



TEXAS HIGHER EDUCATION COORDINATING BOARD

P.O. Box 12788 Austin, Texas 78711

February 16, 2010

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To: The Honorable Rick Perry, Governor of Texas
The Honorable David Dewhurst, Lt. Governor
The Honorable Joe Straus, Speaker of the House
Mr. John O'Brien, Director, Legislative Budget Board

From: Raymund A. Paredes *BP*

Subject: Reduction of Coordinating Board's FY2010-FY2011 GR and GR-D
Appropriation

This letter is in response to your January 15, 2010 letter directing state agencies and institutions of higher education to submit a 5 percent biennial budget reduction plan from 2010-11 General Revenue and General Revenue-Dedicated appropriations. In allocating the reductions to the programs of the Texas Higher Education Coordinating Board (Coordinating Board), I directed staff to apply the following guiding principles:

- Minimize reductions that will negatively impact students.
- Do not make across-the-board cuts.
- Examine each strategy, preserving the most effective programs that help the state close the gaps in participation, success, excellence, and research.

The Coordinating Board's 2010-2011 General Revenue and General Revenue-Dedicated appropriation that is subject to the 5 percent reduction totals to \$1,462,413,717. Of that amount, \$1,059,734,263, or 72%, is direct student financial aid. The remaining available amount for reductions is in the form of trusteed funds which are appropriated to the Coordinating Board for distribution to students, higher education institutions, and other external entities. The structure of the Coordinating Board's budget makes it difficult not to reduce programs that will negatively impact students. Additionally, while the reductions may appear to have been applied across-the-board, I assure you that this is not the case. These recommendations are made after careful deliberation and consideration of the impact that the reductions will have on each program.

The total 5 percent reduction, as calculated by the Legislative Budget Board staff, is \$73,120,686. The enclosed spreadsheet shows specific reductions by strategy in bill pattern order (we prioritized the reductions in the ABEST system). The amount above the black line (\$23,105,853) is the total reduction the Coordinating Board is recommending (Scenario I). This amount equals to a 5.74% reduction of GR and GR-D amounts excluding the appropriations to the Student Financial Aid Strategy (i.e., TEXAS Grant Program, B-on-Time Loan Program, Texas Educational

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Opportunity Grant Program, Texas Work Study, and Tuition Equalization Grant Program) and Top 10% Scholarships. The amount below the black line achieves the \$73,120,686 reduction (Scenario II), which includes these financial aid programs in the base.

The Coordinating Board strongly recommends Scenario I which exempts from the reductions the five major state financial aid programs and Top 10% scholarships. The core goals of the "Closing the Gaps" initiative are to increase college enrollment in Texas by 630,000 students by 2015 and to increase student success by awarding 210,000 more certificates, associate degrees and baccalaureate degrees by 2015. Financial aid is a critical tool for recruiting, retaining, and graduating the large majority of the students we need to attract into higher education to meet our state goals. These students come from the poorer segments of our population and financial aid is indispensable. The best way to preserve the state's investment in the future of Texas is through Scenario I.

The enclosed descriptions of the Coordinating Board's strategies and impact statements of the proposed reductions are submitted for your review. We welcome the opportunity to further discuss the prioritization of the proposed reductions and the impact of our recommendations.

Enclosures

c: Coordinating Board Members
LBB Board Members

THECB Proposed 5% Budget Reductions (2010-2011 Biennium)

