

The 84th Legislative Session

Cumulative Report



The Texas A&M University System

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Overview of the 84th Legislative Regular Session

The 2014 election marked significant changes in statewide leadership positions. With a new Governor and Lieutenant Governor at the helm for the first time in more than a decade, combined with the addition of several newly elected Members, the priorities and process for the 84th Texas Legislature were somewhat unclear at the outset. **Governor Greg Abbott** and **Lieutenant Governor Dan Patrick** assumed their new roles and claimed a strong conservative mandate as a result of their electoral victories.

In his first State of the State address, **Governor Abbott** outlined an agenda built on his campaign proposals, and set forth five “emergency items” – border security, transportation, pre-kindergarten, ethics reform, and higher education research funding. As the Governor’s designated emergency items, they were eligible for consideration earlier in the session.

Newly elected **Lieutenant Governor Patrick** took the reins of the Republican-led Senate, and with the strong backing of the State’s most conservative voters, put forth his major priorities for the 84th Legislative Session. In his inauguration speech, the **Lieutenant Governor** cited border security, expanded Second Amendment rights, lower property and business taxes, expanded school choice, and reduced costs for higher education among his chief agenda items. He also created several “advisory boards” on issues such as the economy, tax policy, energy issues, and transportation in an effort to involve the private sector in the policy making process. One of the more significant advisory committees was the “Grassroots Advisory Board” which comprises prominent conservative activists from around the state. The group showed its independence when it published a letter openly opposing **Governor Abbott’s** pre-kindergarten proposal.

The Texas House saw its first openly contested vote for House Speaker in 40 years. Several Tea Party affiliated legislators and interest groups argued that **Speaker Straus** was too moderate, prompting **Representative Scott Turner** (R – Frisco) to begin a campaign to unseat the **Speaker**. **Representative Joe Straus** (R – San Antonio) easily withstood a Tea Party challenge and was reelected to his fourth term as Speaker of the House of Representatives. Ultimately, when the votes were tallied, **Representative Turner** garnered 19 votes. In addressing the House Chamber after his reelection, **Speaker Straus** remarked that the Texas House would not be beholden to “special interests” or “scorecards.”

In addition to the changes in leadership, turnover in both chambers led to a shake-up in committee assignments and the appointment of new committee chairs. **Representative John Otto** (R – Dayton) took over as Chair of the House Appropriations Committee and **Senator Jane Nelson** (R – Flower Mound) was appointed Chair of the Senate Finance Committee. While **Senator Kel Seliger** (R-Amarillo) retained his position as Chair of the Senate Higher Education Committee, **Representative John Zerwas** (R-Katy) assumed a new role as House Higher Education Chair.

In one its first acts, the Senate changed the “two-thirds rule.” The tradition, which dated back nearly 70 years, required the approval of two-thirds of senators present to suspend the Senate rule dictating the regular order of business in order to bring a bill to the Senate floor for consideration. Supporters of the

rule argued that it promoted compromise, gave the minority a voice, and created a more congenial legislative body. Others, including the Lieutenant Governor who had long opposed the rule, argued it led to abuse of legislative procedure and put too much power into the hands of a minority of members.

With significant turnover in the chamber's membership, the Senate had the votes to replace the two-thirds rule with one requiring three-fifths support. Under the new rule, only 19 votes were required to bring up a bill for debate rather than the previous 21 votes. This change gave the Republican-led Senate the ability to bring up legislation without the support of a single Democrat.

Lawmakers began the 84th Legislative Session with a budget surplus, but falling oil prices raised some uncertainty regarding the budget projections. However, newly elected **Comptroller Glenn Hegar** remained cautiously optimistic about the Texas economy in the State's biennial revenue estimate. He estimated legislators would have a total of \$220.9 billion General Revenue related funds to craft the State budget. In addition, **Comptroller Hegar** projected the Economic Stabilization Fund, also known as the Rainy Day Fund, would grow to more than \$11 billion.

As the session progressed, legislators and leadership struggled to find a balance between the budget priorities of the more mainstream Republicans and the more conservative Tea Party members.

One of the most contentious battles of the session centered on providing tax relief, a major priority for Republicans. Though the House and Senate proposed relatively similar budgets for the upcoming biennium, the two chambers' tax relief plans were drastically different. Early in the session, the Senate outlined a proposal to reduce the business franchise tax and provide an increased homestead exemption as a means of reducing property taxes. Meanwhile, the House plan called for a reduction in the business franchise tax rate and in the sales tax rate. **Lieutenant Governor Patrick** and House Ways and Means **Chairman Dennis Bonnen** (R – Angleton) were openly critical of the opposite chamber's plans, and it appeared a deal might not be reached. Without an agreement on tax relief, budget writers could not complete the 2016-17 state budget, threatening to force a special session. In the end, the impasse was resolved, and the Governor, Lieutenant Governor, and Speaker announced an agreement for a \$3.8 billion tax relief package that would significantly reduce the business franchise tax rate and increase the homestead exemption.

Despite some differences in how to accomplish their respective priorities, legislators were able to avoid the most partisan battles that colored recent legislative sessions. Ultimately, **Governor Abbott** and leadership from both chambers all claimed legislative victories on key priorities. Lawmakers passed a \$209 billion General Revenue budget, leaving \$6.4 billion General Revenue unspent. It includes tax relief, an additional \$1.5 billion for public education, funding for increased border security, increased funding for higher education, and expanded funding for the state's pre-kindergarten program. Open carry and campus carry legislation also passed.

Though some leadership priorities were unsuccessful – including a ban on sanctuary cities, major ethics reforms, and a ban on issuing same-sex marriage licenses – the legislature adjourned *Sine Die*, and **Governor Abbott** indicated he would not call members back for a special session.

Overview of Issues

Higher Education Issues

The following sections summarize major higher education-related issues from the 84th Legislature, with particular emphasis placed on issues impacting the Texas A&M University System institutions. Many of these issues are covered in greater detail within the “Appropriations” and “Overview of Key Higher Education Legislation” sections of this report.

Nominations

Governor Abbott made three appointments to expired positions on the Texas A&M University System Board of Regents. The Governor reappointed outgoing Board Chairman Phil Adams and appointed Mr. Robert L. Albritton and Mr. Williams “Bill” Mahomes each to six year terms. The Senate Nominations Committee chaired by **Senator Brian Birdwell** considered the Texas A&M University System nominees in their third hearing on February 19. The committee voted unanimously to approve all three nominees in their next hearing February 26. The Senate unanimously confirmed the appointments on March 3.

Tuition Revenue Bonds/Facilities Funding

The Texas legislature invests in higher education capital projects through the use of Tuition Revenue Bonds (TRBs), which are styled as legislatively approved tuition-backed bonds for which the legislature has historically appropriated General Revenue to reimburse institutions for debt service. The bonds are called Tuition Revenue Bonds (TRBs); however, this session the name was the subject of much discussion. Some members opposed the idea that the legislature authorized debt without seeking constitutionally required voter approval for general obligation debt of the state. Other members mistakenly thought the name meant tuition was actually used – and therefore increased – to pay the debt service. Finally, some members distrusted the process for selecting TRB projects as arbitrary and unfair. Many university systems changed the nomenclature to request “capital construction” in an attempt to focus the discussion on the need rather than the financing tool. While the Senate used the terminology “University Capital Construction” throughout session, the final appropriation for debt service in the budget is for Tuition Revenue Bond debt service.

TRBs were first authorized in 1971, and from 1991 to 2001 an omnibus TRB bill was traditionally passed each alternating legislative session. During the 2003 legislative session, only select TRBs related to Hurricane Allison recovery were approved, as the legislature faced an unprecedented budget shortfall. Many higher education supporters hoped to return to the four year cycle for TRB authorization in the 2005 legislative session, but legislation was not passed during the regular session. The last statewide public higher education infrastructure package passed during a special session in 2006. Legislation authorizing the issuance of statewide TRBs died in the final days of the 2013 Legislative Session when legislators were unable to reach an agreement on the differences in both project selection and project cost between the House and Senate versions of the bill.

In the nine years since the last statewide TRB package, student enrollment has increased by more than 120,000 students, including an additional 33,000 students at the A&M System institutions. Meanwhile,

the statewide adjusted space deficit for general academic and health related institutions for Fall 2014 was 20.4 million square feet, including a total deficit of 2.85 million square feet at A&M System institutions. In addition, research expenditures have increased more than \$313 million at the A&M System.

Prior to the start of the 84th Legislative Session, legislative leadership signaled their support of a statewide TRB bill, and support held throughout session. The Chairs of both the House and Senate Higher Education Committees filed omnibus TRB bills with differing allocation methodologies. **SB 150**, by **Chairman Kel Seliger** (R – Amarillo), initially limited each institution to one project capped at \$90 million. Prior to filing the bill, each system was asked to apply a 25% reduction to its previously identified projects. **HB 100**, by **Chairman John Zerwas** (R – Katy), adopted a methodology that would provide for more equity between similarly classified institutions. The methodologies used by both chairs were easily explained and understood; the projects selected were almost the same; and the total cost of the bills was never far apart. The House Appropriations and Senate Finance Committees each included approximately \$250 million for TRB debt service in their respective versions of the budget.

HB 100 became the vehicle for the TRB package, and overwhelmingly passed the full House. The Senate Higher Education Committee adopted a similar methodology to the House version, and the measure was passed by the full Senate. A conference committee was appointed to work out differences between the House and Senate versions. **HB 100** as finally passed generally provided authorization for a single project at each institution based on an amount for each project pursuant to the Texas Higher Education Coordinating Board's (THECB) accountability classifications -- \$75 million for each research university; \$70 million for each emerging research university; \$80 million for each health related institution; and a maximum of \$60 million for all other institutions. These general guidelines were modified if the institution had multiple campuses, if the institution was a new university, and based on the level of the request. **HB 1**, the 2016-17 state budget, includes \$240 million for TRB debt service beginning in FY 2017.

Research Funding

This session, several major changes were proposed to restructure the way the State funds research at institutions of higher education.

During his State of the State address, **Governor Abbott** outlined five legislative priorities, including the creation of a fund to recruit high-quality researchers to Texas institutions of higher education.

To achieve this goal, **Governor Abbott** and legislators sought to eliminate the State's Emerging Technology Fund (ETF), a signature program championed by former **Governor Rick Perry**, and to use those funds to invest in the recruitment of preeminent researchers. The legislature created the ETF nearly a decade ago to promote high-tech startup companies. The fund has allocated more than \$400 million to companies and universities since its inception; however, the ETF came under criticism with questions alleging a lack of oversight and transparency.

SB 632 by **Senator Troy Fraser** (R – Horseshoe Bay), **HB 26** by **Representative Angie Chen Button** (R – Garland), and **HB 7** by **Representative Drew Darby** codified the abolishment of the ETF and used the remaining funds to create a program known as the "Governor's University Research Initiative." The initiative is intended to provide matching funds to allow institutions of higher education to recruit

distinguished researchers to Texas, including Nobel Laureates and members of the National Academies. Both bills received strong bipartisan support and were successfully passed. The 2016-17 state budget includes \$40 million for the Governor's University Research Initiative. **Governor Abbott** signed **SB 632**, **HB 26** and **HB 7** into law, and institutions will be able to apply for matching funds in the coming months.

