

## **BILL ANALYSIS**

Senate Research Center

S.B. 24  
By: Hinojosa et al.  
Higher Education  
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Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Creating a new University of Texas (UT) institution in South Texas would merge the existing UT-Brownsville and UT-Pan American and would include a new school of medicine. It would be one of the top two Hispanic-serving institutions in the United States and would create educational, health care, and economic benefits for the entire Rio Grande Valley and the State of Texas.

The new university will span the entire region, with campuses at Pan American and Brownsville, and have a strong and visible presence in Harlingen and McAllen. The goal is to build a "university of the 21st century" that blends online learning and technologically-equipped classrooms.

The new university by merging assets will be immediately competitive with current UT emerging research universities. It is predicted to have a student population of 28,000, research expenditures exceeding \$11 million, and an endowment of \$70.5 million.

A school of medicine would enhance the status of the university in terms of research, philanthropy, the ability to attract new faculty, research funding, and additional economic development in the region.

With the new medical school, UT plans to increase graduate medical residents to 150 per year and place them in hospitals in Brownsville, Edinburg, Harlingen, and McAllen. Expanding access to medical education and residency slots would help resolve the critical health care problems of the Rio Grande Valley, designated as a medically underserved area with a severe physician shortage and limited resources. In Texas, there are 165 doctors for every 100,000 residents; in the United States, there are 240 doctors for every 100,000 residents; but in the 12 counties that make up the Rio Grande Valley, there are only 124 doctors for every 100,000 residents.

A benefit of creating a new university is eligibility for participation in the Permanent University Fund (PUF), a major source of public higher education funding available only to eligible UT System and Texas A&M University System (TAMU System) schools. If the Texas Legislature approves the bill by a two-thirds majority in both chambers, the new university will have access to the PUF. It will have no impact on funding available for the TAMU System and minimal impact on existing UT institutions.

Because UT-Brownsville and UT-Pan American are not currently eligible for PUF, they now receive assistance from the Higher Education Assistance Fund (HEAF). The new university would no longer be eligible for HEAF, freeing up more revenue for other Texas institutions benefitting from that fund.

The initial cost to the State of Texas of the merger should be zero, as the UT System and the two existing institutions have committed to absorbing all costs in the creation and transition.

Plans to establish a stand-alone medical school in South Texas, authorized by statute in 2009, were underway prior to the proposal to create a new university. A prior request for state appropriations of \$30 million—\$10 million of which represents recurring existing appropriations—to support the medical school still stands. The UT System Board of Regents has

committed \$10 million a year for the next decade to help establish the medical school. An additional request of \$20 million for the biennium (\$10 million a year) will also go before the legislature. These funds will go towards the recruitment of a founding dean for the medical school, associate deans, department chairs, and other key faculty.

An economic analysis has projected that the new university and medical school will create about 7,000 new high-paying jobs in the Rio Grande Valley.

S.B. 24 amends current law relating to the creating of a new university in South Texas within The University of Texas System.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Board of Regents of The University of Texas System in SECTION 1 (Section 79.04, Education Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. AMENDMENT TO EDUCATION CODE. Amends Subtitle C, Title 3, Education Code, by adding Chapter 79, as follows:

#### CHAPTER 79. UNIVERSITY TO BE ESTABLISHED IN SOUTH TEXAS

Sec. 79.01. DEFINITIONS. Defines "board" and "university" in this chapter.

Sec. 79.02. ESTABLISHMENT; SCOPE. (a) Provides that the university established under this chapter (university) is a general academic teaching institution under the governance, management, and control of the Board of Regents of The University of Texas (UT) System (board).

(b) Requires the board, as necessary to achieve the maximum operating efficiency of the university, to provide for the organization, administration, location, and name of the university and of the colleges, schools, and other institutions and entities of the university, which must include an academic campus and other academic operations in Cameron County; an academic campus and other academic operations in Hidalgo County; the medical school and other programs authorized for The UT Health Science Center--South Texas under Subchapter N (The University of Texas Health Science Center--South Texas), Chapter 74, subject to the provisions of that subchapter regarding the location of certain facilities and programs of the health science center; the facilities and operations of the Lower Rio Grande Valley Academic Health Center established under Subchapter L (Lower Rio Grande Valley Academic Health Center), Chapter 74; and an academic center in Starr County.

(c) Requires the board to equitably allocate the primary facilities and operations of the university among Cameron, Hidalgo, and Starr Counties.

(d) Requires the board to ensure that the medical and research programs of the medical school component of the university are conducted across the region and have a substantial presence in Hidalgo County and Cameron County. Requires the board to ensure the provision of interdisciplinary education across health professions within the university.

(e) Provides that the authority of the board under this section to achieve the maximum operating efficiency of the university and to provide for the organization, administration, and location of colleges, schools, and other institutions and entities of the university prevails over other law, including Section 74.611 (Authority to Establish or Participate in Center).

(f) Provides that the board has all the powers and duties provided by prior law, as that law existed at the time the applicable university or other entity was abolished, in regard to:

(1) The University of Texas at Brownsville (UT-Brownsville), The University of Texas--Pan American (UT-Pan American), and any other institution, college, school, or entity abolished under the Act authorizing creation of the university; and

(2) any facility, operation, or program that is transferred to the university under that Act.

(g) Authorizes the board to impose and collect any fee authorized by prior law, as that law existed at the time the applicable university was abolished, for UT-Brownsville or UT-Pan American, as determined by the board and subject to the limitations provided by the prior law authorizing the fee. Provides that the abolition of UT-Brownsville and UT-Pan American does not affect any pledge of revenue from a fee made by or on behalf of either of those universities to pay obligations issued in connection with facilities for which the fee was imposed and the obligations were issued.

Sec. 79.03. COURSES AND DEGREES. (a) Authorizes the board to prescribe courses leading to customary degrees offered at leading American universities and medical schools as applicable and to award those degrees, including bachelor's, master's, and doctoral degrees and their equivalents, and medical school degrees and other health science degrees.

(b) Requires the board to award degrees in the name of the university.

(c) Prohibits a department, school, or degree program from being instituted without the prior approval of the Texas Higher Education Coordinating Board, except that the university is authorized to include any department or school or offer any degree program previously approved for UT-Pan American or UT-Brownsville or expressly authorized by this chapter or other law.

Sec. 79.04. UNIVERSITY OF THE FIRST CLASS. Requires the board to make any other rules and regulations for the operation, control, and management of the university as may be necessary for the conduct of the university as a university of the first class.

Sec. 79.05. FACILITIES. Requires the board to provide for adequate physical facilities for use by the university.

Sec. 79.06. GIFTS AND GRANTS. Authorizes the board to solicit, accept, and administer, on terms and conditions acceptable to the board, gifts, grants, or donations of any kind and from any source for use by the university.

Sec. 79.07. JOINT APPOINTMENTS. Authorizes the board to make joint faculty appointments to positions in the university and to positions in other institutions under the governance of the board.

Sec. 79.08. PARTICIPATION IN PERMANENT UNIVERSITY FUND. Provides that the legislature finds that the university is an institution of higher education "created at a later date" for purposes of Section 18(c) (relating to creating institutions of higher education), Article VII, Texas Constitution. Provides that if the Act enacting this chapter receives a vote of two-thirds of the membership of each house of the legislature, when established the university is entitled to participate in the funding provided by Section 18 (Texas A&M University System; University of Texas System; Bonds or Notes Payable from Income of Available University Fund), Article VII, Texas Constitution, to the same extent as similar component institutions of The UT System.

Sec. 79.09. CENTER FOR BORDER ECONOMIC AND ENTERPRISE DEVELOPMENT. (a) Requires the board to establish a center for border economic and enterprise development (center) at the university.

(b) Authorizes the center established under this section to develop and manage an economic database concerning the Texas-Mexico border, perform economic development planning and research, provide technical assistance to industrial and governmental entities, and in cooperation with other state agencies, coordinate economic and enterprise development planning activities of state agencies to ensure that the economic needs of the Texas-Mexico border are integrated within a comprehensive state economic development plan.

(c) Authorizes the center to offer seminars and conduct conferences and other educational programs concerning the Texas-Mexico border economy and economic and enterprise development within this state.

(d) Authorizes the board to solicit and accept gifts, grants, and donations to aid in the establishment, maintenance, and operation of the center.