Strategy		General Revenue	GR-D	TOTAL GR & GR-D	Proposed Cuts GR	Proposed Cuts GR - D	TOTAL Proposed Cuts	% GR	% GR - D	% TOTAL
A.1.1	Promote Participation and Success in Higher Education	\$ 6,677,720	\$ 95,000	\$ 6,772,720	\$ 338,636	\$ -	\$ 338,636	5.07%	0.00%	5.00%
A.1.3	College Readiness Initiative	\$ 23,903,177	\$ -	\$ 23,903,177	\$ 1,195,159	\$ -	\$ 1,195,159	5.00%	0.00%	5.00%
A.2.1.	Close the Gaps in Excellence	\$ 3,279,349	\$ -	\$ 3,279,349	\$ 163,967	\$ -	\$ 163,967	5.00%	0.00%	5.00%
A.2.2.	Close the Gaps in Research	\$ 669,302	\$ -	\$ 669,302	\$ 33,465	\$ -	\$ 33,465	5.00%	0.00%	5.00%
A.3.1.	Close the Gaps by Providing Planning and Info	\$ 4,510,904	\$ -	\$ 4,510,904	\$ 257,000	\$ -	\$ 257,000	5.70%	0.00%	5.70%
B.1.1.	License Plate Scholarships Program	\$ -	\$ 1,221,000	\$ 1,221,000	\$ -	\$ 730,000	\$ 730,000	0.00%	59.79%	59.79%
B.1.2.	Fifth-Year Accounting Students Program	\$ -	\$ 3,925,000	\$ 3,925,000	\$ -	\$ 327,250	\$ 327,250	0.00%	8.34%	8.34%
B.1.6.	Teach for Texas Loan Repayment Assistance/Conditional Grant Program	\$ 11,542,886	\$ -	\$ 11,542,886	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%
B.1.7.	Border Faculty Loan Repayment Program	\$ 395,626	\$ -	\$ 395,626	\$ 20,000	\$ -	\$ 20,000	5.06%	0.00%	5.06%
B.1.8.	OAG Lawyers Loan Repayment Program	\$ 779,548	\$ -	\$ 779,548	\$ 38,977	\$ -	\$ 38,977	5.00%	0.00%	5.00%
B.1.10.	Doctoral Incentive Program	\$ 1,307,000	\$ -	\$ 1,307,000	\$ 65,000	\$ -	\$ 65,000	4.97%	0.00%	4.97%
B.1.11.	Engineering Recruitment Program	\$ 2,000,000	\$ -	\$ 2,000,000	\$ 100,000	\$ -	\$ 100,000	5.00%	0.00%	5.00%
B.1.12.	Higher Education Performance Incentive Initiative	\$ 50,000,000	\$ -	\$ 50,000,000	\$ 2,500,000	\$ -	\$ 2,500,000	5.00%	0.00%	5.00%
B.1.14.	Texas Armed Services Scholarship Program	\$ 2,000,000	\$ -	\$ 2,000,000	\$ 100,000	\$ -	\$ 100,000	5.00%	0.00%	5.00%
B.1.16.	Texas Career Opportunity Grants Program	\$ 1,350,000	\$ -	\$ 1,350,000	\$ 65,000	\$ -	\$ 65,000	4.81%	0.00%	4.81%
C.1.1.	Advanced Research Program	\$ 16,723,141	\$ -	\$ 16,723,141	\$ 836,157	\$ -	\$ 836,157	5.00%	0.00%	5.00%
D.1.1.	Baylor College of Medicine	\$ 83,305,285	\$ -	\$ 83,305,285	\$ 4,165,264	\$ -	\$ 4,165,264	5.00%	0.00%	5.00%
D.1.2.	Baylor College of Medicine Graduate Medical Education	\$ 15,275,870	\$ -	\$ 15,275,870	\$ 763,794	\$ -	\$ 763,794	5.00%	0.00%	5.00%
D.1.3.	Family Practice Residency Program	\$ 21,214,310	\$ -	\$ 21,214,310	\$ 1,060,716	\$ -	\$ 1,060,716	5.00%	0.00%	5.00%
D.1.4.	Preceptorship Program	\$ 904,289	\$ -	\$ 904,289	\$ 45,214	\$ -	\$ 45,214	5.00%	0.00%	5.00%
D.1.5.	Primary Care Residency Program	\$ 4,990,440	\$ -	\$ 4,990,440	\$ 1,330,440	\$ -	\$ 1,330,440	26.66%	0.00%	26.66%
D.1.6.	Graduate Medical Education Program	\$ 600,000	\$ -	\$ 600,000	\$ 30,000	\$ -	\$ 30,000	5.00%	0.00%	5.00%
D.1.7.	Joint Admission Medical Program	\$ 10,616,355	\$ -	\$ 10,616,355	\$ 530,818	\$ -	\$ 530,818	5.00%	0.00%	5.00%
D.1.8.	Physician Education Loan Repayment Program	\$ 394,094	\$ 25,002,000	\$ 25,396,094	\$ 39,400	\$ 1,232,000	\$ 1,271,400	10.00%	4.93%	5.01%
D.1.9.	Financial Aid for Professional Nursing Students	\$ 1,837,130	\$ -	\$ 1,837,130	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%
D.1.10.	Financial Aid for Licensed Vocational Nursing Students	\$ 91,266	\$ -	\$ 91,266	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%
D.1.11.	Dental Education Loan Repayment Program	\$ 432,954	\$ 223,000	\$ 655,954	\$ 32,798	\$ -	\$ 32,798	7.58%	0.00%	5.00%
D.1.12.	Professional Nursing Shortage Reduction Program	\$ 49,700,000	\$ -	\$ 49,700,000	\$ 2,485,000	\$ -	\$ 2,485,000	5.00%	0.00%	5.00%
D.1.13.	Consortium of Alzheimer's Disease Centers	\$ 6,850,000	\$ -	\$ 6,850,000	\$ 342,500	\$ -	\$ 342,500	5.00%	0.00%	5.00%
D.1.14.	Texas Hospital-Based Nursing Edu Partnership Grant Program	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 250,000	\$ -	\$ 250,000	5.00%	0.00%	5.00%
E.1.1.	Developmental Education Program	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 250,000	\$ -	\$ 250,000	5.00%	0.00%	5.00%

Strategy		General Revenue	GR-D	TOTAL GR & GR-D	Proposed Cuts GR	Proposed Cuts GR - D	TOTAL Proposed Cuts	% GR	% GR - D	% TOTAL
E.1.2.	Centers for Teacher Education	\$ 6,401,484	\$ -	\$ 6,401,484	\$ 320,074	\$ -	\$ 320,074	5.00%	0.00%	5.00%
E.1.3.	Two-Year Institution Enrollment Growth	\$ 3,518,786	\$ -	\$ 3,518,786	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%
E.1.4.	New Community College Campuses	\$ 3,500,000	\$ -	\$ 3,500,000	\$ 1,728,616	\$ -	\$ 1,728,616	49.39%	0.00%	49.39%
E.1.5.	General Academic Institution Enrollment Growth	\$ 3,500,000	\$ -	\$ 3,500,000	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%
E.1.6.	African American Museum Internship	\$ 187,272	\$ -	\$ 187,272	\$ 9,364	\$ -	\$ 9,364	5.00%	0.00%	5.00%
E.1.7.	Adult Basic Education Community College Grants	\$ 10,000,000	\$ -	\$ 10,000,000	\$ 500,000	\$ -	\$ 500,000	5.00%	0.00%	5.00%
E.1.8.	Alternative Teaching Certificate Programs at Community Colleges	\$ 2,250,000	\$ -	\$ 2,250,000	\$ 112,500	\$ -	\$ 112,500	5.00%	0.00%	5.00%
E.1.9.	Baccalaureate Degree Study	\$ 250,000	\$ -	\$ 250,000	\$ 62,500	\$ -	\$ 62,500	25.00%	0.00%	25.00%
H.1.1.	Central Administration	\$ 5,083,169	\$ -	\$ 5,083,169	\$ 388,661	\$ -	\$ 388,661	7.65%	0.00%	7.65%
H.1.2.	Information Resources	\$ 3,151,656	\$ -	\$ 3,151,656	\$ 157,583	\$ -	\$ 157,583	5.00%	0.00%	5.00%
H.1.3.	Other Support Services	\$ 2,321,441	\$ -	\$ 2,321,441	\$ 498,000	\$ -	\$ 498,000	21.45%	0.00%	21.45%
	Subtotal - Scenario I	\$ 372,213,454	\$ 30,466,000	\$ 402,679,454	\$ 20,816,603	\$ 2,289,250	\$ 23,105,853	5.59%	7.51%	5.74%
B.1.9.	Student Financial Aid Programs	\$ 917,734,263	\$ 88,000,000	\$ 1,005,734,263	\$ 25,264,834	\$ 22,250,000	\$ 47,514,833	2.75%	25.28%	4.72%
B.1.13.	Top 10% Scholarships	\$ 54,000,000	\$ -	\$ 54,000,000	\$ 2,500,000	\$ -	\$ 2,500,000	4.63%	0.00%	4.63%
	Subtotal - Scenario II	\$ 971,734,263	\$ 88,000,000	\$ 1,059,734,263	\$ 27,764,834	\$ 22,250,000	\$ 50,014,833	2.62%	2.10%	4.72%
	GRAND TOTALS - SCENARIO II	\$ 1,343,947,717	\$ 118,466,000	\$ 1,462,413,717	\$ 48,581,437	\$ 24,539,250	\$ 73,120,686	3.61%	20.71%	5.00%

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Agency code: 781

Agency name: **Higher Education Coordinating Board**

Item Priority and Name/ Method of Financing	2010	2011	Biennial Total	Target
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1 Primary Care Residency Program, D.1.5.

Item Comment: The Primary Care Residency Program provides funding for new primary care residency programs and for new primary care residency positions in the state. Funding is provided to primary care residency programs (up to a four-year maximum for obstetrics/gynecology residents) for designated residents for an entire residency training experience as governed by the specialty certification. Residents are identified by program directors as likely to remain in Texas to practice, interested in underserved areas, and committed to primary care medicine. Funding caps are in place for qualifying residency programs, with a maximum of 18 or fewer residents supported at each program. Funding is statutorily set, providing programs with \$15,000 per resident to support a maximum of 18 residents, contingent on availability. The CB allocates the funding to new programs and programs identified as producing physicians who stay and practice in the state. Beginning in FY2010, all family practice residency programs supported previously under the Primary Care Residency Programs were transferred to receive funding exclusively under the Family Practice Residency Program. The funds that are cut in this line item would have supported new residency positions in other primary care residency programs, Internal Medicine, Pediatrics, and Obstetrics/Gynecology. No currently-funded programs will lose funding based on this proposed reduction. The proposed reduction will come equally from FY 2010 and FY 2011.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$665,220	\$665,220
General Revenue Funds Total	\$665,220	\$665,220
Item Total	\$665,220	\$665,220

2 Baylor College of Medicine, D.1.1.

Item Comment: The Legislature trustees to the Coordinating Board an amount per Texas resident student enrolled at Baylor College of Medicine that is equal to the amount of state funding for medical education (General Revenue for instruction and operations, infrastructure, and staff benefits allocated to undergraduate medical education) at The University of Texas Southwestern Medical Center at Dallas and The University of Texas Medical Branch at Galveston. These were the only two state medical schools in existence when the state started providing funding to BCM. The Coordinating Board has statutory authority to contract with Baylor College of Medicine for the education of Texas resident undergraduate medical students. These are funds trusteeed for BCOM. The proposed reduction is consistent with the reductions that public health-related institutions will have to absorb.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$2,082,632	\$2,082,632
General Revenue Funds Total	\$2,082,632	\$2,082,632
Item Total	\$2,082,632	\$2,082,632

* - Indicates amount does not meet target requirements.

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3 Baylor College of Medicine Graduate Medical Education, D.1.2.

Item Comment: This strategy provides graduate medical education (GME) funding to Baylor College of Medicine. This strategy corresponds to the GME formula funding provided to the public health-related institutions. Baylor currently reports 1,147 residents qualified for GME funding. This funding is trusted to the Coordinating Board and disbursed to Baylor College of Medicine through a contractual arrangement. These are funds trusted for BCOM. The proposed reduction is consistent with the reductions that public health-related institutions will have to absorb.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$381,897	\$381,897	
General Revenue Funds Total	\$381,897	\$381,897	
Item Total	\$381,897	\$381,897	

4 Indirect Admin -- Other Support Services, H.1.3.

Item Comment: This strategy includes Building Services, Purchasing and Supply, Mail Services, and Copy Services. Operating and support costs are allocated based on the percentage of operating budget associated with each direct strategy, with the exception of building rent, which is allocated based on the FTEs associated with each direct strategy. These proposed reductions are primarily from reductions of the first year of the agency's renegotiated building lease, savings from unneeded moving expenses, and salary savings due to vacant positions.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$498,000	\$0	
General Revenue Funds Total	\$498,000	\$0	
Item Total	\$498,000	\$0	

5 New Community College Campuses, E.1.4.

Item Comment: This strategy provides funds to new community college campuses including: Northeast Lakeview campus at Alamo Community College; the Round Rock campus at Austin Community College; and the Trinity River campus at Tarrant Community College. Funding is also provided to four new branch campuses at Dallas Community College and four new branch campuses at Houston Community College. The Coordinating Board recommends a larger cut to this strategy in order to hold harmless Strategies E.1.3 Two-Year Institution Enrollment Growth and E.1.5 General Academic Institution Enrollment Growth. The new campus funding will be allocated to the three new campuses (Northeast Lakeview @\$581,114, Round Rock campus @\$438,444, and the Trinity River campus @\$751,826. The new branch campuses will be funded under Two-Year Institution Enrollment Growth funding if they are eligible.

GENERAL REVENUE FUNDS

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1 General Revenue Fund	\$864,308	\$864,308		
General Revenue Funds Total	\$864,308	\$864,308		
Item Total	\$864,308	\$864,308		

6 Baccalaureate Degree Study, E.1.9.

Item Comment: HB 2425 (81st Texas Legislature) requires the Coordinating Board to conduct a study relating to the success of baccalaureate degree programs offered at three community colleges and the feasibility of expanding the offering of baccalaureate degrees by community colleges. The study must consider the economic viability of expanding the degree programs, the workforce needs served by the degree programs for various areas of the state, current and potential university course offerings, and other methods for making baccalaureate degrees available, such as distance education programs and multi-institutional teaching centers. The proposed reduction is based upon the ability of Coordinating Board staff to carry out a majority of this study internally with the remaining budget being sufficient to complete the study using external consultants.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$0	\$62,500		
General Revenue Funds Total	\$0	\$62,500		
Item Total	\$0	\$62,500		

