

## **BILL ANALYSIS**

Senate Research Center

S.B. 301  
By: Zaffirini; Duncan  
Higher Education  
4/4/2013  
As Filed

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

Currently, foreign medical schools are not authorized to participate in third-year and fourth-year clinical rotations in Texas. To receive authorization, one foreign medical school has applied to the Texas Higher Education Coordinating Board (THECB) for a certificate of authority, which is granted to for-profit schools to operate in Texas.

Authorizing foreign medical schools to participate in clinical rotations at Texas hospitals would undermine the efforts of Texas institutions to educate doctors. There is a limited capacity for clinical rotations because institutions must contract with hospitals to establish them. Adding foreign institutions to the supply of students will only exacerbate the demand on clinical rotation slots.

Additionally, as has been experienced in New York and New Jersey, these foreign, for-profit institutions charge a large amount of tuition and can afford to reimburse hospitals at a greater amount than state schools. As a result, when clinical rotation slots are in demand, hospitals contract with partners that offer the greatest reimbursement. State medical schools are then outbid by the foreign schools and the shortage of clinical rotation slots for in-state students grows.

This displacement of Texas medical school students with foreign medical school students is even more concerning as the state increases its efforts to expand the number of medical school students in existing schools and in the soon to be created medical schools at The University of Texas at Austin and in a proposed merger of the University of Texas System institutions in the Valley. Market effects will greatly increase the cost of medical education in Texas, both to the state and to the student.

S.B. 301 prohibits THECB from granting certificates of authority to foreign medical schools to place third-year and fourth-year students in clinical rotations in Texas hospitals.

As proposed, S.B. 301 amends current law relating to the authority of the Texas Higher Education Coordinating Board to issue to a foreign postsecondary institution a certificate of authority to grant professional degrees.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 61.306, Education Code, by adding Subsection (c), as follows:

(c) Prohibits the Texas Higher Education Coordinating Board (THECB) from issuing a certificate of authority for a private postsecondary institution to grant a professional degree or to represent that credits earned in this state are applicable towards a degree, if the institution is chartered in a foreign country or has its principal office or primary educational program in a foreign country. Provides that, in this section, "professional degree" includes a Doctor of Medicine (M.D.), Doctor of Osteopathy (D.O.), Doctor of

Dental Surgery (D.D.S.), Doctor of Veterinary Medicine (D.V.M.), Juris Doctor (J.D.), or Bachelor of Laws (L.L.B.).

SECTION 2. Effective date: upon passage or September 1, 2013.