Prior to this session, Texas distributed funding in support of research via four major programs for general academic institutions: the Competitive Knowledge Fund (CKF) based on "Total Research Expenditures;" the Research Development Fund (RDF) based on "Restricted Research;" the Texas Research Incentive Program (TRIP) based on "Match of Philanthropy;" and the National Research University Fund (NRUF) based on a matrix of variables. Multiple institutions attained eligibility to draw funding from the first three listed programs, and two institutions participated in all four programs. These several funds, having been created separately over biennia, led to a lack of transparency regarding which institutions were receiving how much in total funding to support research, and made it difficult for the legislature to align its funding decisions with particular institutions or groups of institutions.

In interim hearings prior to session, **Representative John Otto** (R – Dayton), proposed creating a more equitable and transparent research funding structure that aligned with the accountability groupings of the general academic institutions established by THECB. He pursued that interest in the introduced base budget that he authored and in working with **Representative Zerwas** in drafting **HB 1000**.

The House's filed version of **HB 1**, the biennial budget, included a complete restructuring of the research funds other than the NRUF, which was unaffected. **HB 1** renamed the Competitive Knowledge Fund as the Texas Research University Fund (TRUF) and limited participation to the two institutions that are designated by THECB as "Research Universities," currently Texas A&M and UT-Austin. The bill also limited participation in the Comprehensive Research Fund (CRF) (formerly known as the Research Development Fund (RDF)) to include the general academic institutions that were not designated by THECB as either Research or Emerging Research Universities.

The remaining eight universities, designated by THECB as Emerging Research Universities (ERUs), were removed from current participation in the CKF (now the TRUF) and the RDF (now the CRF) and were limited to the TRIP. Importantly, the eight ERUs maintained the level of funding each been allocated from the CKF and RDF in the 2014-15 biennium, plus an added \$45m in the filed **HB 1**, resulting in a more robustly funded TRIP. However, as filed, **HB 1** allocated all the funding – that which they had in the CKF and the RDF, plus the new funding – per the methodology used for the TRIP, i.e., to be matched with philanthropy. This meant all ERUs would in the future receive state funding for research solely based upon funds raised from philanthropy, thereby losing the Total and Restricted Research methodologies previously used in the afore described funds.

The ERUs expressed concern regarding the proposed changes, and **Chairman Otto** and House leadership worked closely with the eight institutions to reach a fair compromise. Ultimately, the State's research funds were restructured into three discrete funds that are aligned more closely with their accountability groupings by THECB: the TRUF for Research Institutions, the Core Research Support (CRS) Fund for ERUs, and the Comprehensive Research Fund (CRF) for the remaining general academic institutions. The creation of the CRS Fund, and the associated \$117 million in funding, including \$10 million in new funding, reflects an increased commitment to the State's goal of creating additional "tier one" universities.

HB 1 as finally passed provided significant new funding for both the research universities and the emerging research universities, including more than \$35m in new funding for the TRUF (\$20.5m for Texas A&M and \$14.5m for UT-Austin), \$10 million for the CRS, and more than \$102 million for the Emerging Research Universities to provide for research-related matching funds through the TRIP. The remaining 27 institutions are eligible for funding through the \$14.3 million in the Comprehensive Research Fund allocated on restricted research expenditures. No additional funding was allocated to this group of institutions except to add funding to cover Prairie View A&M's portion (this was the first session that PVAMU was eligible for any of the research funds). This group of institutions includes all A&M System academic institutions except Texas A&M University.

HB 1000, authored by **Chairman Zerwas** and sponsored by Chairman Seliger, codified the changes to the research funds, and **Governor Abbott** signed the measure into law.

Higher Education Fund

All public institutions of higher education, except community colleges (which are authorized to levy ad valorem taxes for their capital needs) and the Texas A&M Veterinary Medical Diagnostic Laboratory, are authorized to receive funding for construction and other capital purposes from either the Permanent University Fund (PUF) or the Higher Education Fund (HEF). Beginning in FY 2016, all UT System institutions and most Texas A&M System institutions are eligible to draw debt service for capital projects from the PUF; other institutions, including six A&M System institutions, are and will be supported by the HEF. (Note: the six HEF eligible A&M System institutions are Texas A&M-Commerce, Texas A&M International University, Texas A&M-Corpus Christi, Texas A&M-Kingsville, Texas A&M-Textarkana, and West Texas A&M.)

HEF funds can be used to acquire land, construct and equip buildings, perform critical repair and renovation projects, and acquire capital equipment and library materials. The legislature reconsiders the HEF appropriation level and allocation methodology every 10 years, and can make allocation adjustments every five years.

The 84th Legislative Session marked the decennial review of the HEF; and the THECB, in conjunction with representatives of HEF-eligible institutions, recommended a 50% increase over current funding for FY 2016 through 2025. These recommendations were consistent with prior funding decisions and help compensate for institutions' growth and reduced purchasing power due to inflation.

The Senate Finance Committee included the recommended 50% increase in its version of the 2016-17 state budget, but the House Appropriations Committee did not. Ultimately, the **HB 1** conference committee adopted the 50% increase, for a total appropriation of \$393.7 million per year, but delayed implementation of the increase until FY 2017. **SB 1191**, by **Chairman Kel Seliger** and sponsored by **Representative Myra Crownover** (R – Lake Dallas), codified the allocation methodology and distribution amounts.

Campus Carry

For several sessions, lawmakers considered measures allowing holders of concealed handgun licenses (CHL) to carry handguns on college campuses. Such measures came close to passing in both the 82nd and 83rd Legislatures, but were ultimately unsuccessful.

This session, a record number of gun-related bills were filed, and campus carry, open carry, and “constitutional carry” were high-priority issues for many conservative legislators. Though **Governor Abbott** had previously supported a provision allowing universities to opt-out of campus carry requirements, he indicated early in the session that he would sign any bill expanding gun rights, even without the opt-out provision.

Campus carry legislation authored by **Senator Brian Birdwell** (R – Granbury) and **Representative Allen Fletcher** (R – Cypress) had 18 Senate co-authors and 56 House co-authors. Neither the House nor Senate version of the bill included an opt-out provision, but instead allowed for broader rights for CHL holders on college campuses than included last session. After receiving strong pushback for slow movement on expanded gun rights legislation, **Lieutenant Governor Patrick** promised to fast-track certain gun-related bills including campus carry in the Senate. **SB 11**, by **Senator Birdwell**, was placed on the agenda for the first Senate State Affairs hearing, along with open carry legislation. **SB 11** was voted favorably from committee, with the two Democrats on the committee opposing the measure. When **SB 11** came before the full Senate in mid-March, it was successfully passed along a party-line vote with all Senate Democrats opposing the measure.

After easily passing the Senate, the measure stalled in the House. More than a month passed before **SB 11** was referred to the House Homeland Security and Public Safety Committee, and it was thought the measure might be dead. In early May, **Representative Fletcher** indicated he may have reached an agreement with the Senate to attach the campus carry language to open carry legislation pending in the Senate. This proved to be unnecessary, as **SB 11** was given a public hearing in the House the following week.

SB 11 was voted favorably from committee and placed on the House Calendar in the final days of the session. The bill came before the full House late in the evening on the final day for the House to consider legislation. With a midnight deadline looming and many bills waiting to be heard, debate began on **SB 11**. The House adopted an amendment to allow boards of regents discretion in determining where guns are and are not allowed on college campuses. **Representative Trey Martinez Fischer** (D – San Antonio) called a point of order against further consideration of the bill. If the point of order had been sustained, **SB 11** would have died. However, with only 30 minutes remaining prior to the midnight deadline, a compromise was reached. **Representative Martinez Fischer** withdrew his point of order, and an amendment was added that would require private universities to participate in campus carry. This amendment was considered by some to be a “poison pill” as **Senator Birdwell** was strongly opposed to including private universities. **SB 11** passed the House on a largely party-line vote, and **Senator Birdwell** requested the appointment of a conference committee.

As agreed to by the conference committee, the final version of **SB 11** allows presidents at public institutions of higher education to establish rules to determine where handguns may not be carried on campus. A two-thirds majority of the governing board could overrule a president’s decision. Private institutions of higher education are allowed to opt-out of campus carry provisions. The conference committee report on **SB 11** was passed by both chambers and signed into law by **Governor Abbott** in the days following.

Baccalaureate Degrees at Community Colleges

During the 83rd interim, much time was spent in response to SB 414 (83R). This bill authorized the Texas Higher Education Coordinating Board (THECB) to complete a study to determine the need for community colleges to offer full baccalaureate degree programs, under certain conditions. THECB contracted with the RAND Corporation to conduct the study, and the result was a THECB recommendation to seek legislative authorization for THECB to approve select community colleges to offer baccalaureate degree programs in nursing and applied sciences programs. During the 84th Legislature, bills were introduced to grant this authority in the areas of nursing (**HB 1384/SB 271**), early childhood education (**HB 3836/SB 1810**), and dental hygiene (**HB 3348**). Of these, **HB 3348** by **Representative Clardy** (R-Nacogdoches) passed requiring THECB to establish a pilot project to examine the feasibility and effectiveness of authorizing dental hygiene bachelor's degree programs at certain public junior colleges. At this time, Tyler Junior College is the only institution that meets the criteria of the bill. The bill, among other provisions, requires THECB to prepare a progress report to the legislature, including a recommendation that junior-level and senior-level courses offered in a dental hygiene bachelor's degree program by a public junior college receive the same state support as other courses offered by the college.

Hazlewood

The Hazlewood program, first enacted in the 1920s, provides a tuition and fee exemption for Texas veterans who attend the state's public universities. Texas lawmakers passed the Hazlewood Legacy Act in 2009 allowing veterans to transfer any eligible unused semester credit hour exemptions to their children/dependents. Previously, Hazlewood benefits were only extended to spouses or children of veterans killed in the line of duty, missing in action, or completely disabled from a service-related injury. The expansion of the program to include Legacy students has caused the exempted costs to increase dramatically, growing from \$24 million in 2009 to nearly \$170 million among all public higher education institutions in 2014. This amount is estimated to reach \$380 million by 2019, and institutions of higher education are required to absorb the costs of the Hazlewood and Hazlewood Legacy program as an unfunded mandate. Additionally, a federal judge has ruled it is unconstitutional to restrict Hazlewood benefits solely to veterans who were Texas residents at the time they enlisted in the military. The decision is currently under appeal, but should it be upheld, the cost of the exemptions is expected to rise even more dramatically.

In 2013, lawmakers established the *Permanent Fund Supporting Military and Veterans Exemptions* to help offset the cost to institutions of higher education for providing state-mandated veteran exemptions. This fund distributed \$11.4 million in FY 2015 across all public universities, health related institutions, and community colleges. Additionally, \$30 million was appropriated as a one-time offset for Hazlewood costs in FY 2014-15.