7 License Plate Scholarships Program, B.1.1

Item Comment: "This strategy covers several financial assistance programs that are funded through the sale of specialty license plates and authorized by the Texas Transportation Code. The Collegiate Program provides scholarships for financially needy college students. Public universities draw the funds generated through the sale of plates directly from the Comptroller's Office. Private or independent institutions are allotted a share of the appropriations trustee to the CB in proportion to the amount each school deposited to the credit of the CB from the sale of specialized license plates. This strategy provides scholarships for students attending participating independent colleges and universities. Six other programs are included in this strategy: Houston Livestock Show and Rodeo License Plate - funds scholarships; Girl Scout License Plate - benefits education projects sponsored by Girl Scout Councils of Texas; Texas Cotton Boll License Plate - funds scholarships for students pursuing a degree in an agriculture field related to the cotton industry; Boy Scout License Plate - funds educational programs sponsored by Boy Scout Councils in Texas; and College for all Texans License Plate - provides matching funds for scholarships for Texas students. The proposed reduction is based on an adjustment of the estimated amount of total revenue collected from the sale of license plates in the General Appropriations Act vs. actual collections. Based on past trends, Coordinating Board staff estimate that actual revenue collected will be significantly less than the GAA estimated amount. The proposed reductions are \$550,000 in FY10 and \$180,000 in FY11. "

GR DEDICATED

5015 License Plate Prog Acct	\$550,000	\$180,000		
Gr Dedicated Total	\$550,000	\$180,000		

* - Indicates amount does not meet target requirements.

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Item Total	\$550,000	\$180,000		

8 Fifth-Year Accounting Students Program, B.1.2.

Item Comment: Management of need-based scholarships to students who have completed 120 hours of college work and sign a statement of intent to take the Texas CPA examination. This program was created in 1991 when the requirements to sit for the Texas CPA exam were changed from 120 to 150 hours of required course work. Because of the added financial burden of an additional year of college work, this program was created to provide scholarships to students with financial need who have completed at least 120 hours of college work, including 15 hours of Accounting. Because this program is funded through an assessment on CPA licensure fees, money accrues at the state treasury. The proposed reduction is based on an adjustment of the estimated amount of total revenue collected from the CPA exam fee listed in the General Appropriations Act vs. actual collections. Based on past trends, Coordinating Board staff estimate that actual revenue collected will be less than the GAA estimated amount. The full amount of the reduction will be made in FY10.

GR DEDICATED

106 Schlshp Fnd 5 Yr Acct Std	\$327,250	\$0
Gr Dedicated Total	\$327,250	\$0
Item Total	\$327,250	\$0

9 African American Museum Internship, E.1.6.

Item Comment: This strategy provides funding for internships and scholarships for students who wish to explore the possibilities of a career in museology (also called museum studies), museum administration/management, and closely related work. The Coordinating Board cooperates with The University of Texas at Dallas and the Texas Historical Commission in developing and implementing the internship program at the African American Museum in Dallas. Students and recent university graduates from groups that are under-represented in museum management are given preference in awarding internships and/or scholarships. The program supports 10 interns. This proposed reduction will have to be taken in FY 2011, resulting in a 10% reduction. This will result in a reduction of the salary for the position and administrative support for the program.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$4,682	\$4,682
General Revenue Funds Total	\$4,682	\$4,682
Item Total	\$4,682	\$4,682

10 Indirect Admin -- Central Administration, H.1.1.

Item Comment: This strategy funds the budgets for administration of the agency, including the Commissioner's Office, Deputy Commissioner's Offices, External Relations, General Counsel, Internal Audit, Human Resources, and Business Services. These proposed reductions are primarily from lapsed salaries of vacant positions, reductions in travel and professional development budgets, and reductions from supplies, equipment, and other support services.

* - Indicates amount does not meet target requirements.

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GENERAL REVENUE FUNDS				
1 General Revenue Fund	\$283,511	\$105,150		
General Revenue Funds Total	\$283,511	\$105,150		
Item Total	\$283,511	\$105,150		

11 Border Faculty Loan Repayment Program, B.1.7.

Item Comment: Provides educational loan repayments for faculty members who earned their doctorates after 1994 and teach at institutions located in the counties that border Mexico. Each eligible institution submits to the Coordinating Board at least four applications from selected faculty members, who may receive loan repayment for up to \$5,000 for each year of service for up to 10 years. Eighty awards were made in the previous biennium and it is expected that 75 participants will be awarded in the current biennium. The proposed reduction means that four new border county doctoral faculty members will not receive loan repayments in the current biennium, equally split between FY10 and FY11.

GENERAL REVENUE FUNDS				
1 General Revenue Fund	\$10,000	\$10,000		
General Revenue Funds Total	\$10,000	\$10,000		
Item Total	\$10,000	\$10,000		

12 Dental Education Loan Repayment Program, D.1.11.

Item Comment: The Dental Education Loan Repayment Program provides loan repayment assistance to qualified dentists who have provided at least one year of dental care in areas of Texas that are underserved with respect to dental care. A dentist may receive annual loan repayments for up to \$10,000 per year. There is no statutory limit to the number of years a dentist may qualify for loan repayment. Texas dental schools are required to set aside two percent of student tuition to help fund the program. Before September 1, 2007, THECB was authorized to spend General Revenue funds only, but is now authorized to spend tuition set-asides collected during the current biennium. This program has been fully subscribed since its inception. Thirty-one awards were made last biennium and it is expected that 62 awards will be made in the current biennium despite the proposed reductions. The proposed reduction will negatively affect six new dentists in the current biennium. The full amount of the reduction will be realized in FY10.

GENERAL REVENUE FUNDS				
1 General Revenue Fund	\$32,798	\$0		
General Revenue Funds Total	\$32,798	\$0		
Item Total	\$32,798	\$0		

* - Indicates amount does not meet target requirements.

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13 OAG Lawyers Loan Repayment Program, B.1.8.

Item Comment: The purpose is to recruit and retain attorneys in the Office of the Attorney General of the State of Texas (OAG). The program rules allow for annual loan repayments of up to \$6,000 each, but the OAG selects the recipients and recommends the amounts based on years of service and other factors. One-hundred and ninety-eight awards were made in the previous biennium and it is expected that 110 awards will be made in the current biennium. The proposed reduction means that 10 new attorneys will not receive loan repayments in the current biennium. The reduction will be realized in FY10.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$38,977	\$0		
General Revenue Funds Total	\$38,977	\$0		
Item Total	\$38,977	\$0		

14 Texas Armed Services Scholarship Program, B.1.14.

Item Comment: The 81st Texas Legislature created the Texas Armed Services Scholarship Program through the approval of HB 3452 to encourage students to participate in Reserve Officers' Training Corps (ROTC) programs at Texas higher education institutions. A student must meet specific eligibility criteria in order to receive an initial scholarship award. In addition to the eligibility criteria, a student must enter into an agreement requiring a four-year commitment as a member of the Texas Army National Guard or the Texas Air Force National Guard, or a commissioned officer in any branch of the armed services of the United States. If the conditions of the scholarship agreement are not met, the scholarship must be repaid. Annually, the governor and the lieutenant governor may each appoint two students, and each state senator and each state representative may appoint one student to receive a conditional Texas Armed Services Scholarship. A maximum of 185 students may be appointed statewide. For the 2010-2011 academic year, a student may receive up to \$10,000 and dependent on available future funding, students may receive up to four years of scholarship awards. The proposed reduction comes from administrative funds for start-up costs. The program is not fully implemented. The reduction will be realized in FY10.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$100,000	\$0		
General Revenue Funds Total	\$100,000	\$0		
Item Total	\$100,000	\$0		

15 Texas Career Opportunity Grants Program, B.1.16.

Item Comment: Provides scholarships to students in career and technical fields at career colleges and schools. The proposed reduction means that 25 new students will not receive a grant once the program is implemented and the full reduction amount will be realized in FY10.

GENERAL REVENUE FUNDS

* - Indicates amount does not meet target requirements.

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1 General Revenue Fund	\$65,000	\$0		
General Revenue Funds Total	\$65,000	\$0		
Item Total	\$65,000	\$0		

16 Consortium of Alzheimer's Disease Centers, D.1.13.

Item Comment: This strategy supports the Consortium of Alzheimer's Disease Centers through a contract with the Texas Council on Alzheimer's Disease and Related Disorders. The FY2008-09 appropriation was the first appropriation for the centers, and it included startup costs to initiate the centers. This program received an increase of \$2.95 million or 76% for the biennium. The proposed reduction will reduce the amount of funds available but the biennium to biennium increase will reduce the negative impacts on the research related to a cure for Alzheimer's Disease. The proposed reduction will be made in FY 2010.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$342,500	\$0		
General Revenue Funds Total	\$342,500	\$0		
Item Total	\$342,500	\$0		

17 Engineering Recruitment Program, B.1.11

Item Comment: This program funds two separate initiatives: (1) a one-week summer camp program for middle and high school students at public institutions with an engineering degree program, with the goal of increasing awareness of and preparedness for STEM fields, and (2) a merit-based scholarship program for college students in engineering (recipients may receive up to \$5000 per academic year, depending on available funding). Recipients were in the top 20 percent of their high school class, had a high school GPA in math and sciences better than 3.5, and maintain a college GPA of 3.0 or better. The CB distributes approximately 20 percent of these funds for summer camps based on peer review selection of written proposals (currently supporting 1,100 secondary school students at 11 camps), and distributes approximately 80 percent of the funds for scholarships based on the number of engineering graduates during the previous year (690 college students in FY08). The proposed reduction will result in a net reduction of \$50,000 in scholarships to students pursuing degrees in engineering, and a \$50,000 reduction in the amount of funding provided to institutions to support summer programs to encourage middle and high school students to pursue degrees in engineering (\$25,000 from each project will be removed in each of the two fiscal years). This may result in a loss of approximately 100 students receiving the opportunity to participate in the summer program. The loss of the scholarship money will result in fewer scholarships, but as institutions allocate them in different amounts, the number of students affected is difficult to estimate.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$50,000	\$50,000		
General Revenue Funds Total	\$50,000	\$50,000		
Item Total	\$50,000	\$50,000		

* - Indicates amount does not meet target requirements.

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18 Advanced Research Program, C.1.1.

Item Comment: Provides competitive, peer-reviewed grants for basic research at Texas higher education institutions. Promotes research designed to attract and retain the best students and researchers, and provides the knowledge base needed for innovation. It provides the early part of the research pipeline (“planting the seed”) that the Emerging Technology Fund seeks to commercialize (“harvesting the fruit”). The funding provided by this program enables investigators to do the initial studies necessary to secure additional funding for research from the federal government, private industry, and not-for-profit organizations and private donors. In FY 2007, 121 funded projects were completed. In the 2009 competition there are likely to be approximately 92-95 funded projects. The proposed reduction will be withheld in FY 2010 before grants are made to applicants, which will occur in March 2010. This will result in a loss of 5-7 funded projects. The reduction in funds will result in reduced support for undergraduate and graduate student research opportunities and financial support in the form of work study and/or graduate assistantships. Federal faculty research grants may be negatively affected if matching funds are a consideration or if further start-up research grants are not available.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$836,157	\$0
General Revenue Funds Total	\$836,157	\$0
Item Total	\$836,157	\$0

19 Joint Admission Medical Program, D.1.7.

Item Comment: This program helps highly qualified, economically disadvantaged students pursue a medical education by being awarded undergraduate and graduate scholarships and summer stipends, and by being guaranteed admission to one of the Texas medical schools, assuming students maintain their eligibility in the program. JAMP students are identified in their freshman year, selected in their sophomore year, and continue through medical school. The program is administered by the JAMP Council, which is composed of one faculty representative from each medical school. The enabling legislation designates the administrative functions of JAMP to the Texas Medical and Dental Schools Application Service, operated through The University of Texas System. Funding is provided in the first year of the biennium with authority to carry forward any unexpended balances into the second year of the biennium. This program received a biennial increase of \$5 million or 89%. The proposed reduction for the biennium will still provide an increase of \$4,469,182 or 80% for the biennium. The funding available will allow for an increase of approximately 120 new students in the spring 2010, rather than the projected increase of approximately 150 new students. The full allocation is made in the first year of the biennium to support the program with unexpended balance authority included. For this reason the proposed reduction will be made in FY 2010.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$530,818	\$0
General Revenue Funds Total	\$530,818	\$0
Item Total	\$530,818	\$0

* - Indicates amount does not meet target requirements.

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20 Graduate Medical Education Program, D.1.6.

