1 AN ACT 2 relating to improvements in and assessments of the status of higher 3 education in this state and to the coordination of public institutions of higher education in this state. 4 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: SECTION 1. Section 61.051, Education Code, is amended by 6 amending Subsections (a-1), (a-2), (a-3), and (e) and adding 7 Subsections (a-4) and (a-5) to read as follows: 8 9 (a-1) The board shall develop a long-range statewide [five-year] master plan for higher education to provide information 10 11 and guidance to policy makers to ensure that institutions of higher 12 education meet the current and future needs of each region of this state for higher education services and that adequate higher 13 education services at all levels are reasonably and equally 14 available to the residents of each region of [in] this state. The 15 [five-year] plan must project the status of higher education in 16 this state for future five-year intervals and must consider [shall 17 18 take into account] the resources of private institutions of higher education in this state. 19 (a-2) In developing the master plan, the board shall examine 20 existing undergraduate, graduate, professional, and research 21 programs provided by institutions of higher education and identify 22 23 the geographic areas of this state that, as a result of current population or projected population growth, distance from other 24

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educational resources, economic trends, or other factors, have or 1 2 are reasonably likely to have in the future significantly greater need for higher education services than the services currently 3 4 provided in the area by existing institutions of higher education. The board shall also consider the higher education services 5 6 provided by private and independent institutions of higher education in developing the plan. The board shall identify as 7 specifically as practicable the programs or fields of study for 8 9 which an area has or is projected to have a significant unmet need for services. In determining the need for higher education 10 services in an area, the board shall consider the educational 11 attainment of the current population and the extent to which 12 residents from the area attend institutions of higher education 13 14 outside of the area or do not attend institutions of higher 15 education. The board shall include in the plan specific recommendations, including alternative recommendations, for 16 17 administrative or legislative action to address an area's unmet need for higher education services as efficiently as possible. Not 18 later than November 1 of each even-numbered year, the board shall 19 deliver to the governor, lieutenant governor, and legislature a 20 21 report of the current master plan developed under this section.

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22 (a-3) [(a-2)] The board shall periodically review and 23 revise the [five-year] master plan developed under this section 24 [Subsection (a-1)]. As a specific element of its review, the board 25 shall identify and analyze the degree to which the plan reflects the 26 continuing higher education needs of this state, as well as any 27 policy changes necessary to improve overall implementation of the

plan and the fiscal impact of those changes. The board shall establish procedures for monitoring the board's implementation of the plan, including an analysis of the degree to which its current activities support implementation of the plan and any change in board rules or practices necessary to improve implementation of the plan.

(a-4) The board shall adopt a strategic plan to guide the 7 8 implementation of the master plan and the use of state resources in the implementation of the master plan. The strategic plan must 9 identify and incorporate strategies to be used by the board and each 10 institution of higher education to implement the master plan, other 11 12 strategies necessary to implement the master plan, and strategies for maximizing the use of state resources to implement the master 13 plan [identify additional strategies necessary to achieve the goals 14 of the plan, emphasizing implementation by institutions of higher 15 education] and must make specific recommendations regarding higher 16 17 education in [for] the different regions of the state. The board shall notify each institution of higher education of all strategies 18 19 for implementing the plan.

(a-5) [(a-3)] The board shall inform the legislature on 20 21 matters pertaining to higher education, including the state's activities in the Board of Control for Southern Regional Education, 22 23 and shall report to the legislature not later than January 1 of each 24 odd-numbered year on the state of higher education in Texas. In the 25 biennial report, the board shall assess the state's progress in 26 meeting the goals stated in the master plan developed under this section [Subsection (a-1)] and shall recommend legislative action 27

1 to assist the state in meeting those goals. The report must include 2 the analyses performed in connection with the board's periodic 3 review under Subsection (a-3) [(a-2)].

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4 The board shall review periodically the role and mission (e) 5 statements, the table of programs, and all degree and certificate programs offered by the public institutions of higher education to 6 assure that they meet the present and future needs of the state and 7 the counties in which they are located. The board's review shall be 8 performed at least every four years and shall involve the 9 chairperson of the institution's board of regents. The board shall 10 also order the initiation, consolidation, or elimination of degree 11 or certificate programs where that action is in the best interest of 12 the public institutions themselves or the general requirements of 13 14 the State of Texas, the counties in which they are located, or when 15 that action offers hope of achieving excellence by a concentration of available resources. No new department, school, degree program, 16 17 or certificate program may be added at any public institution of higher education except with specific prior approval of the board. 18 19 The board by rule shall adopt criteria for the addition of a new department, school, or degree or certificate program by an 20 institution of higher education. 21 The board may authorize an institution to continue a doctoral program that is inconsistent 22 with the role and mission of the institution if the program was in 23 24 existence on September 1, 1987, and the board determines that continuation of the program is warranted. 25

26 SECTION 2. Sections 61.059(a) and (i-1), Education Code, 27 are amended to read as follows:

1 (a) To finance a system of higher education and to secure an 2 equitable distribution of state funds deemed to be available for 3 higher education, the board shall perform the functions described 4 in this section. Funding policies shall:

5 (1) allocate resources efficiently and provide 6 incentives for programs of superior quality and for institutional 7 diversity;

8 (2) provide incentives for supporting the [five-year] 9 master plan for higher education developed and revised under 10 Section 61.051; and

11 (3) discourage unnecessary duplication of course 12 offerings between institutions and unnecessary construction on any 13 campus.