Prior to the start of the 84th Legislature, while universities strongly supported the benefits to veterans and their eligible dependents, they also expressed concerns about the effect on tuition costs to other students and parents from the growing Hazlewood Legacy exemption costs. Therefore they asked legislators for additional help in paying for the mandatory Legacy program at whatever level of benefit the legislature determined it wanted to provide.

Senator Brian Birdwell, a retired Lieutenant Colonel in the U.S. Army and a decorated military veteran, authored **SB 1735**. While this bill and similar House Bills authored by **Chairman John Zerwas** and **Rick Miller** (**HB 3572** and **HB 3566**, respectively) did not pass, several key issues associated with the Hazlewood Legacy Exemption were brought up for debate and discussion during the session. Many of the provisions contained in the several pieces of legislation arose from interim reports submitted to the legislature by LBB as well as discussion from the 83rd Regular Session. **Senator Birdwell** and **Chairman Zerwas** clearly stated that their intent in **SB 1735** was to ensure that the State of Texas continue to offer the Hazlewood exemption to veterans and their families for the long term by reforming the program in several ways. As it left the Senate, **SB 1735** included following:

- First, the residency requirement would be amended to include any veteran who has established and maintained residency in Texas for eight years, while continuing to include veterans who entered military service in Texas. This issue was one that was extensively discussed both in the interim and during the legislative session due to the recent federal court ruling that calls into question the sustainability of the Texas Hazlewood Exemption in the long term due to the possible opening up of this program to non-Texas residents.
- Additional key requirements would have required a veteran to serve for six years before passing his/her Hazlewood benefits to a legacy; implemented a 15-year time limit on use of the exemption from the veteran's end of time in service; and required legacy recipients to maintain a 2.5 GPA and complete 24 credit hours per academic year. While the bill maintained the number of hours a veteran may pass to a legacy (120 hours), it would have restricted the use of the exemption to only undergraduate programs and required submission of a Free Application for Federal Student Aid (FAFSA) to confirm that all other available student aid is being utilized.
- The final key piece of the legislation would have been a grandfathering period. The intent of this section was to cover anyone currently receiving Hazlewood and/or Legacy benefits, as well as those who enrolled in college by the fall semester of 2016. Also, students who would receive these benefits as the spouse or dependent of a service member who was killed in action, missing in action, or 100% disabled due to a service-related injury would not have been impacted by any changes to the Hazlewood program.

Supporters of **SB 1735** believed these modifications were necessary to keep the program solvent and retain the benefit for future generations. They also pointed out that even with the proposed changes, Hazlewood would still provide the most generous state-funded veterans benefit in the country. However, many veterans groups argued the changes went too far and only supported increased funding for the Hazlewood program without any changes to eligibility.

SB 1735 successfully passed the Senate in early May, with a majority of Senate Democrats voting against the measure. With time running out in the legislative session, the bill was quickly taken up by the House Higher Education Committee. **Chairman Zerwas** made slight modifications to the Senate version, and the bill was voted favorably from committee. **SB 1735** stalled in the House Calendars Committee for several days due to “tags” placed by members opposed to the measure. It was finally placed on the House calendar in the final days for the House to consider legislation, which also happened to fall on Memorial Day weekend.

Prior to consideration of the bill, **Representative Joe Farias** (D – San Antonio) – a veteran and vocal opponent of **SB 1735** – gave a passionate personal privilege speech on the House floor urging his

colleagues to vote against the bill. When the measure was finally brought up, it became clear that support for changes to the Hazlewood program was waning in the House. After more than two hours of emotional debate and significant floor amendments, **Chairman Zerwas** offered an amendment that struck all of the proposed policy changes, except the amended residency requirement, and it passed the House unanimously.

Senator Birdwell requested the appointment of a conference committee in an attempt to resolve the differences between the House and Senate. However, two of the bill's most ardent opponents, **Representative Farias** and **Representative Cesar Blanco** (D – El Paso), were named to the conference committee, making a meaningful compromise more difficult to achieve.

Ultimately, Senate and House negotiators were unable to reach an agreement, and **SB 1735** died. In a speech on the Senate floor, **Senator Birdwell** expressed his frustration at the impasse and concern that the growing costs could financially cripple public universities and put the entire Hazlewood program at greater risk in the future.

For the 2016-17 biennium, it is estimated that the permanent fund will distribute just under \$12 million per year for all institutions. Additionally, the 84th Legislature continued what was intended to be a one-time appropriation by the 83rd Legislature to help offset Hazlewood costs by transferring the \$30 million appropriation to the Texas Veteran's Commission to allocate for the 2016-17 biennium.

Tuition Reregulation

Several bills were filed during the 84th Legislative Session to limit tuition increases at institutions of higher education. Some measures sought to fully reregulate tuition, while others would only allow tuition to be raised under certain circumstances.

Prior to the start of the legislative session, **Senator Charles Schwertner** (R - Georgetown) filed a bill that would cap tuition at current levels and only allow for increases tied to inflation rates. When **Senator Schwertner** laid out the bill in committee, he offered a committee substitute that also allowed for tuition increases to make up for any future decreases in state funding per resident student. Though **SB 233** was ultimately unsuccessful, **Senator Schwertner** continued to express his concerns that access and opportunity for higher education were being limited because of rising tuition rates.

SB 778, by **Chairman Seliger** and sponsored by **Chairman Zerwas**, would have allowed general academic institutions to increase tuition only after meeting certain performance-based targets on metrics including such variables as administrative costs, graduation rates, the number of degrees awarded, and persistence rates. **SB 778** was seen as a compromise that would have addressed two priorities – implementing a form of “outcomes-based” funding, long a priority for some lawmakers, and placing meaningful limits on tuition increases.

The bill passed the full Senate in late April with only two Senators opposing the measure, including **Senator Rodney Ellis** (D – Houston), who reminded his fellow senators that he had voted against tuition deregulation in 2003 and supported returning tuition-setting authority to the legislature. **SB 778** was voted favorably from the House Higher Education Committee in late May, but it was not considered on the House floor before the end of session.

Texas DREAM Act

In 2001, the Texas legislature enacted the *Texas DREAM Act* creating a pathway for certain undocumented students to establish Texas residency and qualify for in-state tuition at public institutions of higher education.

Though past efforts to repeal the law failed, there was publicly stated support to repeal the 2001 law leading up to the 84th Legislature, including in the campaigns of **Lt. Governor Patrick** and among some legislators. **Governor Abbott** indicated he would not veto such a bill.

Opponents of the *DREAM Act* argued the law is unfair to U.S. citizens who are required to pay out-of-state tuition rates and claimed it provides incentives for illegal immigration. Supporters – including some higher education leaders and the Texas Association of Business – stated their belief that it is in the State’s interest to educate all young people living in Texas and believe that adding to the State’s educated workforce provides a boost to the economy.

Senator Donna Campbell (R – New Braunfels) authored **SB 1819** to repeal the *Texas DREAM Act*. The bill was referred to the Senate Subcommittee on Border Security. The bill was successfully voted from the subcommittee and the full committee along a party-line vote. All eleven of the Senate Democrats and **Senator Kevin Eltife** (R – Tyler) vocally opposed the bill. Under the Senate’s new “three-fifths” rule, only two Republican Senators would have to oppose **SB 1819** to block its consideration. **SB 1819** was never brought up for consideration on the Senate floor.

Major Statewide Issues

The following summarizes major issues impacting the 84th Texas Legislative Session. Most of these topics have statewide implications, and the debate over each contributed to setting the tone of the session.

Taxes

Lawmakers entered the 84th Texas Legislature with a significant budget surplus, giving Republican leaders the ability fulfill their campaign promises for tax relief while increasing spending for other key priorities such as education and infrastructure. However, reaching an agreement on the details of a tax reduction plan proved to be one of the most difficult issues legislators faced.

As each chamber crafted its version of the 2016-17 state budget, the Senate’s included a \$4 billion “placeholder” for tax relief. However, House budget writers made it clear they intended to negotiate the budget and any tax reductions as separate measures.

Lieutenant Governor Patrick announced several pieces of legislation to provide tax relief for both home owners and businesses, and in a symbolic move he assigned **SB 1** to the main tax relief legislation – the bill number traditionally reserved for the budget. The Senate’s initial plan provided \$4.6 billion in reduced tax burden by increasing the homestead exemption from property taxes, reducing the business franchise tax rate by 15%, and raising from \$1 million to \$4 million the amount of total revenue below which a taxable entity would owe no tax. The **Lieutenant Governor** had the support of most Senate Republicans as well as several Senate Democrats. Some, including House leaders and several key outside groups, had other proposals, particularly for the property tax relief element. They had concerns about a

repeat of the 2006 property tax reductions that were obscured by increases in property valuations and increases in rates by units of local government other than schools.

House leaders, led by Ways and Means **Chairman Dennis Bonnen** (R – Angleton), introduced a competing tax relief plan several weeks later. Rather than reducing property taxes, the House plan reduced the State’s sales tax rate from 6.25% to 5.95%. In addition, **Chairman Bonnen** proposed a 25% reduction to the business franchise tax rate. **Lieutenant Governor Patrick** opposed a sales tax reduction over a property tax reduction, and it appeared the two chambers were at an impasse.

As the session progressed, the Senate worked to find a way to further reduce the business franchise tax to garner additional support for their plan. The Senate introduced a provision that would have prevented the property tax cuts from counting against the State’s spending cap. The House and **Chairman Bonnen** rejected this plan, and indicated they would walk away from any negotiations if it remained in place. The Senate removed the language.

As the legislative session drew toward a close, it remained unclear whether the two sides could reach the agreement necessary to complete the budget decisions and avoid a special session. With less than two weeks remaining in the session, the **Governor, Lieutenant Governor, and Speaker** announced an agreement that included the property tax relief pushed by the Senate and the business tax cuts the House preferred. The final plan approved by both chambers increased the current homestead exemptions by \$10,000 and reduced the business franchise tax rate by 25%. Additionally, **SB 1760** by **Senator Brandon Creighton** requires at least 60% of the governing board to affirmatively vote to raise property taxes.

Public Education

There were several high-profile public education-related priorities heading into the 84th Legislature, including improved pre-kindergarten programs, school choice and voucher initiatives, a revised public school grading system, and the overarching public education funding system as a result of a pending lawsuit.

Pre-kindergarten

In his State of the State address, **Governor Abbott** declared an improved statewide pre-kindergarten program as one of his highest priorities. The concept had widespread and bipartisan support, but there was disagreement as to whether the existing pre-kindergarten program should be revamped – **Governor Abbott’s** preference – or expanded from a half-day to a full day – a proposal supported by many Democrats.

Representative Dan Huberty (R – Humble) carried **HB 4**, which provided additional funding to school districts that adopt certain curriculum and teacher quality standards for pre-kindergarten programs. The plan would not expand the program to a full day. The bill was overwhelmingly approved by the House, but not before more than five hours of debate and several attempts by Tea Party Republicans to derail the measure.