Item Comment: The Graduate Medical Education Program provides funds to support the educational and teaching costs of primary care graduate medical education programs. For purposes of this strategy, primary care includes family practice, obstetrics/gynecology, general internal medicine, and general pediatrics. Funds appropriated for this program may only be allocated to independent residency programs that are not affiliated with a Texas medical school. The proposed reduction would be taken over both fiscal years. This will result in a decrease in per resident funding level for FY 2010 from \$970 to \$922. The private residency opportunities are a low cost means of increasing the pool of residents who might remain in Texas to practice and the decreases will result in fewer available private residency positions.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$0	\$30,000		
General Revenue Funds Total	\$0	\$30,000		
Item Total	\$0	\$30,000		

21 Family Practice Residency Program, D.1.3.

Item Comment: This program improves the distribution of family physicians throughout the state and provides increased medical care to patients in underserved areas. Funds are allocated based on the certified number of residents training in each approved family practice residency program, which must receive significant local support to qualify for state funds. In addition to residency training, this strategy supports rural and public health rotations, which offer family practice residents the opportunity for supervised training in a rural community or public health facility. The program also supports the Family Practice Faculty Development Center, a training program for new faculty at all family practice residency programs. FPRP currently provides grants to 26 Texas family practice residency programs statewide. It was established in 1977 as an effort to increase the number of physicians selecting family practice as their medical specialty and to encourage those physicians trained to establish their practices in rural and underserved communities in Texas. Since its inception, the program has provided funding support for more than 7,100 family practice residents. Family physicians who complete residency training have a 70 percent retention rate in Texas. In FY09, 638 family practice residents were supported at \$12,683. In FY10, 57 new family practice residents were added (685 total) and funding level increased to \$14,564. The proposed reduction will result in a decrease to per resident allocation from \$14,205 to \$13,070 in FY11. Support for the Family Practice Faculty Development will be reduced by 10 percent. Rural and public health rotations would also be reduced from approximately 70 in FY10 to approximately 63 in FY11. The proposed reduction may result in fewer first-year residents invited to train in Texas family practice residency programs and may negatively affect the number of medical school graduates who remain in Texas for residency training.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$0	\$1,060,716		
General Revenue Funds Total	\$0	\$1,060,716		
Item Total	\$0	\$1,060,716		

* - Indicates amount does not meet target requirements.

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22 Preceptorship Program, D.1.4.

Item Comment: The Statewide Preceptorship Program provides funding to encourage Texas medical students to choose careers in primary care by contracting with one or more organizations to operate statewide preceptorship programs in family practice, general internal medicine, and general pediatrics. Each program has a complement of more than 100 volunteer physicians located statewide to mentor medical students in a community-based medical practice during one-month preceptorships with a family physician, internist, or pediatrician preceptor. The guiding premise of the preceptor experience is that early exposure to a primary care medical specialty may positively influence future career decisions and practice patterns. Participating medical students receive a \$500 stipend if they participate in a location near their medical school, and a \$1,000 stipend if they participate in a rural location. Contracts and allocations have been awarded for FY 2010, so the total 5% reduction will be in FY 2011. The proposed reduction will result in a decline of 10% from FY 2010 to FY 2011, and a decline of approximately 50 preceptorships. This decline will reduce the number of opportunities available for medical students to serve a one-month rotation during their third and fourth years of medical school. This is a critical component to encouraging medical students to pursue medical specialties in primary care, which are in high demand in Texas. Full reduction will be taken in FY 2011 as the FY 2010 allocation has already been made.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$0	\$45,214		
General Revenue Funds Total	\$0	\$45,214		
Item Total	\$0	\$45,214		

23 Physician Education Loan Repayment Program, D.1.8.

Item Comment: The purpose of the program is to recruit physicians to, and retain them in, economically depressed or rural medically underserved areas of the state or specified state agencies. Medical schools must set aside two percent of resident and non-resident student tuition to help fund this program. A recent retention study conducted by the Department of State Health Services indicates that this program has been quite successful in retaining physicians in medically underserved areas of Texas. Of the 686 physicians participating in the program from 1987 to 2008, almost 60% are still practicing in Health Professional Shortage Areas, almost 72% have been retained in the Rio Grande Valley, and almost 51% have continued to practice in rural areas. On the other hand, the program has been less successful in recruiting new participants in recent years due to the same amount available for loan repayment. Eighty-seven physicians received an award last biennium. It is expected that 751 physicians will receive an award this biennium due to the increased revenue streams for this program. The proposed reduction means that 51 new doctors will not receive loan repayments in the current biennium - \$1,200,000 will be reduced in FY10 and \$71,400 will be reduced in FY11.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$39,400	\$0		
General Revenue Funds Total	\$39,400	\$0		

GR DEDICATED

5144 Physician Ed. Loan Repayment	\$1,200,000	\$32,000		
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* - Indicates amount does not meet target requirements.

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Gr Dedicated Total	\$1,200,000	\$32,000		
Item Total	\$1,239,400	\$32,000		

24 Centers for Teacher Education, E.1.2.

Item Comment: These funds support centers for teacher education at private, independent, general academic institutions that are component institutions of the Texas Association of Developing Colleges (TADC). Current Rider 17 directs that consideration shall be given to teacher education centers at Huston-Tillotson University in Austin, Jarvis Christian College in Hawkins, Paul Quinn College in Dallas, Texas College in Tyler, and Wiley College in Marshall. These funds may be used to enhance library resources and computer, mathematics, and science laboratories. The total number of students served by this strategy in 2008-09 was 195 and 170 in 2010-2011. All five centers will be reduced by \$64,015 (or 5%). No students will be negatively impacted by the proposed reduction.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$0	\$320,074
General Revenue Funds Total	\$0	\$320,074
Item Total	\$0	\$320,074

25 Doctoral Incentive Program, B.1.10.

Item Comment: This program provides educational loan repayments to Texas residents employed full-time as doctoral faculty or administrators. The intent is to provide an incentive to members of underrepresented groups to serve as full-time faculty or administrators at Texas institutions of higher education. Underrepresented groups are defined in terms of the low income status or the low college-going rate of the high school the recipient either attended or resided closest to, at the time of graduation from high school. Qualified recipients may receive up to \$20,000 per year for up to five years (for a maximum aggregate of \$100,000). The program is funded through a \$2 per credit hour set-aside from tuition of doctoral students other than those in law school or a health professions program. The proposed reduction means that four new doctoral faculty members will not receive loan repayments in the current biennium, equally split between FY10 and FY11.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$32,500	\$32,500
General Revenue Funds Total	\$32,500	\$32,500
Item Total	\$32,500	\$32,500

* - Indicates amount does not meet target requirements.

