



# TEXAS HIGHER EDUCATION COORDINATING BOARD

P.O. Box 12788 Austin, Texas 78711

## MEMORANDUM

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**DATE:** September 24, 2009

**TO:** Mike Morrissey, Senior Advisor, Office of the Governor  
John O'Brien, Director, Legislative Budget Board

**FROM:** Arturo Alonzo Jr., Deputy Commissioner  
Business and Finance/Chief Operating Officer *(Signature)*

**SUBJECT:** Planned Expenditure of ARRA Funds Appropriated in Art. XII

As required in Article XII, Section 5(a), the Texas Higher Education Coordinating Board (THECB) respectfully submits the plan described below for the intended use of \$80 million appropriated to THECB for Performance/Incentive funds for the General Academic Teaching Institutions.

The award of the funds will follow Strategy B.1.12 in the THECB's bill pattern in Article III, with \$40 million appropriated for FY 2010 and \$40 million in FY2011. The calculation of an award to an institution will be based on both statute (Chapter 62, Subchapter D) and the THECB rules (Chapter 13, Subchapter I). As required, 50% of the funds awarded each year will be based on the average degrees awarded in the previous three years (2006, 2007 & 2008) and 50% for the increase in degrees awarded between the two recent years (2007 and 2008) over the previous two years (2005 and 2006). The degrees awarded will receive additional weight for both the critical fields and at-risk students. The critical fields will include only those identified in the *Closing the Gaps* document approved by the THECB. The identification of at-risk students will follow the designation included in the statute, rules and available data.

Institutions will be required to submit a grant application to the THECB, which will include the institution's plan for use of the funds, outcomes from grant funded activities, and a detailed budget. Following approval of the application, the institution will submit expenditure and reporting information monthly, and will be reimbursed for approved expenditures, up to the total award amount. Expenditure reports will require certification of the accuracy of information submitted.

If you have questions or require additional information, please contact me at 512-427-6135.

cc: Board Members  
Raymund A. Paredes