As the bill moved to the Senate, the Lieutenant Governor’s Grassroots Advisory Committee released a letter calling the plan a threat to parental rights. Though the **Lieutenant Governor** distanced himself from these comments and noted he supported a pre-kindergarten program, the letter was a source of

tension among leadership. Despite the opposition of Tea Party members both inside and outside the capitol, **HB 4**, sponsored by **Senator Campbell**, successfully passed the full Senate.

The final version of the bill, signed into law by **Governor Abbott** before the session ended, sets aside \$130 million over the biennium to provide up to \$1,500 per child to eligible school districts.

A-F Grading System

Lieutenant Governor Patrick, who chaired the Senate Education Committee during the 83rd Legislature, outlined a series of public education priorities early in the 84th Legislature, including an “A-F rating system” for public schools. The current rating system, which is based largely upon standardized test scores, has been criticized for being ambiguous and difficult for parents to understand. Supporters of the A-F system believed it would create more transparency while opponents worried it would place a stigma on students in low-performing schools.

The Senate version of the bill, **SB 6** by Senate Public Education Committee **Chairman Larry Taylor** (R – Friendswood), passed the full Senate along a party line vote. Both Republican and Democrat House members expressed reservations on the measure. In an attempt to move the bill, the provisions of **SB 6** were merged into **HB 2804**, by House Public Education Committee **Chairman Jimmie Don Aycock** (R – Killeen), which made broader changes to the State’s public school accountability system. After an emotional debate on the House floor, with both Republicans and Democrats speaking against the bill, **HB 2804** was successfully passed.

The final compromise reached between the House and Senate, which garnered more support in each chamber than the original proposals, reduces the weight of student performance on standardized tests in determining school performance. In addition to test scores, community engagement, AP course enrollment, attendance, and dropout rates will now count toward a school’s rating. The current rating system of “Exemplary” or “Unacceptable” will be replaced with the A-F rating system beginning in the 2016 academic year.

School Choice/Vouchers

For the past several sessions, some legislators have pushed for the ability to provide state financial support to parents who want to send their children to private schools. Supporters of “voucher” programs argue it offers alternatives to students at low-performing schools whose families could not otherwise afford a private school education. Though vouchers have enjoyed the support of some conservative Republicans in the Senate, many Republican House members representing smaller, rural school districts have strongly opposed the concept of a school voucher program.

Lieutenant Governor Patrick has long been a supporter of vouchers, and he campaigned on the issue during the 2014 election. In a move signaling the priority of the measure, the **Lieutenant Governor** assigned voucher legislation a low bill number. **SB 4**, by Senate Education **Chairman Larry Taylor**, was one of several voucher bills debated in the Senate this session.

In an effort to attract enough support to pass some form of “school choice” legislation, **SB 4** was amended to use tax incentives to entice private businesses to provide scholarships to students wanting to attend private schools. Supporters of the amended legislation argued it was no longer a private school voucher program, but opponents believed it would divert money away from public education. Though **SB 4** passed the full Senate, it was not heard in a House committee before the session ended.

Border Security

In 2014, there was an unprecedented spike in undocumented immigrants, including significant numbers of unaccompanied children from Central America crossing the border into Texas. In response, then-**Governor Perry** deployed additional Department of Public Safety officers and the State National Guard to help secure the border. The law enforcement surge was estimated to cost \$1.3 million per week.

As the border surge continued, State leaders worked to reach an agreement to fund the efforts through the end of fiscal year 2015. In November, the **Governor, Lieutenant Governor, and Speaker** announced a plan to spend \$86 million on the border security efforts through August 2015.

At the outset of the 2015 legislative session, Republican leadership made increased funding for border security measures a top priority, and **Governor Abbott** named it an “emergency item.” However, **Speaker Straus** expressed some caution about the need for a long-term deployment of the National Guard – something **Lieutenant Governor Patrick** strongly supported. As the two chambers outlined their border security plans, there were significant differences on how to staff a continued border surge and at what funding level.

The House passed its border security bill, **HB 11** by **Representative Dennis Bonnen**, early in the session with bipartisan support and sent it to the Senate. Tensions arose when the Senate later opted to pass its own bill, **SB 3** by **Senator Brian Birdwell**, rather than the House bill. Notably, **HB 11** did not include funding for National Guard troops, while **SB 3** did. However, after a several weeks long stalemate a compromise was reached between the two chambers.

The final version of **HB 11** will enable the hiring of additional Department of Public Safety officers on the border, create an “intelligence center” to analyze criminal activity along the border, and create a new offense for human trafficking. The changes implemented in **HB 11** will cost the state \$310 million, as part of the \$800 million for border security included in the 2016-17 state biennial budget.

Transportation

Providing adequate funding for Texas’s transportation infrastructure has long been a challenge for lawmakers. The Texas Department of Transportation (TxDOT) estimated an additional \$5 billion per year over FY 2012-13 appropriated levels was required just to keep pace with maintaining existing roads and performing basic expansions.

In 2013, the 83rd Legislature proposed a constitutional amendment providing approximately \$1.2 billion per year by applying some taxes on oil and gas production to transportation needs. Texas voters approved the measure last November, setting the stage for increased transportation funding.

Going into the 84th Legislature, there was consensus among legislative leaders that additional action was needed to address transportation infrastructure issues. **Governor Abbott** made transportation funding one of his five legislative priorities, and lawmakers began crafting legislation to accomplish the goal.

Senator Robert Nichols (R – Jacksonville), Chairman of the Senate Transportation Committee, outlined a plan to divert any motor vehicle sales taxes collected over \$2.5 billion into the State Highway Fund rather than the General Revenue fund. Any revenue collected beyond \$5 billion would be split evenly between General Revenue and the Highway Fund.

With bipartisan support, the House overwhelmingly approved a similar transportation proposal in late April. The House plan set aside \$3 billion in sales tax revenue for TxDOT, in addition to providing 2% of the remaining pool of sales tax revenue in years when collections increased. Though both the House and Senate bills focused on sales tax revenue and both contemplated constitutional dedication which would be subject to voter approval, several key differences needed to be resolved before an agreement could be finalized.

Despite the strong support of many, some lawmakers expressed concern about a permanent divergence of revenue from General Revenue. They worried dedicating funding specifically to transportation limited future legislatures' options for funding other priorities such as education.

In the end, lawmakers reached an agreement that – combined with the 2014 voter-approved constitutional amendment – comes very close to reaching the \$5 billion per year threshold. If approved by voters, \$2.5 billion of state sales tax revenues per year will be diverted from General Revenue into the State Highway Fund, beginning in 2017. Also subject to voter approval is an additional redirection of \$250 million per year of motor vehicle sales tax from General Revenue into the State Highway Fund, beginning in 2019. The transportation package also ended the so-called diversions of the gas tax and vehicle registration fee to support other agencies. This change will leave an additional \$600 million per year in the State Highway Fund available to TxDOT, beginning in FY 2016.

Guns

Since 2011, there has been a consistent effort to amend Texas's gun laws to allow gun owners with concealed handgun licenses (CHL) to "open carry" their handguns in public places. This session, a record number of bills were filed to expand gun rights for Texas residents on everything from open carry, to campus carry, to constitutional carry. Though most Republicans and legislative leadership strongly supported the Second Amendment, it was unclear whether proposals such as open carry or constitutional carry would have enough support for passage.

Those in favor of open carry noted that Texas is one of only six states that does not allow open carry, and believe the proposed change protects the constitutional rights of licensed gun owners. The less restrictive measure known as "constitutional carry" would repeal any licensing requirements, and allow anyone to openly carry a handgun. Moving to a constitutional carry provision was favored by the most ardent supporters of gun rights.

Gun rights activists showed up in force on the opening day of the 84th Legislature to push for loosened restrictions on carrying handguns. That day, **Representative Poncho Nevarez** (D – Eagle Pass) had a tense encounter with members of a group supporting a constitutional carry measure. The lawmaker was on the receiving end of threats from the constitutional carry supporters, which led to the House installing "panic buttons" inside members' offices. Many believed this early exchange hindered the chances of any constitutional carry measure passing this session.

Early in the session, **Lieutenant Governor Patrick** gave an interview stating an open carry bill might not have the support needed to pass the Senate, and therefore suggested it would not be considered a priority measure. However, after receiving swift pushback from gun rights supporters, the **Lieutenant Governor** promised to fast track both open carry and campus carry legislation. **SB 17**, by **Senator Craig**

Estes (R – Wichita Falls), passed the Senate State Affairs Committee on a party-line vote after nearly eight hours of testimony. **SB 17** went on to pass the full Senate with the same partisan support.

Meanwhile, the House version of the open carry measure, **HB 910** by **Representative Larry Phillips** (R – Sherman), listed more than 85 co-sponsors, and was expected to easily pass the full House. During a lengthy and contentious floor debate, **Representative Harold Dutton** (D- Houston) quietly added an amendment that would limit the ability of police officers to request that a person openly carrying a handgun present their permit.

As **HB 910** moved to the Senate, the Dutton amendment created unexpected alliances between some Democrats and constitutional carry supporters. Some supported the amendment because they believed it would help prevent racial profiling, while others thought it was a backdoor effort to repeal licensing requirements. Though the amendment was stripped during a Senate committee hearing, it was successfully reattached during the floor debate by the full Senate.

Conference committee negotiations began to resolve the differences between the House and Senate versions, but it was unclear whether there would be sufficient support in either chamber if the controversial amendment remained. Law enforcement groups strongly opposed the amendment, and called on **Governor Abbott** to veto **HB 910** if the language remained.

Ultimately, the amendment was removed, and **HB 910** passed along a largely party-line vote. **Governor Abbott** signed the bill into law, which takes effect in January 2016.

Ethics Reform

Governor Abbott was the first Texas governor in more than two decades to declare ethics reform a legislative “emergency.” **Governor Abbott** proposed reforms in his Blueprint for Texas. His recommendations included requiring all legislators, statewide elected officials, and gubernatorial appointees to disclose any financial interest with a public entity; requiring legislators to recuse themselves from voting on legislation from which they may financially benefit; prohibiting legislators and statewide elected officials who are licensed by the State Bar of Texas from earning referral fees or receiving any benefit from legal referral; requiring quarterly reporting of campaign financial data by legislators, statewide elected officials, candidates, and political action committees; and within the last 30 days before an election, prohibiting any funds received from a single person or entity above \$5,000 from being expended until the funds have been reported to the Texas Ethics Commission and posted on the campaign website.

Senator Taylor (R-Plano) filed **SB 19** on March 13 – the bill filing deadline. As filed, **SB 19** included strict provisions preventing elected officials from lobbying, denying pensions to legislators convicted of serious crimes related to their office, closing the revolving door for legislators, requiring lawmakers disclose contracts with governmental entities and prohibiting lawmakers from certain paid jobs with public or governmental entities. In order to move the bill out of the Senate State Affairs Committee, many provisions were weakened. However, the Senate Floor debate resulted in many additional, stricter requirements. Among the most contentious additions was the requirement to reveal any source of income. While proponents argued the additional transparency would allow the public to make more informed voting decisions, opponents expressed concern for personal privacy and family safety.

Representative Cook (R-Corsicana) sponsored the bill in the House where the bill took a decidedly different approach. The major provisions included in the House version of **SB 19** took aim at dark money by requiring disclosure of donation when political spending by a group reaches \$25,000; restricted the ability to secretly record conversations; lowered dollar thresholds at which lobbyists must report expenditures for food and drink for state officials; and prohibited elected officials who become lobbyists from using their campaign accounts to make donations for two years after they leave office and start lobbying.

Senate and House conferees were unable to reach consensus on a conference report. However, pieces of the omnibus ethics bill passed both houses in other smaller bills. **Representative Chris Turner** (D-Grand Prairie) passed **HB 408**, closing the double-dipping loophole that allowed state elected officials to draw a salary and pension concurrently. **Representative Giovanni Capriglione** (R-Southlake) passed **HB 1294** requiring governmental entities to report to the Texas Ethics Commission all parties who have a financial interest in approved contracts. **Senator Joan Huffman** (R-Houston) amended **HB 3511** and **HB 3637** to exempt disclosure of spousal income from personal financial statements. **Governor Abbott** vetoed both bills, citing the added language.

The legislature determined they were going to reform the Public Integrity Unit. **Senator Huffman** (R-Houston) filed **SB 10** to move the unit from Travis County to the Office of the Attorney General. **Representative Cook** (R-Corsicana) and the House proposed eliminating the unit and remanding the responsibility for prosecution to the District Attorneys in the counties in which the offense took place, requiring the Texas Rangers to be part of any investigations. While **SB 10** fell subject to a point of order on the House floor, the House's approach was ultimately passed in **HB 1690** by **Representative Phil King** (R-Weatherford).

State Contracting

During the interim, the **Sunset Advisory Commission** identified contracting as an issue that needed to be addressed based on their review of the health and human service agencies. Just prior to the session, a controversial no-bid contract at the Health and Human Services Commission (HHSC) was reported by the *Austin-American Statesman*. What initially began as a small Department of Information Resources (DIR) cooperative contract ballooned to a proposed no-bid contract worth over \$100 million. Following the revelation of the no-bid contract, the State Auditor also found other contracts at HHSC that were not properly bid or monitored. These contracting irregularities led to the resignation of four high-ranking HHSC officials, including the Inspector General. The legislature broadened its scrutiny beyond HHSC contracting procedures to include the cooperative contracts list maintained by DIR and all state agency contract oversight, management or audit functions. Institutions of higher education were not specifically examined.

Shortly after the 84th Legislature convened, **Chairman Nelson** filed **SB 353**, which required state agencies, including institutions of higher education, to post online contracts that were not competitively bid and to justify why that process was used. The filed bill also required state agencies to actively monitor contracts and prohibited contracts from being awarded to businesses in which high-level agency leadership or staff have a financial interest. Two days after the bill was filed, **Governor Abbott** directed state agencies to immediately implement many of the provisions addressed in **SB 353**.

In March, **Chairman Nelson** filed a much more comprehensive contracting bill **SB 20**; the low bill number assignment indicated its priority among Senate Leadership. **SB 20** included the provisions found in **SB 353** and also addressed the state contracting process and reporting of contracts, contract training for state employees, revolving door issues for vendors and agency employees, and delegated purchasing authority granted to certain state agencies. The bill, as filed, removed the best value purchasing authority granted to institutions of higher education. However, after meetings and discussions with higher education officials, a compromise was reached allowing institutions of higher education to continue procuring goods and services under current law, as long as the governing boards of systems/institutions adopted certain oversight policies. **SB 20** moved through the Senate to the House in less than a month, On the House side, **Representative Four Price** sponsored **SB 20**. The House took a similar approach to the Senate, knowing there were major contracting issues that had to be addressed. However, when **SB 20** was voted out of the House State Affairs committee, the House chose to not include institutions of higher education in their version of **SB 20**; they felt the oversight at these institutions was much more stringent than general state agencies. When the bill was heard on the floor, due to the omnibus subject area, there were many amendments placed on the bill that required the bill to go to conference committee. Once the House and Senate agreed to the final version, the bill was very close to what was voted out of the Senate. A more detailed description of **SB 20** and its impact upon institutions of higher education can be found in the legislative write-up of this report.

Additionally, the filed version of **HB 1** included an Article IX provision addressing contract oversight and approval. **Chairman Otto** filed **HB 15** that would have codified the provisions of the Article IX section and granted the Legislative Budget Board a review process for major contracts that were over \$1 million. Similar to the House version of **SB 20**, **HB 15** would not have included institutions of higher education in the oversight process. The bill passed both the House and Senate and was sent to conference committee. The House adopted the conference committee report for **HB 15**, but the Senate did not consider the conference committee report. However, the Article IX provision remained in the budget, carrying forward some of the contracting oversight requirements included in **HB 15**.

SB 20 and **HB 15** were only two of many bills filed in the legislature that addressed state contracting issues; however, **SB 20** was the only contracting bill that passed. Some stand-alone bills were incorporated into **SB 20**, while others ran into legislative deadlines. The issue was a major focus of the session and will continue to be during the interim.

Looking Ahead

The landscape for each session is largely influenced by external factors (the economy, political environment, etc.) and the decisions made by the previous legislature. Some of the significant factors that will impact the fiscal context in which the 85th Legislature write the state budget for the 2018-19 biennium are already known. For example:

Potentially reduced revenues

- Franchise tax ruling – **Comptroller Hegar** has warned that unless the state wins its appeal of a 3rd Court of Appeals ruling in favor of AMC Movie Theatres, franchise tax revenues could decrease up to \$1.5 billion a year.
- The growth in the Texas economy is slowing. June sales tax growth declined over the previous year for the first time in over five years. Tax receipts related to the oil and gas sector are slowing.

Reduced flexibility

- **SJR 5** – If approved by voters in November 2015, beginning in FY 2018, \$2.5 billion of sales tax revenues will be constitutionally redirected annually from the General Revenue Fund to Fund 6 for transportation funding.

Built-in increased expenditures

- **HB 7** – A change in the yield for districts with tax rates compressed below \$1.00 will increase in cost from less than \$100 million a year in the 2016-17 biennium to nearly \$150 million a year beginning in FY2018.
- **SB 1191** – The Higher Education Fund (HEF) annual appropriation was statutorily increased 50%, or \$131.25 million beginning in FY2017. The biennial cost to the budget will double in the 2018-19 biennium to \$262.5 million.
- **HB 100** – The legislature authorized institutions of higher education to issue \$3.1 billion of Tuition Revenue Bonds and provided one year of debt service in the current budget at a cost of \$240 million. Next biennium, the two-year cost will double to approximately \$480 million.

Budget writers must consider normal budget drivers like public and higher education enrollment growth and Medicaid caseload and cost growth every session. Their ability to do so next session may be dramatically affected by a combination of the factors listed above.

Appropriations

In January 2015, the Comptroller issued the constitutionally mandated (Art. III, Section 49a of the Texas Constitution) Biennial Revenue Estimate (BRE). The estimate stated that there would be a \$113.0 billion in funds available for general-purpose spending. This includes \$110.4 billion in estimated 2016-17 revenue into the General Revenue-related funds, \$7.5 billion in balances for 2014-15, and a transfer of \$5.0 billion to the Economic Stabilization Fund and the State Highway Fund.

During the Regular Session, the legislature passed several key pieces of appropriation legislation: **House Bill 1**, the General Appropriations Act (GAA) and **House Bill 2**, the supplemental appropriations bill as well as other tax measures and other bills in order to implement various policies necessary to make the budget balance within available revenues.

HOUSE BILL 1

House Bill 1 by Otto/Nelson appropriated \$106.6 billion in General Revenue Funds (GR) for 2016-17, \$11.4 billion more than the 2014-15 biennium or an increase of 12.0 percent. This includes \$3.8 billion in GR appropriated for tax relief. Excluding the \$3.8 billion in GR tax relief, which does not represent an increase in total spending, the biennial increase in General Revenue spending is adjusted to a net \$7.6 billion or an 8 percent increase. See table on following page.

The All Funds budget totaled \$209.4 billion, an increase of \$7.3 billion or 3.6 percent. Once adjusted for \$1.2 billion All Funds tax relief, the increase is \$6.1 billion or 3.0 percent.

The \$3.8 billion in General Revenue is appropriated to the Foundation School program to hold school districts harmless for lost revenue resulting from tax relief legislation. More specifically, the tax relief includes \$1.2 billion in All Funds to local school districts to compensate for revenue reduced by increasing the mandatory homestead exemption from \$15,000 to \$25,000 and \$2.6 billion to make up for reducing the franchise tax rate by 25 percent, which would result in less funding in the Property Tax Relief Fund.

Constitutional Spending Limits

Texas has four constitutional limits on spending. The 2016-17 biennial appropriations are within all four of these spending limits. The 2016-17 General Revenue appropriations total \$106.6 billion which is

- \$6.4 billion under the Pay-as-you-go Limit, and
- \$2.9 billion under the spending limit.

In the past, the Pay-as-you-go limit, or the amount of funding available, has usually been the controlling limit. This biennium because the General Revenue spending authority is lower than the Pay-as-you-go Limit, the controlling limit is the spending limit.

OVERVIEW OF THE STATE BUDGET
General Revenue, in millions
2016-17 appropriated, Compared to 2014-15 Expended/Budgeted Level

GENERAL REVENUE FUNDS		2014-15	2016-17	Change	Percent Change
Art. I	General Government	\$2,731.6	\$3,092.3	\$360.6	13.2%
Art. II	Health and Human Services	29,789.9	32,177.9	2,388.0	8.0%
Art. III	Education	50,674.6	55,857.6	5,183.0	10.2%
	<i>Public Education</i>	37,421.7	41,196.8	3,775.1	10.1%
	<i>Higher Education</i>	13,253.0	14,660.8	1,407.8	10.6%
Art. IV	The Judiciary	446.8	470.7	23.9	5.3%
Art. V	Public Safety and Corrections	9,220.8	11,450.2	2,229.5	24.2%
Art. VI	Natural Resources	714.8	911.4	196.5	27.5%
Art. VII	Business and Economic Development	932.9	1,285.9	353.0	37.8%
Art. VIII	Regulatory	279.2	320.0	40.8	14.6%
Art. IX	General Provisions	-	651.1	651.1	NA
Art. X	The Legislature	<u>373.9</u>	<u>385.3</u>	<u>11.4</u>	3.1%
	Grand Total	<u>\$95,164.5</u>	<u>\$106,602.4</u>	<u>\$11,437.9</u>	12.0%
	Amount of Tax Relief			(\$3,800.0)	
	Growth Excluding Tax Relief			\$7,637.9	8.0%

Source: Legislative Budget Board, May 2015.

Notes: 2014-15 includes certain anticipated supplemental spending adjustments. Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table and figure totals may not sum due to rounding.