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26 Higher Education Performance Incentive Initiative, B.1.12.

Item Comment: These funds are for the Texas Research Incentive Program (TRIP), which provides matching funds to assist eligible emerging research institutions to leverage private gifts for the enhancement of research productivity and faculty recruitment. Half of the appropriated funds were allocated to eligible institutions in October 2009. If the Legislature continues to fund this program, institutions will have to wait an additional year before receiving these funds as a result of the proposed reduction.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$0	\$2,500,000		
General Revenue Funds Total	\$0	\$2,500,000		
Item Total	\$0	\$2,500,000		

27 Adult Basic Education Community College Grants, E.1.7.

Item Comment: The purpose of this strategy is to award competitive grants to community colleges and public technical institutions to increase participation in adult basic education. The total number of students estimated to be served by these grants is 7,500 for the 2010-2011 biennium. The proposed reduction will mean that one less pilot project can be funded, potentially affecting approximately 1,000 students who could have benefited from the project.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$250,000	\$250,000		
General Revenue Funds Total	\$250,000	\$250,000		
Item Total	\$250,000	\$250,000		

28 Developmental Education Program, E.1.1.

Item Comment: The purpose of these funds is to study the use of technological and diagnostic assessments to determine students' needs and college readiness as well as innovative and effective methods, including non-course based, that improve developmental education outcomes at public community colleges. The Coordinating Board will award the funds based on a competitive proposal process. The total number of students who will benefit from these five pilot projects is approximately 8,000 for the 2010-2011 biennium. The proposed reductions come primarily from administrative costs, such as 6 months of lapsed salary for 1 FTE, and costs associated with evaluation of the pilot projects. Since the evaluation will not have to be conducted until FY11, the Coordinating Board recommends making reductions in administrative funds with only a slight reduction in funds to institutions. The reduction to the pilot projects will mean that each project will not be able to serve approximately 90-100 students, for a total negative impact of 400-500 students.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$125,000	\$125,000		
General Revenue Funds Total	\$125,000	\$125,000		

* - Indicates amount does not meet target requirements.

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Item Total	\$125,000	\$125,000		
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29 Alternative Teaching Certificate Programs at Comm. Colleges, E.1.8.

Item Comment: These funds are provided to public community colleges that have significantly reduced the cost of tuition for coursework in alternative teaching certificate programs in comparison to the institution's average tuition. Because of a reduction in the number of community colleges offering Alternative Certification Programs, the Coordinating Board will be able to make this reduction without causing harm to community colleges.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$0	\$112,500		
General Revenue Funds Total	\$0	\$112,500		
Item Total	\$0	\$112,500		

30 Indirect Admin -- Information Resources, H.1.2

Item Comment: This strategy includes the Information Technology Services department. This department is responsible for the information technology planning, coordination of computer operations provided with the state-wide Data Center Services (DCS) contract, network operations, security and confidentiality of data, PC/network support, business process improvement, mission-critical systems development and support, and the Agency's web sites. This strategy provides division, program, and agency staff the information resources technologies needed to support the state's higher education plan, Closing the Gaps in higher education in Texas, and supports all agency goals. Data-driven evaluation of programs related to Closing the Gaps continues to increase the demand for electronic communications and exchange of information and for expanded data collection and sharing between P-16 stakeholders. The portion of the proposed reduction for Information Technology Services for each year of the biennium will not significantly impact the ability for ITS to provide core technology services for the agency. Salary savings from vacancies and reductions from other operating expenses are the two primary areas of reduction. A reduction of capital expenditures will be used as the third source if needed but is not anticipated at this time.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$78,791	\$78,792		
General Revenue Funds Total	\$78,791	\$78,792		
Item Total	\$78,791	\$78,792		

31 Close the Gaps in Excellence, A.2.1.

Item Comment: Funds allocated to this strategy are used to review degree and certificate programs for approval, review requests for certificates of authority by unaccredited institutions, and evaluate the effectiveness of existing programs at institutions of higher education. The AAR portion of the proposed reduction comes from lapsed salaries of vacant positions, reductions in planned travel, reductions in the number of Ph.D. site visits funded, and other operating expense savings.

* - Indicates amount does not meet target requirements.

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GENERAL REVENUE FUNDS				
1 General Revenue Fund	\$81,984	\$81,983		
General Revenue Funds Total	\$81,984	\$81,983		
Item Total	\$81,984	\$81,983		

32 Texas Hospital-Based Nursing Edu Partnership Grant Program, D.1.1

Item Comment: This program is a competitive peer-reviewed grant program created in 2007 by the 80th Texas Legislature and funded in 2009 by the 81st Texas Legislature. The purpose is to increase the number of professional nursing education program enrollees and graduates through support for educational initiatives designed to promote collaboration between hospitals and nursing education programs. This is the first year of the program. The applications for this program are due in February, and the number of grants that will be awarded will decrease by two.

GENERAL REVENUE FUNDS				
1 General Revenue Fund	\$250,000	\$0		
General Revenue Funds Total	\$250,000	\$0		
Item Total	\$250,000	\$0		

33 Professional Nursing Shortage Reduction Program, D.1.12.

Item Comment: The purpose of the Professional Nursing Shortage Reduction Program is to increase the number of graduates from professional nursing programs, increase the percentage of students in professional nursing programs that graduate within a reasonable time, and increase the number of graduates from master's and doctoral programs in nursing that join the faculty of professional nursing programs. Funds are used to create additional nurse faculty positions, provide temporary salary supplements for professional nursing faculty, and engage qualified preceptors to expand faculty capacity. The funds are awarded to the institutions by the Coordinating Board upon certification of graduates. Funding based on graduates as opposed to enrollments serves as an effective incentive for institutions to increase their retention efforts. As funds for this program have been allocated for FY2010, funding for this fiscal year will not be reduced. All reductions will be made from FY 2011. Funding will be reduced for the biennium by 4.72% with program reductions coming totally from reductions in FY 2011. The total reduction in the nursing shortage program will be 5% with the Coordinating Board making up the difference by reducing administration costs 61.72%.

