

1-1 By: Watson, Hinojosa S.B. No. 1648  
1-2 (In the Senate - Filed March 11, 2011; March 23, 2011, read  
1-3 first time and referred to Committee on Higher Education;  
1-4 April 18, 2011, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 7, Nays 0; April 18, 2011,  
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1648 By: Watson

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the establishment of a system health center by a  
1-11 university system.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Chapter 51, Education Code, is amended by adding  
1-14 Subchapter I to read as follows:

1-15 SUBCHAPTER I. SYSTEM HEALTH CENTERS

1-16 Sec. 51.451. DEFINITIONS. In this subchapter:

1-17 (1) "Coordinating board" means the Texas Higher  
1-18 Education Coordinating Board.

1-19 (2) "General academic teaching institution,"  
1-20 "governing board," "institution of higher education," and  
1-21 "university system" have the meanings assigned by Section 61.003.

1-22 Sec. 51.452. SYSTEM HEALTH CENTER. A system health center  
1-23 integrates biomedical and clinical research, patient care  
1-24 services, and predoctoral and postdoctoral teaching provided by  
1-25 participating institutions, schools, and programs.

1-26 Sec. 51.453. ESTABLISHMENT. (a) The governing board of a  
1-27 university system may establish a system health center consisting  
1-28 of institutions of higher education under the board's control and  
1-29 direction if the system meets the criteria provided by this  
1-30 subchapter, as determined by the coordinating board.

1-31 (b) The educational programs of a system health center must  
1-32 be offered primarily by a single institution of higher education  
1-33 and, together with patient care services, must be provided  
1-34 primarily within the geographic region designated by the governing  
1-35 board.

1-36 (c) Each of the following must offer substantial  
1-37 educational programs through the system health center:

1-38 (1) one or more allopathic or osteopathic medical  
1-39 schools, each of which must administer residency programs in not  
1-40 fewer than three medical specialties within the center;

1-41 (2) two or more health professional schools or  
1-42 programs, such as nursing, public health, or pharmacy schools or  
1-43 programs;

1-44 (3) one or more undergraduate degree programs of a  
1-45 general academic teaching institution; and

1-46 (4) one or more graduate degree programs of a general  
1-47 academic teaching institution.

1-48 Sec. 51.454. DEMONSTRATION OF NEED AND SUPPORT. (a) The  
1-49 coordinating board shall approve the establishment of a system  
1-50 health center under Section 51.453 if the coordinating board finds  
1-51 that the university system seeking to establish the center has  
1-52 demonstrated:

1-53 (1) a need for the center based on applicable  
1-54 statewide and regional factors, including:

1-55 (A) demographic factors such as:

1-56 (i) age, income, and health condition; and

1-57 (ii) rate of persons without health care  
1-58 coverage; and

1-59 (B) present or predicted physician-to-population  
1-60 ratios or physician shortages in identified specialties;

1-61 (2) the center's access to a teaching hospital and  
1-62 other facilities adequate to support the center's research,  
1-63 education, and clinical activities, considering the proximity and

2-1 availability of existing complementary facilities and programs;  
2-2 (3) the center's capacity to expend in the aggregate a  
2-3 minimum of \$50 million annually in federally sponsored or privately  
2-4 sponsored research, as evidenced by the research contracts of  
2-5 participating institutions, provided that programs of the center  
2-6 will participate in those contracts;

2-7 (4) community support for the center from a  
2-8 combination of state and local governments, charities, chambers of  
2-9 commerce, hospitals, and medical societies, as evidenced by  
2-10 commitments of financial and other resources with an aggregate  
2-11 value of at least \$35 million; and

2-12 (5) a well-defined business plan that includes  
2-13 identified financial resources estimated to be sufficient for the  
2-14 ongoing support of the center, including support for medical  
2-15 residencies.

2-16 (b) Health condition information considered under  
2-17 Subsection (a)(1)(A)(i) may include health condition information  
2-18 relating to rates of disabilities, infant mortality, obesity, or  
2-19 diabetes or other chronic conditions.

2-20 Sec. 51.455. EFFECT ON FORMULA FUNDING. For purposes of the  
2-21 appropriation formulas recommended by the coordinating board under  
2-22 Section 61.059, a student of an educational program offered by a  
2-23 system health center is considered to be a student of a  
2-24 health-related institution to the extent that formula funding of  
2-25 health-related institutions applies to the discipline in which the  
2-26 student is enrolled.

2-27 SECTION 2. This Act takes effect immediately if it receives  
2-28 a vote of two-thirds of all the members elected to each house, as  
2-29 provided by Section 39, Article III, Texas Constitution. If this  
2-30 Act does not receive the vote necessary for immediate effect, this  
2-31 Act takes effect September 1, 2011.

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