ms. Brown mentioned that it might serve as a good point of reference to provide a graph in the report, showing the GAIFAC's recommended rates versus actual appropriations over the last several biennia. The committee agreed the graph should include the recommended rates for the 2020-21 biennium.
 - b. The committee moved its discussion to reviewing the draft recommendation regarding Charge 2, the graduation bonus.
 - i. The committee strongly supported the idea of funding the graduation bonus after the operations support formula is fully funded.
 - ii. The committee revisited the idea of how to best recommend implementation of the bonus in a way that would gain traction for long-term continuation of funding. Rather than ask for half of the amount to be implemented during

the 2020-21 biennium (at \$250 per bachelor's degree and \$500 per bachelor's degree for at-risk students), the Committee will recommend that the graduation bonus be funded at the full \$500 per bachelor's degree and \$1,000 per bachelor's degree for at-risk students, and to begin funding the bonus in FY 2021, the second year of the biennium.

- c. The committee then reviewed a draft recommendation on Charge 3 regarding CBE.
 - i. The committee recommended the report add language that the THECB will provide a template for interested institutions to share their cost information regarding prior learning assessments and startup costs for CBE delivery.

11. After discussion of all 3 charges, the committee voted on each charge:

- a. Ms. Funk-Baxter motioned to approve Charge 1, seconded by Dr. Strawser. The committee unanimously approved.
- b. Dr. Hoyt made a motion to approve Charge 2, with a second by Ms. Brown. The committee unanimously approved.
- c. Dr. Strawser motioned to approve Charge 3, seconded by Mr. Kurapati. The committee approved the motion with 14 ayes and an abstention from Mr. Brown.

12. Ms. Brown made a motion to give the Chair, Mr. Hugetz, authority for final approval of the draft report on behalf of the committee so that edits discussed during the meeting could be incorporated in the report. Dr. Hoyt seconded the motion and the committee unanimously approved.

13. With no pending items, the committee concluded their work. A motion for adjournment was made by Mr. Davidson, seconded by Ms. Brown, and was unanimously approved by the committee. The meeting adjournment time was 1:44 PM.