

AN ACT

relating to a master plan for higher education in this state.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsections (a-1) and (a-2), Section 61.051, Education Code, are amended to read as follows:

(a-1) To ensure that students enrolled at institutions of higher education are sufficiently prepared to meet the challenges associated with participation in the public affairs of the state and in the global economy, the ~~[The]~~ board shall develop a ~~[five-year]~~ master plan for higher education in this state for a period of years determined by the board. The ~~[five-year]~~ plan must ~~[shall]~~ take into account the resources of private or independent institutions of higher education in this state and must include:

(1) reexamination of the purposes, needs, and goals of higher education in this state;

(2) consideration of methods for defining the roles and missions of institutions of higher education in a way that is consistent with this state's needs and goals;

(3) consideration of more effective methods for funding higher education;

(4) consideration of methods for establishing a coherent long-term student financial aid strategy that takes into account both student financial need and student achievement;

(5) recommendations for strengthening collaboration

1 between two-year and four-year institutions of higher education;

2 (6) recommendations for developing and reinforcing  
3 long-term collaboration between and among primary, secondary, and  
4 postsecondary educational institutions;

5 (7) consideration of:

6 (A) the state's current and needed allocation of  
7 resources for medical education, including graduate medical  
8 education;

9 (B) the current and needed geographic  
10 distribution of those resources; and

11 (C) the value of associating a medical school  
12 with a general academic teaching institution;

13 (8) in consultation with the state demographer and at  
14 least one general academic teaching institution, medical and dental  
15 unit, private or independent institution of higher education, and  
16 public junior college, assessment of:

17 (A) the number of new faculty members needed to  
18 achieve the goals of the master plan, and the academic disciplines  
19 in which the new faculty members are or will be needed;

20 (B) the number of qualified persons available to  
21 serve as faculty members in this state and throughout the nation and  
22 the demand for the services of those persons in this state and  
23 throughout the nation; and

24 (C) the capacity of public and private  
25 institutions of higher education in this state to prepare persons  
26 who are qualified to serve as faculty members at institutions in  
27 this state and across a broad spectrum of academic disciplines;

1           (9) identification of appropriate incentives,  
2 including concurrent enrollment and dual credit, and requirements  
3 to facilitate seamless student transitions between and among high  
4 schools, public junior colleges, public technical institutes,  
5 public state colleges, general academic teaching institutions, and  
6 medical and dental units;

7           (10) consideration of concerns regarding the current  
8 and projected student enrollment and enrollment capacity of The  
9 University of Texas at Austin and Texas A&M University and of  
10 methods for ensuring that those institutions maintain  
11 competitiveness with other public and private flagship  
12 institutions of higher education;

13           (11) consideration of the value of creating additional  
14 four-year flagship public research institutions of higher  
15 education, including consideration of methods for:

16                   (A) selecting the location of those  
17 institutions; and

18                   (B) ensuring that those institutions admit a  
19 qualified and diverse student body;

20           (12) analysis of alternative methods of funding  
21 institutions of higher education, with emphasis on the research  
22 components of those institutions;

23           (13) consideration of whether to add new components to  
24 the TEXAS Grant program and other state financial aid programs for  
25 higher education, including a component that specifically  
26 addresses the needs of students at the preschool and primary and  
27 secondary school levels, ensures that those students commit to and

1 succeed in postsecondary education, and includes a work-study  
2 requirement; and

3 (14) consideration of:

4 (A) the effectiveness of existing family  
5 asset-building programs related to higher education, including  
6 individual college savings plans, prepaid tuition plans, and  
7 universal children's savings accounts; and

8 (B) the degree to which such programs contribute  
9 to each of the following in relation to study at a public or private  
10 institution of higher education:

- 11 (i) increased student achievement;
- 12 (ii) readiness for higher education;
- 13 (iii) enrollment rates;
- 14 (iv) dropout prevention;
- 15 (v) overall student success and well-being;

16 and

- 17 (vi) reliance on student loans.

18 (a-2) The board shall periodically review and revise the  
19 [~~five-year~~] master plan developed under Subsection (a-1). As a  
20 specific element of its review, the board shall identify and  
21 analyze the degree to which the plan reflects the continuing higher  
22 education needs of this state, as well as any policy changes  
23 necessary to improve overall implementation of the plan and the  
24 fiscal impact of those changes. The board shall establish  
25 procedures for monitoring the board's implementation of the plan,  
26 including an analysis of the degree to which its current activities  
27 support implementation of the plan and any change in board rules or

1 practices necessary to improve implementation of the plan. The  
2 board shall identify additional strategies necessary to achieve the  
3 goals of the plan, emphasizing implementation by institutions of  
4 higher education and specific recommendations for the different  
5 regions of the state. The board shall notify each institution of  
6 higher education of all strategies for implementing the plan.

7 SECTION 2. Subsections (a) and (i-1), Section 61.059,  
8 Education Code, are amended to read as follows:

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

13 (1) allocate resources efficiently and provide  
14 incentives for programs of superior quality and for institutional  
15 diversity;

16 (2) provide incentives for supporting the [~~five-year~~]  
17 master plan developed and revised under Section 61.051; and

18 (3) discourage unnecessary duplication of course  
19 offerings between institutions and unnecessary construction on any  
20 campus.

21 (i-1) Not later than January 1 of each odd-numbered year,  
22 the board shall make and submit to the legislature findings and  
23 recommendations regarding the degree to which the current higher  
24 education funding system, including formula funding and any other  
25 transfers of legislative appropriations to institutions of higher  
26 education, supports the implementation of the [~~five-year~~] master  
27 plan developed and revised under Section 61.051. The board may

1 include its findings and recommendations in the biennial report  
2 submitted to the legislature under Section 61.051. In its  
3 findings, the board must:

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

7 (2) assess the accountability of institutions of  
8 higher education with respect to legislative appropriations to  
9 evaluate institutional allocation of financial resources in  
10 accordance with the [~~five-year~~] master plan.

11 SECTION 3. This Act takes effect immediately if it receives  
12 a vote of two-thirds of all the members elected to each house, as  
13 provided by Section 39, Article III, Texas Constitution. If this  
14 Act does not receive the vote necessary for immediate effect, this  
15 Act takes effect September 1, 2007.

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President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 1234 passed the Senate on April 26, 2007, by the following vote: Yeas 30, Nays 0; and that the Senate concurred in House amendment on May 25, 2007, by the following vote: Yeas 30, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 1234 passed the House, with amendment, on May 23, 2007, by the following vote: Yeas 144, Nays 0, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor