

SUBJECT: Creating a new university in South Texas within the UT System

COMMITTEE: Higher Education — favorable, without amendment

VOTE: 7 ayes — Branch, Alonzo, Darby, Howard, Martinez, Murphy, Raney
0 nays
2 absent — Patrick, Clardy

SENATE VOTE: On final passage, March 13 — 30-1 (Schwertner)

WITNESSES: (*On companion bill, HB 1000:*)
For — Chris Boswell, City of Harlingen; Rep. Terry Canales; (*Registered, but did not testify:* Ramon Garcia; Ramiro Garza, City of Edinburg; Gloria Leal, Mexican American Bar Association of Texas; Israel Rocha, Doctors Hospital at Renaissance; Nelson Salinas, Texas Association of Business)

Against — None

On — Francisco Cigarroa, University of Texas System; John Fitzpatrick, Educate Texas, Communities Foundation of Texas; Juliet V. Garcia, University of Texas at Brownsville; Robert Nelsen, University of Texas-Pan American; (*Registered, but did not testify:* Macgregor Stephenson, Texas Higher Education Coordinating Board)

DIGEST: SB 24 would create a new university in South Texas within the University of Texas System. It would provide for the UT System to abolish two universities: the University of Texas at Brownsville and the University of Texas-Pan American. The new university would include a medical school, a Center for Border Economic and Enterprise Development and a Texas Academy for Mathematics and Science. If more than two-thirds of each chamber were to pass the bill, the new university would be eligible for appropriations from the Permanent University Fund (PUF).

Creation of a new university. The new university would be a general academic teaching institution under the governance of the Board of Regents of the University of Texas System. The UT board of regents

would name the new university.

The university would include:

- an academic campus in Cameron County;
- an academic campus in Hidalgo County;
- an academic center in Starr County;
- the facilities currently operated by the Lower Rio Grande Valley Regional Academic Health Center (RAHC); and
- the medical school and other programs authorized for a University of Texas Health Science Center-South Texas by SB 98 by Lucio (81st Legislature, regular session).

The UT board of regents would equitably allocate the primary facilities and operations of the university among Cameron, Hidalgo, and Starr counties. The new medical school's medical and research programs would have a substantial presence in Hidalgo and Cameron counties.

The new university could award bachelor's, master's, doctoral, and medical degrees. The university would not be allowed to create a department, school, or degree program without the prior approval of the Texas Higher Education Coordinating Board except for those previously approved for UT-Pan American or UT-Brownsville or authorized by law.

Abolishing UT-Pan American and UT-Brownsville. SB 24 would abolish the University of Texas-Pan American and the University of Texas at Brownsville. The UT board of regents would determine the actual date to abolish the schools and would establish procedures to wind up each institution's remaining business.

The new university would hire as many of the faculty and staff of the abolished schools as was practical. A student already admitted to or enrolled in one of the abolished schools would be entitled to admission to the new university.

Participation in the PUF. If passed with a two-thirds vote of each chamber of the Legislature, SB 24 would allow the new university to receive funding from the PUF.

Medical school advisory group. SB 24 would create a temporary medical school advisory group that would assist the UT board of regents in

designing and establishing the new university's medical school. The advisory group would help with site selection, design, and development of the medical school and would solicit input from stakeholder groups. The UT board regents would select the advisory group members. The group would be dissolved once it reported findings to the UT board of regents and the regents determined the purposes of the group had been achieved.

Center for Border Economic and Enterprise Development. SB 24 would allow the new university to run a Center for Border Economic and Enterprise Development to

- develop an economic database concerning the Texas-Mexico border;
- perform economic development planning and research;
- provide technical assistance to industrial and governmental entities and groups; and
- help coordinate economic and enterprise development planning activities of state agencies to ensure that the needs of the border region were part of a comprehensive state economic development plan.

The center would cooperate fully with similar programs at Texas A&M International University, the University of Texas at El Paso, and other academic institutions.

Texas Academy of Mathematics and Science. SB 24 would allow the new university to run a math- and science-focused high school. The academy would provide gifted juniors and seniors a university-level curriculum for college credit. The academy would also offer the necessary courses for the students to graduate under the advanced high school program. Regular class sizes would be limited to a 30-to-1 student-teacher ratio. The ratio could be higher in limited cases, such as if a class were combined with a university class of more than 30 students.