(e) Requires the center to cooperate fully with similar programs operated by Texas A&M International University, UT at El Paso, and other institutions of higher education.

Sec. 79.10. TEXAS ACADEMY OF MATHEMATICS AND SCIENCE. (a) Requires the board to establish the Texas Academy of Mathematics and Science (academy) at the university. Sets forth certain purposes of the academy.

(b) Provides that the academy is a coeducational program for selected Texas high school students with an interest in and the potential to excel in mathematics and science studies. Requires the academy to admit only high school juniors and seniors, except that the academy may admit a student with exceptional abilities who is not yet a high school junior. Requires the board to set aside adequate space at the new university to operate the academy and implement the purposes of this section. Requires the academy to operate on the same fall and spring semester basis as the university. Requires full-time students of the academy to enroll for both the fall and spring semesters. Requires faculty members of the university to teach all academic classes at the academy. Authorizes a student of the academy to attend a college course offered by the university and receive college credit for that course.

(c) Provides that the university administration has the same powers and duties with respect to the academy that the administration has with respect to the university. Requires the board, in consultation with university administration, to establish an internal management system for the academy and appoint an academy principal who serves at the will of the board and reports to the vice president for academic affairs; provide for one or more academy counselors; establish for the academy a site-based decision-making process similar to the process required by Subchapter F (District-Level and Site-Based Decision-Making), Chapter 11, that provides for the participation of academy faculty, parents of academy students, and other members of the community; and establish an admissions process for the academy.

(d) Prohibits the student-teacher ratio in all regular academic classes at the academy from exceeding 30 students for each classroom teacher. Authorizes the student-teacher ratio to exceed that limit under certain circumstances.

(e) Requires the academy to provide the university-level curriculum in a manner that is appropriate for the social, psychological, emotional, and physical development of high school juniors and seniors. Requires the administrative and

counseling personnel of the academy to provide continuous support to and supervision of students.

(f) Provides that, for each student enrolled in the academy, the academy is entitled to allotments from the foundation school fund under Chapter 42 (Foundation School Program) as if the academy were a school district without a tier one local share for purposes of Section 42.253 (Distribution of Foundation School Fund). Requires the commissioner of education (commissioner), if in any academic year the amount of the allotments under this subsection exceeds the amount of state funds paid to the academy in the first fiscal year of the academy's operation, to set aside from the total amount of funds to which school districts are entitled under Section 42.253(c) (relating to entitling each school district to a certain amount of money) an amount equal to the excess amount and to distribute that amount to the academy. Requires the commissioner, after deducting the amount set aside and paid to the academy by the commissioner under this subsection, to reduce the amount to which each district is entitled under Section 42.253(c) in the manner described by Section 42.253(h) (relating to transferring funds to meet certain allocations). Provides that a determination of the commissioner under this subsection is final and may not be appealed.

(g) Authorizes the board to use any available money, enter into contracts, and accept grants, including matching grants, federal grants, and grants from a corporation or other private contributor, in establishing and operating the academy. Requires that money spent by the academy further the purposes of the academy under Subsection (a).

(h) Provides that the liability of this state under Chapters 101 (Tort Claims) and 104 (State Liability for Conduct of Public Servants), Civil Practice and Remedies Code, is limited for the academy and employees assigned to the academy and acting on behalf of the academy to the same extent that the liability of a school district and an employee of the school district is limited under Sections 22.0511 (Immunity from Liability), 22.0512 (Immunity from Disciplinary Proceedings for Professional Employees), and 22.052 (Administration of Medication by School District Employees or Volunteer Professionals; Immunity from Liability) of this code and Section 101.051 (School and Junior College Districts Partially Excluded), Civil Practice and Remedies Code. Entitles an employee assigned to the academy to representation by the attorney general in a civil suit based on an action or omission of the employee in the course of the employee's employment, to limits on liability, and to indemnity under Chapters 104 and 108 (Limitation of Liability for Public Servants), Civil Practice and Remedies Code.

(i) Provides that, except as otherwise provided by this section, the academy is not subject to the provisions of this code or to the rules of the Texas Education Agency regulating public schools.