Below are additional details on each of the four spending limits:

1. Article III, Section 49a, **“Pay-as-you-go”** Limit. It requires that bills making appropriations be sent to the Comptroller for certification that the appropriations are within available General Revenue. The Comptroller’s Biennial Revenue Estimate issued in January 2015 estimated that would be \$113.0 billion available for the 2016-17 biennium. This included \$110.4 billion in GR revenue collections less \$5.0 billion in GR deposits to be transferred to the Economic Stabilization Fund and the State Highway Fund as well as a beginning GR balance of \$7.5 billion. Also, any FY2015 supplemental appropriations must come from this available revenue. Appropriations from the General Revenue Fund in HB 1 for the 2016-17 biennium total \$106.6 billion, which is within the “pay-as-you-go” limit. The Comptroller certified that the budget was within available revenues on June 9, 2015.
2. Article VIII, §22, **Limit on the Growth of Certain Appropriations**. This provision limits the rate of growth of appropriations from state tax revenue not dedicated by the Constitution to not exceed the estimated rate of growth of the state’s economy. The Legislative Budget Board (LBB) met on December 1, 2014, and adopted an 11.7 percent growth rate which determines the constitutional spending limit. Any supplemental appropriations for FY2015 adjust the 2014-15 base that is used to calculate the 2016-17 spending limit. The 2016-17 biennial spending limit is equal to the total 2014-15 appropriations (including supplemental appropriations passed by the 84th Legislature) adjusted for the adopted growth rate. The 2016-17 level of appropriations in HB 1 is within the Article VIII

spending limit set by the LBB, but the final amount below the spending limit is dependent on all final actions of the 84th Legislature and any vetoes by the Governor.

3. Article III, §51-a, **Welfare Spending Limit**. This provision limits the amount that may be paid out of state funds for assistance grants to or on behalf of needy dependent children and their caretakers to no more than one percent of the state budget in any biennium. The biennial amount included in HB1 that is subject to the limit on state dollars is \$2.0 billion less than the one percent limit.
4. Article III, §49 (j), **Debt Limit**. The legislature may not authorize additional state debt if, in any fiscal year, the resulting maximum annual debt service payable from the General Revenue Fund, excluding revenues constitutionally dedicated for purposes other than payment of state debt, exceeds five percent of the average annual unrestricted general revenue for the previous three years. The Bond Review Board calculates this as two limits. The first limit applies to outstanding or issued debt, and for the end of FY2014, the issued debt calculation is 1.20 percent. The second limit calculation includes both issued and authorized but unissued bonds. The Bond Review Board has determined that the state is currently at 2.71 percent of unrestricted General Revenue for the end of FY2014 based on the second calculation. Actions of the 84th Legislature increase the constitutional debt limit ratio from 2.71 percent to 2.91 percent of the three-year average of unrestricted General Revenue which is well below the five percent limit.

Economic Stabilization Fund (Rainy Day Fund)

The Economic Stabilization Fund (ESF), frequently referred to as the “Rainy Day Fund,” had a balance of \$8.5 billion as of January 1, 2015. The Comptroller’s *Biennial Revenue Estimate* forecasts that by the end of FY2017, the balance in the Economic Stabilization Fund would be \$11.1 billion. No appropriations from the Economic Stabilization Fund have been made in the 2016-17 biennium.

House Bill 2, Supplemental Appropriations Act

House Bill 2 by Otto/Nelson took care of the more routine supplemental funding actions that the Legislature typically addresses, appropriating over \$290.0 million in General Revenue Related Funds through the end of the 2016-17 biennium. Key items affecting higher education include:

- University of Texas at Austin - Bureau of Economic Geology \$ 4,471,800
- Lamar State College - Orange - Damages Associated with Hurricane Ike \$ 1,077,557
- UTMB - Galveston - Bio-Containment Critical Care Unit \$ 8,200,000
- Lee College - Prison Higher Education \$ 775,000

The appropriation to UT Austin for the Bureau of Economic Geology (BEG) is for seismic monitoring. The provision directs the BEG to enter into collaborative research relationships with other universities in Texas, including the **Texas A&M Engineering Experiment Station**.

Higher Education Appropriations

**Higher Education
HB1 General Revenue Appropriations for 2016-17
Compared to 2014-15
in millions**

	2014-15	2016-17	Change	%
General Academics/System Offices	4,389.7	4,773.9	384.1	8.8%
Health Related Institutions	2,532.7	2,742.8	210.1	8.3%
A&M System Agencies	331.6	357.1	25.6	7.7%
Two Year Institutions	1,966.0	1,969.0	3.0	0.2%
Coordinating Board	1,269.9	1,453.2	183.3	14.4%
Higher Education Group Insurance	1,189.2	1,377.9	188.7	15.9%
Optional Retirement Program	271.0	258.8	(12.3)	-4.5%
Higher Education Fund	525.0	656.3	131.3	25.0%
HB100 Contingency		<u>240.0</u>	<u>240.0</u>	n/a
Total, Higher Education	<u>12,475.1</u>	<u>13,829.0</u>	<u>1,353.9</u>	10.9%

Notes:

Table does not include higher education portion of retirement or social security benefits which are included in the statewide functional table at the beginning of the appropriations section of this report. Does not include appropriations made in HB2 by the 84th Legislature or appropriations made from other fund sources.

All Funds appropriations to Higher Education total \$18,936.6 million, an increase of \$1,327.8 million. For General Revenue funds, appropriations total \$13,829.0 million, an increase of \$1,353.9 million or 10.9 percent. The most significant areas of funding in higher education are the funding formulas for the general academics, health related institutions and the two year institutions. The higher education formulas total \$7.2 billion in General Revenue Funds and \$1.3 billion in General Revenue–Dedicated Funds which are primarily statutory tuition and certain fees. For the 2016-17 biennium this is an increase of \$391.5 million in General Revenue Funds and an increase of \$68.2 million in statutory tuition in General Revenue–Dedicated Funds. The increase in formula appropriations reflects both the funding of enrollment growth, as well as increased rates in most formulas.

Of the \$1.35 billion GR increase appropriated to higher education, 29 percent or \$391.5 million is for the formulas across all sectors of higher education. The next most significant areas for General Revenue funding increases were debt service for newly authorized capital construction projects, \$240 million; special items, approximately \$200 million; higher education group insurance, \$188.7 million and research funding, \$174 million.

Appropriations available to the A&M System institutions, agencies and system offices total \$2.3 billion in General Revenue and certain General Revenue Dedicated Funds. The table below provides the detail by system member.

**Texas A&M University System
Total Appropriations in HB 1
General Revenue and Certain General Revenue Dedicated Funds¹
2016-17 Biennium**

	HB1 Direct Approp.	Higher Ed Group Insurance	Higher Education Fund	Estimated Proportional Share of HB100 Debt Service ²	Grand Total 2016-17
Texas A&M	571,968,553	72,596,739		5,800,928	650,366,220
Texas A&M @ Galveston	36,459,064	3,531,206		4,640,742	44,631,012
Prairie View A&M	94,411,964	11,271,218		2,214,562	107,897,744
Tarleton State	78,209,948	9,684,335		7,239,558	95,133,841
A&M - Central Texas	29,744,170	1,663,644		2,784,445	34,192,259
A&M - Corpus Christi	93,171,090	11,094,502	18,560,573	4,640,742	127,466,907
A&M - Kingsville	75,469,136	9,566,800	14,943,427	4,640,742	104,620,105
A&M - San Antonio	50,292,828	2,769,812		4,872,779	57,935,419
A&M International	62,735,354	5,360,782	11,183,183	4,269,483	83,548,802
West Texas A&M	62,296,426	9,278,656	11,940,680	3,508,401	87,024,163
A&M - Commerce	76,085,350	13,439,702	17,977,188	3,712,594	111,214,834
A&M - Texarkana	36,088,525	3,368,790	3,039,805	2,475,062	44,972,182
A&M Health Science Center	264,705,731	17,009,546		11,137,782	292,853,059
AgriLife Research	113,345,358	18,796,393			132,141,751
AgriLife Extension Service	89,042,817	31,589,960			120,632,777
Eng Experiment Station	37,548,547	4,943,462			42,492,009
Transportation Institute	18,726,819	2,438,205			21,165,024
Engineering Extension Service	15,795,342	1,280,502			17,075,844
Forest Service	129,450,796	8,032,998			137,483,794
Vet. Medical Diagnostic Lab	17,948,842	1,194,598			19,143,440
A&M System Office	1,711,172	119,734			1,830,906
Total, A&M System	1,955,207,832	239,031,584	77,644,856	61,937,820	2,333,822,092

Notes: 1) GR Dedicated funds above include: Texas A&M University, \$4,305,980 from the GRD Emerging Technology Account and \$200,000 from the GRD Fair Defense Account. Texas A&M AgriLife Extension, \$1,660,000 from wine related GRD. Texas A&M Forest Service, \$29.1m in VFD Assistance Account 5064 and \$2.9m in Rural VFD Insurance Account 5066. 2) Allocation of debt service has not been finalized. These amounts are estimated based on the proportional share of the statewide appropriation and are subject to change.

The following sections provide detailed information on appropriations by higher education sector.

GENERAL ACADEMIC INSTITUTIONS/SYSTEM OFFICES

Funding for the General Academics totals \$6.8 billion in All Funds and \$4.8 billion in General Revenue Funds. Overall General Revenue funding for the 2016-17 biennium for the General Academic institutions and System Offices is up \$384.1 million or 8.8 percent from the 2014-15 biennium. The table below provides the detailed amounts for the Texas A&M University System general academics and the System Offices.

Texas A&M University System General Academics and System Offices HB1 General Revenue Appropriations for 2016-17 Compared to 2014-15

	2014-15	2016-17	Change	Percent
Texas A&M*	504,693,327	571,968,553	67,275,226	13.3%
Texas A&M @ Galveston	32,871,622	36,459,064	3,587,442	10.9%
Prairie View A&M	84,582,415	94,411,964	9,829,549	11.6%
Tarleton State	68,800,896	78,209,948	9,409,052	13.7%
A&M - Central Texas	27,397,080	29,744,170	2,347,090	8.6%
A&M - Corpus Christi	87,226,672	93,171,090	5,944,418	6.8%
A&M - Kingsville	64,242,932	75,469,136	11,226,204	17.5%
A&M - San Antonio	35,811,372	50,292,828	14,481,456	40.4%
A&M International	58,846,827	62,735,354	3,888,527	6.6%
West Texas A&M	53,662,491	62,296,426	8,633,935	16.1%
A&M - Commerce	71,243,066	76,085,350	4,842,284	6.8%
A&M - Texarkana	<u>32,345,406</u>	<u>36,088,525</u>	<u>3,743,119</u>	11.6%
Total, A&M System Academics	<u>1,121,724,106</u>	<u>1,266,932,408</u>	<u>145,208,302</u>	12.9
A&M System Offices	<u>4,473,868</u>	<u>1,711,172</u>	<u>(2,762,696)</u>	-61.8%

Note: Texas A&M University includes \$4,305,980 from the GRD Emerging Technology Account and \$200,000 from the GRD Fair Defense Account.