The funding a Texas school district receives from the Texas Education Agency (TEA) would be reduced to account for students attending the academy instead of its own high schools. TEA would distribute these funds to the academy to support the education of those students.

Except for the funding mentioned above, the academy would not be subject to oversight by the TEA or the provisions of the Education Code.

Effective date. This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2013.

SUPPORTERS
SAY:

SB 24 would consolidate UT-Brownsville, UT-Pan American, and the Regional Academic Health Center into a single institution, make the institution eligible for a superior method of funding, and attach a new medical school. This reorganization would create efficiencies and bring educational and economic opportunities to the Rio Grande Valley that do not now exist there. A new comprehensive research university is necessary to address the needs of the rapidly growing Valley population, which is already educationally and medically underserved.

The new university would be an economic engine in its own right and, by training students, would lay the groundwork for other businesses and industries to flourish. It would give South Texans needed educational opportunities to fill and create the high-paying jobs of tomorrow. The medical school would attract additional health care providers to a medically underserved region.

If passed by a two-thirds vote in each chamber, SB 24 would make the new university eligible for support from the Permanent University Fund (PUF) and less reliant on state general revenue. The PUF is an endowment fund that supports certain universities in the University of Texas and Texas A&M University systems through investments made with state oil and gas royalties. Moving support for the university to the PUF from the general revenue-funded Higher Education Fund (HEF) would free tens of millions dollars for other HEF-supported institutions.

Universities already supported by the PUF have not objected to the new university being added, as the value of the PUF has grown dramatically because of record income from its oil and gas holdings. Although the percentage share of the pie would be reduced, the value of each slice has grown so significantly that already-participating universities still would see increases in the value of their shares. The university's PUF share would come from the UT system's share, leaving the Texas A&M system's share unaffected.

The new university's increased size and budget would bring it closer to emerging research university status, eventually allowing it to compete for additional UT system and state matching funds. The university initially

would have about 28,000 students, research expenditures of more than \$11 million, and an endowment of \$70.5 million.

SB 24 would lead to savings on overhead and administration that could be spent on expansion, research, or new programs. Initial studies predict that consolidating the existing universities could save \$6 million in administrative costs. According to the Legislative Budget Board, SB 24 would not have a significant fiscal impact on the state budget.

The medical school attached to the new university would not disrupt the medical education system in Texas. The medical school is already authorized by statute and would be developed even without SB 24. The Higher Education Coordinating Board already has accounted for it and incorporated it into its plans for higher education in Texas. Sufficient residency slots would be available for graduates of the medical school. At least 150 new residency slots are expected to be created in the Rio Grande Valley region as a result of local efforts and existing demand.

While Texas Southmost College District currently has a partnership agreement with UT-Brownsville to transition students to the university, SB 24 should not stipulate a relationship between the new university and the district beyond current agreements. This would allow the relationship between the new university and the college district to develop as the not-yet-appointed leaders of the university see fit.

SB 24 would give the new university statutory authority to administer the existing Center for Border Economic and Enterprise Development and the Texas Academy of Mathematics and Science so they could be continued at the new university.

**OPPONENTS
SAY:**

There is no need to create a new comprehensive four-year university in the Rio Grande Valley. With UT-Pan American, UT-Brownsville, Texas A&M Kingsville, Texas Southmost College, and Texas State Technical College Harlingen, ample opportunities are available for higher education in the region.

SB 24 would not adequately address the shortage of doctors in Texas. A lack of residency slots could encourage recent graduates to study in other states, and the bill would not statutorily require the creation of new residency slots that its medical school graduates would need. About 70 percent of doctors practice medicine where they completed their

residency, so Texas could waste a fortune to educate doctors only to have them leave Texas for their medical residencies and end up practicing elsewhere.

The bill should require the new university to more fully cooperate with Texas Southmost College, in much the same way that the University of Texas at Austin and Austin Community College cooperate, allowing easy transfer of credits and agreements on degree plans, among other things. This would allow residents in the Rio Grande Valley area the most efficient use of their local higher-education opportunities.

NOTES:

HB 1000 by Oliveira, the companion bill, was passed by the House on March 20. The Senate Higher Education Committee recommended a committee substitute on May 9, which was passed by the Senate on May 16.

According to the fiscal note, the first year of the new university's medical school would cost \$1.9 million in general revenue based on an entering class of 50 students. The fiscal note forecasts a cost of \$7.7 million in general revenue once the medical school was fully enrolled with 200 students.