**SECTION 2. CONFORMING AMENDMENT.** Amends Section 74.751(a), Education Code, as follows:

(a) Authorizes the board to operate the UT Health Science Center--South Texas as provided by Section 79.02, with its administrative offices to be located in Hidalgo and Cameron Counties, rather than authorizes the board to operate the UT Health Science Center--South Texas as a component institution of the UT System with its main campus and administrative offices in Cameron County. Requires, rather than authorizes, the health science center to consist of a medical school, as provided by Section 74.752 (Medical School), other health and health-related degree programs, and related programs and facilities as the board considers appropriate.

**SECTION 3. CONFORMING AMENDMENT.** Amends Section 74.752, Education Code, as follows:

Sec. 74.752. MEDICAL SCHOOL. Provides that the medical school established as a component of the health science center and as a component institution of the UT System under the management and control of the board is subject to this section, rather than authorizing the UT Medical School--South Texas, if the UT Health Science Center--South Texas is established under Section 74.751 (Health Science Center), to be established as a component of the health science center and as a component institution of the UT System under the management and control of the board. Requires that the offices overseeing undergraduate medical education be located in Hidalgo County and the offices overseeing graduate medical education be located in Cameron County. Requires the board to ensure that educational programs for first-year and second-year students to be primarily located in Hidalgo County, and the educational programs for third-year and fourth-year students to be primarily located in Cameron County; and the educational programs for all medical students to take full advantage of the existing educational facilities and programs at UT-Pan American's Edinburg campus or successor campus, UT-Brownsville campus or successor campus, and the Lower Rio Grande Valley Academic Health Center established under Subchapter L, Chapter 74, in Harlingen and Edinburg. Requires that graduate medical education programs and activities be conducted throughout the region.

SECTION 4. THE UNIVERSITY OF TEXAS--PAN AMERICAN AND THE UNIVERSITY OF TEXAS AT BROWNSVILLE ABOLISHED. (a) Abolishes UT-Pan American and UT-Brownsville on a date the board determines appropriate to achieve the maximum operating efficiency of the system. Requires that the designated date be entered into the minutes of the board. Requires the board to take all actions necessary to provide for an orderly windup of the affairs of each university.

(b) Requires the board to provide to the secretary of state written notice of its action under Subsection (a) of this section. Provides that effective on the date the board designates for the abolition of the institutions described by Subsection (a) of this section, Chapters 77 (The University of Texas--Pan American) and 78 (The University of Texas at Brownsville), Education Code, are repealed.

(c) Prohibits the board from acting under Subsection (a) of this section to abolish UT-Pan American and UT-Brownsville earlier than the date on which the university created under Chapter 79, Education Code, as added by this Act, begins operation.

SECTION 5. UNIVERSITY CREATED. (a) Provides that the university described by Chapter 79, Education Code, as added by this Act, is created within the UT System. Requires the board, as provided by that chapter, to name the university and establish the university as a general academic teaching institution offering the degrees authorized by that chapter.

(b) Requires the university to begin operating on a date the board determines appropriate to achieve the maximum operating efficiency of the system. Requires that the designated date be entered into the minutes of the board.

(c) Requires the board, in recognition of the abolition of UT-Pan American and UT-Brownsville as authorized by this Act, to facilitate the employment at the university created by this Act of as many faculty and staff of the abolished universities as is prudent and practical.

(d) Entitles a student admitted to or enrolled at UT-Pan American or UT-Brownsville on the date of abolition to admission to the university created by this Act, and requires the board to take actions necessary to facilitate that admission and the appropriate transfer of credits.

(e) Authorizes the board, until such time as the university created by this Act formally begins operation, to provide for UT-Pan American or UT-Brownsville to use any facilities under the management and control of the UT System, including facilities developed for the university created by this Act. Authorizes the board to lease or

purchase facilities owned by Texas Southmost College District or by other owners to the extent the board determines necessary and practical.

(f) Provides that this Act does not affect the powers, duties, and obligations of UT-Brownsville and the Texas Southmost College District under Section 5, Chapter 935 (Senate Bill No. 1909), Acts of the 82nd Legislature, Regular Session, 2011. Requires the university and the district, as provided by that law, to continue a partnership agreement in effect until August 31, 2015, to the extent necessary to ensure accreditation.

SECTION 6. EFFECTIVE DATE. Effective date: upon passage or September 1, 2013.