Formulas

The base bills at the beginning of the session funded the initial enrollment growth in higher education by adding \$181.4 million in GR to the formulas. During the session both chambers added significant dollar amounts to the formulas: \$101 million in the House and \$120.7 million in the Senate. An additional estimated \$65 -\$70 million would have been needed in the final bill to fully fund the base period enrollment growth and maintain the increased rates that were included in the House or Senate versions of the bill. However, the final formula decision by the conference committee was at the House level of General Revenue funding or a \$281.9 million General Revenue increase to the formulas. The table below shows the General Revenue formula funding for the A&M System general academic institutions.

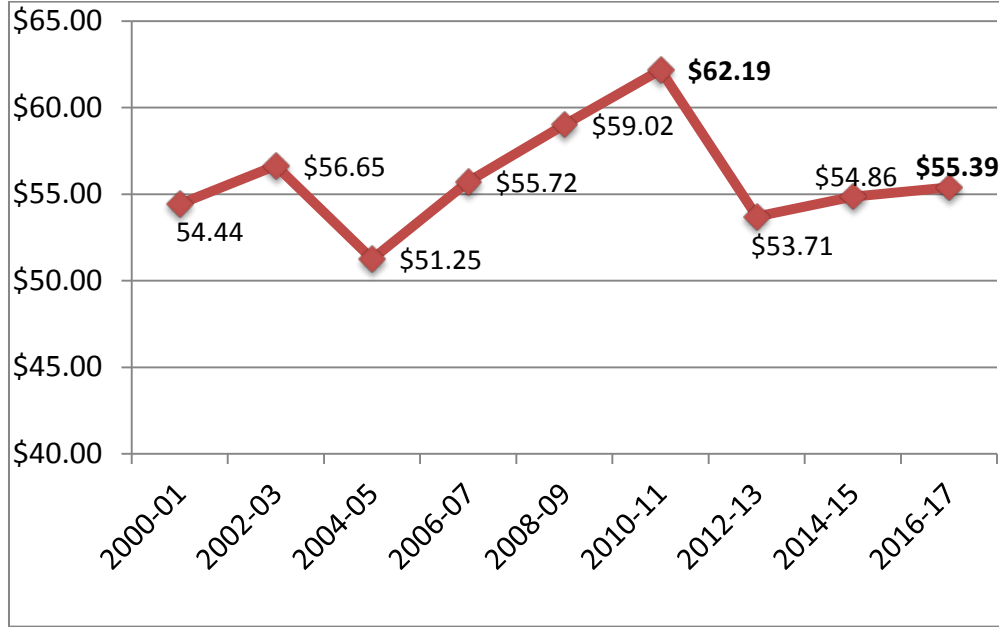
Texas A&M University System
Formula General Revenue
2016-17 compared to 2014-15

	2014-15	2016-17	Change	% Change
Texas A&M	434,499,483	480,842,006	46,342,523	10.7%
Texas A&M @ Galveston	19,152,501	22,978,043	3,825,543	20.0%
Prairie View A&M	36,772,139	39,972,273	3,200,134	8.7%
Tarleton State	46,751,461	54,475,647	7,724,187	16.5%
A&M - Central Texas	11,654,331	12,501,620	847,289	7.3%
A&M - Corpus Christi	48,204,911	53,135,625	4,930,714	10.2%
A&M - Kingsville	41,402,936	53,255,882	11,852,946	28.6%
A&M - San Antonio	17,907,462	21,378,135	3,470,673	19.4%
A&M International	24,585,022	31,456,130	6,871,108	27.9%
West Texas A&M	34,470,453	42,654,665	8,184,211	23.7%
A&M - Commerce	60,609,681	64,058,341	3,448,660	5.7%
A&M - Texarkana	<u>9,777,198</u>	<u>10,086,189</u>	<u>308,991</u>	3.2%
Total, A&M System Academics	<u>785,787,578</u>	<u>886,794,556</u>	<u>101,006,979</u>	12.9%
Statewide Total, Academics	<u>3,166,141,952</u>	<u>3,488,028,389</u>	<u>281,866,437</u>	8.9%

A&M System institutions performed well in the funding formulas due to higher enrollment growth than statewide. The A&M System institutions accounted for almost 36 percent of the General Revenue increase in formula funding while only accounting for approximately 22 percent of the semester credit hours. The rate of enrollment growth was more than double the growth rate state wide. This compares to the \$59 million increase that A&M System institutions received last session in the formulas. The growth in formula funding was due in part to Chancellor Sharp's placing a top priority emphasis on enrollment management and precision in formula and LAR reporting.

Formula funding is split between the two main formulas: 83.9 percent to Instruction and Operations, including the Teaching Experience Supplement, and 16.1 percent to Infrastructure, including the Small Institution Supplement. The funding rate for the Instruction formula is \$55.39 per weighted semester credit hours, up from \$54.86 in the 2014-15 biennium. This rate is still well below the \$62.19 rate for the 2010-11 biennium. Total weighted semester credit hours in the formula are 35,583,676 up from 33,269,768, or 7 percent from the 2014-15 biennium. The Instruction and Operations formula used the updated base period (Summer 2014, Fall 2014, Spring 2015) and the latest version of the cost matrix. The annual Infrastructure rate is \$5.62 per predicted square feet, up from \$5.56 last biennium but still below the \$6.21 from the 2010-11 biennium. Total predicted square feet in the formula is 64,615,843 using the 2014 Space Model, up from 61,746,249 predicted square feet last biennium. Despite adding significant General Revenue dollars to the formulas, the funding rates changed little. As the general academic enrollments increase, the ability of the legislature to increase state funding per unit (whether measured by weighted SCH or by student) is becoming increasingly expensive.

General Academics: Instruction and Operations Rate per Weighted SCH



There is \$32,863,693 set aside for the small institution supplement and other infrastructure set-asides. The small institution supplement is provided to institutions with headcounts of fewer than 10,000. Institutions with a headcount of 5,000 or fewer receive the maximum of \$1.5 million each; this amount decreases on a sliding scale until institutions reach 10,000 headcount. A&M System institutions receiving the small institution supplement include:

- **A&M Galveston:** \$1,500,000
- **Prairie View A&M:** \$497,100
- **A&M – Central Texas:** \$1,500,000
- **A&M – Kingsville:** \$381,600
- **A&M – San Antonio:** \$1,500,000
- **A&M International:** \$733,800
- **West Texas A&M:** \$309,000
- **A&M – Texarkana:** \$1,500,000

All A&M System institutions received more GR formula support for the 2016-17 biennium as compared to the 2014-15 biennium. No institution received hold harmless to help offset lost formula funding as compared to last biennium. Statewide, institutions that were down in GR formula funding included UT San Antonio, down \$5.9 million or 4 percent; Angelo State University, down \$1.7 million or 6 percent; Texas Woman’s University, down \$4.0 million or 5 percent; Sul Ross State University, down \$82,719 or 1 percent; and Sul Ross State University Rio Grande College, down \$0.2 million or 4 percent.

THECB recommended an outcomes funding proposal in their formula recommendations to the legislature. Much like the 83rd Legislature, there was little discussion regarding outcomes based funding as part of the appropriations discussion. However there was a robust policy discussion in attempting to link outcomes based funding to tuition policy in **SB 778 (Seliger)**; however, the bill did not pass in the House.

The initial tuition income estimates recommended by the Legislative Budget Board (LBB) for the 2016-17 biennium were much closer to institutions' projections than in recent sessions. Work with the LBB prior to issuing the LAR instructions resulted in the LBB collecting additional information regarding tuition waivers and exemptions for residents and non-residents that allowed them to improve their tuition estimate methodology. During the legislative session, the legislature directed the LBB to update the non-resident tuition rate to the actual authorized FY2016 rate and a revised projection for FY2017. This changed the rate to THECB promulgated rate (published February 2015) of \$440 for FY2016 compared to LBB projection of \$416; the projected rate for FY2017 was increased to \$454. This resulted in an overall increase in Other E&G Income allocated to the formulas of \$34.5 million.

Research Funds:

The 84th Legislature adopted a significant restructuring of how research funds are allocated to general academic institutions in **House Bill 1000 (Zerwas/Seliger)**, and that new structure is reflected in HB1. Whereas previously many institutions participated in several research funds, and a few in as many as four, the new structure simplifies the research funding structure and makes each institution eligible for only one of these research support funds. The three new research funds include:

- **Texas Research University Fund:** The bill renamed the Texas Competitive Knowledge Fund as the Texas Research University Fund (TRUF) and changed the eligibility requirements to the fund to include only institutions that have total annual research expenditures of not less than \$450 million for three consecutive fiscal years and removes emerging research universities from eligibility.
- **Core Research Support Fund:** The bill created a new research fund, the Core Research Support (CRS) Fund, for the emerging research universities to promote increased research capacity. Fifty percent of this fund is allocated based on the three year average amount of restricted research expenditures and the remaining 50 percent is allocated based on the three year average amount of total research expenditures. (Emerging research institutions would still remain eligible for the Texas Research Incentive Program that is appropriated under the Texas Higher Education Coordinating Board.)
- **Comprehensive Research Fund:** The bill renamed the Research Development Fund as the Comprehensive Research Fund (CRF) and changed the eligibility of the fund to include all general academic teaching institutions except research universities and emerging research universities.

Funding decisions for research are included in the institutions' bill patterns for the three new funds above and are summarized as informational only in Art. III Special Provisions, Section 61 for the TRUF and CRF, and in Section 63 for the CRS.

In addition, so the legislature could see the whole of each institution's state funding for research, a rider provision was added to the Article III Special Provisions (Section 66) requiring each general academic and health related institution to report annually on any research funding received from the three programs above plus the Texas Research Incentive Program, the Available National Research University Fund, the Governor's University Research Initiative and the Cancer Prevention and Research Institute of Texas.

Other research funding is appropriated outside the institutions' bill patterns. Texas Research Incentive Program (TRIP) funding is appropriated to THECB with the allocation detailed in Art. III, Special Provisions, Section 63. The Available National Research University Fund (NRUF) is appropriated under

its own bill pattern in a lump sum (similar to how the AUF and HEF are appropriated). The NRUF funding is allocated by a formula based on the earnings to the fund and number of eligible institutions. Funding for the Governor's University Research Initiative is funded under the Governor's Office Trusteed Program bill pattern and will be allocated based on meeting the criteria set out in the authorizing legislation.