(i-1) Not later than January 1 of each odd-numbered year, 14 15 the board shall make and submit to the legislature findings and recommendations regarding the degree to which the current higher 16 17 education funding system, including formula funding and any other transfers of legislative appropriations to institutions of higher 18 education, supports the implementation of the [five-year] master 19 plan for higher education developed and revised under Section 20 61.051. The board may include its findings and recommendations in 21 the biennial report submitted to the legislature under Section 22 23 61.051. In its findings, the board must:

(1) identify funding incentives that would encourage implementation of the [five-year] master plan by institutions of higher education; and

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(2) assess the accountability of institutions of

1 higher education with respect to legislative appropriations to 2 evaluate institutional allocation of financial resources in 3 accordance with the [five-year] master plan.

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4 SECTION 3. Subchapter C, Chapter 61, Education Code, is 5 amended by adding Section 61.0818 to read as follows:

6 Sec. 61.0818. IDENTIFYING INSTITUTIONS AS COMPREHENSIVE 7 RESEARCH UNIVERSITIES OF THE FIRST CLASS. (a) The board shall establish a system for designating a general academic teaching 8 9 institution as a comprehensive research university of the first class and shall prescribe criteria to determine whether a general 10 academic teaching institution should be assigned that designation. 11 12 The board shall determine which general academic teaching institutions merit the designation and shall periodically review 13 14 that determination.

15 (b) In prescribing the criteria for purposes of Subsection 16 (a), the board shall consider the criteria used by generally 17 recognized college and university classification systems to 18 identify those universities in the highest classification or 19 ranking. The board shall specifically consider whether to 20 prescribe criteria based on the following factors:

(1) the number, variety, and quality of an institution's undergraduate, graduate, postgraduate, and professional degree programs, the number of programs accredited by a recognized accrediting agency or recognized nationally, the institution's selectivity in admissions to each program, the standard time required for a student to obtain a degree in each program, the institution's graduation rates in each program, and

1	the institution's faculty-to-student classroom ratios;
2	(2) the degree to which writing and critical thought
3	are incorporated as elements in each undergraduate degree program,
4	the number of graduates of each undergraduate degree program who
5	enroll in selective graduate, postgraduate, and professional
6	degree programs, the level of graduate performance on licensing
7	examinations, the number, variety, and quality of honors programs
8	available at the institution, whether honors theses are required
9	for participation in those honors programs, and the availability of
10	independent study credits at the institution;
11	(3) the number of doctoral degrees awarded by the
12	institution, the number, variety, and quality of the programs in
13	which those degrees are awarded, and the number of students
14	enrolled in each program;
15	(4) the degree of faculty and student engagement in
16	research and other creative activities, the number of faculty and
17	students who engage in those activities, the resources applied by
18	the institution to those activities, the number, variety, and
19	quality of degree programs in which those activities occur, the
20	success of the institution in receiving federal research and
21	development funding, and the number of faculty who are members of
22	nationally recognized academic associations such as the National
23	Academy of Sciences or the National Academy of Engineering;
24	(5) the quality of the libraries of the institution;
25	(6) the amount of institutional endowment and state
26	revenue available on behalf of each student;
27	(7) whether the institution is a member of the

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1	Association of American Universities, the Association of Research
2	Libraries, or another similar entity that recognizes institutional
3	excellence on a national level; and
4	(8) alumni involvement in institution activities.
5	(c) In prescribing the criteria for purposes of Subsection
6	(a), the board must include any criteria the commissioner of higher
7	education considers appropriate to achieve the purposes of this
8	section.
9	(d) The board shall administer this section with the
10	assistance of an advisory committee composed of at least five but
11	not more than 15 higher education experts or scholars from any
12	state. The commissioner of higher education shall select the
13	members of the advisory committee. Chapter 2110, Government Code,
14	does not apply to the advisory committee.
15	(e) Not later than October 1, 2006, the board shall
16	establish the initial criteria and make its initial determinations
17	under this section and report the board's actions to each
18	legislative standing committee and subcommittee with primary
19	jurisdiction over higher education. This subsection expires
20	January 1, 2007.
21	SECTION 4. The following provisions of the Education Code
22	are repealed:
23	(1) Section 61.051(i); and
24	(2) Section 61.056.
25	SECTION 5. This Act takes effect immediately if it receives
26	a vote of two-thirds of all the members elected to each house, as
27	provided by Section 39, Article III, Texas Constitution. If this

1 Act does not receive the vote necessary for immediate effect, this

2 Act takes effect September 1, 2005.