GENERAL REVENUE FUNDS				
1 General Revenue Fund	\$984,800	\$1,500,200		
General Revenue Funds Total	\$984,800	\$1,500,200		
Item Total	\$984,800	\$1,500,200		

* - Indicates amount does not meet target requirements.

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34 Close the Gaps in Research, A.2.2.

Item Comment: Funds allocated to this strategy are used to administer ARP, research assessment, review of special item funding, publication of annual research expenditures and restricted research report, and other research-related activities. The proposed reductions come from lapsed salaries of vacant positions and reductions in travel and professional expenses associated with the Research Assessment Program and the Advanced Research Program Biennial Review. Program reviews will still be completed within acceptable parameters.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$16,732	\$16,733		
General Revenue Funds Total	\$16,732	\$16,733		
Item Total	\$16,732	\$16,733		

35 Promote Participation and Success in Higher Education, A.1.1.

Item Comment: This strategy supports efforts to meet the participation and success goals of Closing the Gaps by 2015 (i.e. to enroll an additional 630,000 academically prepared students by 2015 and to increase the number of academic credentials awarded by 210,000 by 2015). Supporting activities include P-16 outreach initiatives that collaborate with local public schools and community-based organizations to provide information to parents, families, and students, including historically underrepresented populations, and to encourage them to prepare academically and financially for college; efforts to ensure the success of student recruitment and retention strategies by higher education institutions; support to high schools with low college-going rates; and collaboration with state leadership in public education, workforce, and other stakeholders via the State P-16 Council to ensure a seamless, high-quality educational system. In addition, this strategy supports non-loan financial aid programs – including grants, scholarships, work-study (especially the work-study mentorship program, and tuition exemptions) – administered by the Coordinating Board to help students with financial need pursue college. The proposed reductions for the P-16 Initiatives Division are a result of lapsed salaries from vacant positions and the reduction of printed materials associated with outreach efforts.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$169,318	\$169,318		
General Revenue Funds Total	\$169,318	\$169,318		
Item Total	\$169,318	\$169,318		

36 Close the Gaps by Providing Planning and Info, A.3.1.

Item Comment: Funds allocated to this strategy support the Board's strategic planning for Texas higher education, including data collection and analysis, formula funding recommendation development, capital projects evaluation, and other resource functions. The proposed reductions are primarily from lapsed salaries of vacant positions. They also include reductions in travel, conferences, and funds that were being set aside for web site development. Coordinating Board staff will rely more on conducting meetings through Live Meeting and other means.

* - Indicates amount does not meet target requirements.

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GENERAL REVENUE FUNDS				
1 General Revenue Fund	\$147,000	\$110,000		
General Revenue Funds Total	\$147,000	\$110,000		
Item Total	\$147,000	\$110,000		

37 College Readiness Initiative, A.1.3.

Item Comment: Funds allocated to this strategy are used to implement college and career readiness initiatives, other student success initiatives, and all mandates associated with HB 1, 79th Legislature (3rd Called Session). Number The proposed reductions come from lapsed salaries of vacant positions in three divisions (P&A, AAR, P-16), a reduction in funds for external consultants for Course Redesign and Adult Degree Completion, a reduction in printed materials on College and Career Readiness, fewer college preparation course/module options for high school students (which will impact approximately 6,000 students who are not college ready), a slight reduction in bridge programs, and no funding will be available for one small regional P-16 council.

GENERAL REVENUE FUNDS				
1 General Revenue Fund	\$681,240	\$513,919		
General Revenue Funds Total	\$681,240	\$513,919		
Item Total	\$681,240	\$513,919		

38 Top 10 Percent Scholarship Program, B.1.13.

Item Comment: The 80th Texas Legislature created the Top 10 Percent Scholarship to encourage financially needy students who graduate in the top 10 percent of their high school class to attend a Texas public institution of higher education. Qualifying students may be eligible to receive up to \$2,000 if they enroll fulltime in a Texas public college or university. The Coordinating Board recommends that this program be exempted from the 5% reduction (see Strategy B.1.9. for explanation). If the Legislature decides it must cut financial aid, the proposed cuts to the Top 10% Scholarship Program will not impact any students in the current biennium. Normally, financial aid is funded for the current academic year. FY10 funds for the current academic year will be expended after 9/1/2010. Top 10% scholarships for the current academic year were funded with FY09 appropriations, prior to 9/1/2010. Therefore, since these funds were "forward funded," no students will be negatively affected this biennium. If these reductions are not restored next biennium, approximately 1250 new students will not receive a scholarship in FY12.

GENERAL REVENUE FUNDS				
1 General Revenue Fund	\$2,500,000	\$0		
General Revenue Funds Total	\$2,500,000	\$0		
Item Total	\$2,500,000	\$0		

* - Indicates amount does not meet target requirements.

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39 Student Financial Aid Programs, B.1.9.

Item Comment: This strategy consists of TEXAS Grant, Texas Education Opportunity Grant (TEOG), Texas Work-Study, B-On-Time Loan Program (BOT), and Tuition Equalization Grant Program (TEG). These programs help close the gaps in participation and success by defraying cost for financially needy students. If Texas is to close the gaps, thousands more students must participate and succeed in higher education. Most of these students will come from families with few resources to pay for college. Affordability is a key strategy to closing the gaps in participation and success. The five programs in this strategy constitute the state's largest effort to provide financial aid. THE COORDINATING BOARD RECOMMENDS THAT THESE FINANCIAL AID PROGRAMS BE EXEMPTED FROM THE 5% REDUCTION. The proposed reduction to GR-D of the Texas B-on-Time loan program will mean that 3,659 new students will not be issued a loan. The Coordinating Board is prepared to work with budget leaders to identify the reduction levels by program that will have the least impact on students, if the Legislature decides to cut financial aid.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$20,071,309	\$5,193,524		
General Revenue Funds Total	\$20,071,309	\$5,193,524		

GR DEDICATED

5103 Texas B-on-Time Student Loan Acct	\$22,250,000	\$0		
Gr Dedicated Total	\$22,250,000	\$0		
Item Total	\$42,321,309	\$5,193,524		

Agency General Revenue Total	\$32,214,574	\$16,366,862		
Agency GR Dedicated Total	\$24,327,250	\$212,000		

Agency Grand Total	\$56,541,824	\$16,578,862	\$73,120,686	\$73,120,686
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* - Indicates amount does not meet target requirements.