The legislature provided a total of \$477.7 million for research, an increase of \$174.1 million, including \$17 million from the Emerging Technology Account. Funding decisions for all these funds are summarized below, and detail by institution is on the following page:

- **TRUF** funding totals \$147.1 million for UT Austin and Texas A&M University which includes \$139.1 million in General Revenue and \$8 million from the Emerging Technology Account. This is a funding rate of \$1.18 million in TRUF for each \$10 million in total research expenditures. **Texas A&M** received an increase in research funding of \$20.5 million and UT Austin an increase of \$14.5 million.
- **CRS** funding totals \$117.1 million for the eight emerging research universities. This funding combined funding that these institutions would have received through the Competitive Knowledge Fund and the Research Development Fund plus an additional \$10 million in new funds. These funds are allocated based half on restricted research and half on total research. For comparison purposes only, the funding rate based on total research expenditures for the emerging research institutions is \$1.93 million in CRS for each \$10 million in total research expenditures.
- **CRF** funding totals \$14.3 million and is reallocated among the eligible institutions. Based on legislation passed by the 83rd Legislature, **Prairie View A&M** for the first time received research funding from this fund of \$1.65 million. Additional funds were added to the bill so their funding did not cost other institutions.
- **TRIP** provides \$129.1 million in General Revenue Funds and \$9.0 million from the Emerging Technology Funds for the TRIP for emerging research institutions. This is an increase of \$102.5 million in All Funds from 2014–15 funding levels.
- **NRUF** funding is an estimated \$61.1 million, an increase of \$5.2 million from the 2014-15 level. The University of Houston and Texas Tech University are currently eligible to receive distributions and are estimated to receive \$39.3 million. The remaining \$21.8 million is to be reinvested. If UT Dallas becomes eligible for funding in FY2017, these amounts would change.
- **Governor's University Research Initiative** was created by **HB7 (Darby/Nelson)**, **HB 26 (Button/Fraser)** and **SB632 (Fraser/Button)** to provide matching funds to allow institutions of higher education to recruit distinguished researchers to Texas, including Nobel Laureates and members of the National Academies. The program is funded with \$40 million from the Emerging Technology Account and is to be used by eligible institutions to recruit distinguished researchers.

Research Funds	TRUF	CRS	CRF	TRIP	NRUF	Total
	2016-17, HB1	2016-17, HB1	2016-17, HB1	2016-17, HB1	2016-17, LBB estimate	
UT-Arlington		13,476,936		10,239,780		23,716,716
UT-Austin	67,912,618					67,912,618
UT-Dallas		18,353,802		40,111,539		58,465,341
UT-El Paso		15,803,288		1,149,475		16,952,763
UT-Permian Basin			99,900			99,900
UT - RGV			2,339,296			2,339,296
UT-San Antonio		10,622,002		6,230,945		16,852,947
UT-Tyler			338,470			338,470
TAMU	79,163,176					79,163,176
TAMU-Galveston			594,694			594,694
Prairie View			1,649,382			1,649,382
Tarleton			1,068,208			1,068,208
TAMU-Central						
TAMU-CC			2,083,874			2,083,874
TAMU-Kingsville			2,168,570			2,168,570
TAMU-San Antonio			10,180			10,180
TAMI			426,618			426,618
WTAMU			443,390			443,390
TAMU-Commerce			289,144			289,144
TAMU-Texarkana			12,976			12,976
UH		21,774,816		22,509,724	19,629,049	63,893,589
UH-Clear Lake			209,754			209,754
UH-Downtown			333,580			333,580
UH-Victoria			2,632			2,632
Midwestern			81,786			81,786
UNT		6,458,858		5,173,304		11,772,162
UNT-Dallas			4,876			4,876
SFA			430,988			430,988
TSU			204,842			204,842
TTU		22,679,150		47,854,044	19,629,049	90,162,243
Angelo			36,132			36,132
TWU			270,084			270,084
Lamar			422,184			422,184
Sam Houston			511,562			511,562
TXST		7,942,562		4,856,190		12,798,752
Sul Ross			239,250			239,250
Sul Ross-Rio Grande						-
NRUF Reinvestment					21,810,052	
Total	147,075,794	117,111,414	14,272,372	138,125,001	61,068,150	477,652,731

Special Items:

Existing special items were generally maintained at the 2014-15 base. Some special items were eliminated in the base bill. These include:

- University of Texas – Tyler: Reduction of \$1,010,792 for the Palestine Campus
- University of Houston: Reduction of \$4,000,000 for Pharmacy

New special item funding includes:

- UT – Arlington: \$2,000,000 for the Research Institute
- UT – Austin:
 - \$3,850,000 for the Marine Sciences Institute, \$2.85 million of which is for repair of the Marine Science Boat Basin
 - \$20,000,000 for Support for Public School Academic Achievement (Art. 9, Sec. 18.21)
- UT Dallas: \$1,000,000 for the Academic Bridge Program
- UT – El Paso: \$7,000,000 for Pharmacy Extension
- UT – Rio Grande Valley: \$1,000,000 Academy of Math and Science
- UT – Permian Basin: \$3,000,000 for the Rural Digital University
- UT – San Antonio: \$4,000,000 for the Life Science Center
- UT – Tyler: \$1,000,000 for the Palestine Campus
- **Texas A&M University:**
 - \$275,154 for the International Law Summer Course
 - \$200,000 for Innocence Projects (from GRD Fair Defense Account)
- **Prairie View A&M University:**
 - \$350,000 for Office of International Affairs (in their Institutional Enhancement strategy)
 - \$150,000 for Community Development
- **Tarleton State:** \$2,000,000 for the Center for Anti-Fraud, Waste and Abuse
- **A&M Central Texas:** \$1,500,000 million for East Williamson County Higher Education Center
- **A&M Corpus Christi:** \$2,000,000 for Engineering
- **A&M San Antonio:** \$11,000,000 for Downward Expansion
- **West Texas A&M:** \$1,130,000 for Electrical Engineering Program
- **A&M Commerce:** \$1,487,000 for the Institute for Competency Base Education
- **A&M – Texarkana:**
 - \$1,800,000 for the Nursing Program
 - \$1,650,000 for Student Success Program
- University of Houston: \$4,000,000 for the Hobby School of Public Affairs
- University of Houston Clear Lake:
 - \$6,500,000 for Downward Expansion
 - \$400,000 for Autism and Developmental Disabilities
- University of North Texas:
 - \$1,600,000 for the Texas Academy of Math and Science
 - \$200,000 for Innocence Projects (from GRD Fair Defense Account)
- Stephen F. Austin State: \$1,000,000 for the Waters of East Texas Center
- Texas Tech University: \$730,000 for the Viticulture and Enology program (Art. 9, Sec. 18.19, from GRD funds)
- Angelo State: \$1,100,000 for Freshman College
- Texas Woman’s University: \$2,200,000 for the Center for Women in Business
- Lamar University: \$1,100,000 for Water and Air Quality

- Sam Houston State:
 - \$3,000,000 for Allied Health Programs
 - \$180,000 for Law Enforcement Management Institute

The Governor’s Veto Proclamation struck the following items in each institution’s informational rider and the associated directive rider. The veto proclamation included the statement that the governor “object(ed) to and disapprove(d) of this appropriation.” There is no resolution at this time as to how these vetoes will ultimately be handled.

- UT Austin: \$5,000,000 for the Center for Identity Theft
- **Texas A&M University:** \$275,154 for the International Law Summer Course
- **Tarleton State:** \$2,000,000 for the Center for Anti-Fraud, Waste and Abuse
- Stephen F. Austin State: \$1,000,000 for the Waters of East Texas Center

House Bill 2 included \$4,471,800 for UT Austin’s Bureau of Economic Geology for seismic monitoring. The supplemental appropriation included directives to contract with other Texas universities including **Texas A&M Engineering Experiment Station.**

Academic Development Initiative: ADI funding for **Prairie View A&M** and Texas Southern was increased to the \$12.5 million per year level of funding to restore reductions that had been made to the program over time. This was an increase of \$4.7 million for Prairie View and \$3.7 million for Texas Southern.

Other: Unemployment and workers’ compensation insurance were maintained at the 2014-15 base. Special items that are funded with General Revenue Dedicated funds were funded at the amounts projected in the *Biennial Revenue Estimate* and are estimated appropriations.

System Offices

General Revenue for system office operations generally was maintained at the 2014-15 base for all system offices except the UT and A&M Systems. System Office operations funds for those two systems were zero funded.

Other changes in funding for other systems include

- UT System:
 - transferring the Heart Institute – Adult Stem Cell Program from the University of Texas Health Science Center - Houston to the University of Texas System (\$2.5 million per year)
 - transferring the Darrell K. Royal Texas Alzheimer’s Initiative from UT System to the University of Texas at Austin (\$9.2 million for the biennium)
- UNT System:
 - providing the formula funding for the UNT Law School at the UNT System
 - \$2.4 million special item for the law school
- UH System: a decrease of about \$200,000 due to changes in the ongoing debt service needs for existing tuition revenue bonds.

In addition, a rider provision was added for UT System to require submission of an annual report on all capital construction projects paid for with funds appropriated by the GAA, including AUF funding, that

have a cost in excess of \$1 million and are for the purposes of supporting the administration and operation of the UT System Administration or Board of Regents.

HEALTH RELATED INSTITUTIONS

Funding for the health related institutions totals \$3.0 billion in All Funds and \$2.7 billion in General Revenue Funds. General Revenue funding for the health related institutions increased by \$148.7 million for the 2016-17 biennium compared to the 2014-15 biennium. The A&M HSC had an overall increase in GR of 10.9 percent, the highest growth of the larger health related institutions.

Funding for the health related institutions includes funding for eleven institutions, including a new bill pattern for Texas Tech Health Science Center at El Paso and funding appropriated to the University of Texas Rio Grande Valley for the establishment of a school of medicine. The funding for UT Health Science Center San Antonio reflects a \$31.4 million decrease due to transfer of programs to UTRGV. Appropriations to UTRGV are reflected in the formula amounts discussed below but not in the overall summary table. Funding for Texas Tech Health Science Center reflects transfer of funding to Texas Tech Health Science Center El Paso. Appropriations to the Baylor College of Medicine are made in the bill pattern for THECB and are not included in the formula amounts discussed below. The UT Austin Dell Medical School is scheduled to open in Fall 2016 and is not receiving any specific state appropriations for the 2016-17 biennium.

Health Related Institutions HB1 General Revenue Appropriations for 2016-17 Compared to 2014-15

	2014-15	2016-17	Change	% Change
UT Southwestern Medical Center at Dallas	278,768,910	306,224,405	27,455,495	9.8%
UT Medical Branch at Galveston	506,740,244	516,942,655	10,202,411	2.0%
UT Health Science Center at Houston	326,708,589	333,605,553	6,896,964	2.1%
UT Health Science Center at San Antonio	284,789,980	262,932,311	(21,857,669)	-7.7%
UT M.D. Anderson Cancer Center	343,367,681	370,324,605	26,956,924	7.9%
UT Health Science Center at Tyler	73,967,295	91,767,836	17,800,541	24.1%
Texas A&M Univ Health Science Center	238,639,006	264,705,731	26,066,725	10.9%
Univ of North Texas Health Science Center	140,736,629	166,335,480	25,598,851	18.2%
Texas Tech Univ Health Sciences Center	338,992,646	242,386,624	(96,606,022)	-28.5%
Texas Tech HSC El Paso	<u>0</u>	<u>126,183,599</u>	<u>126,183,599</u>	n/a
TOTAL - Health Related Institutions	<u>2,532,709,980</u>	<u>2,681,408,799</u>	<u>148,698,819</u>	5.9%

Formula

The health related formulas increased by over \$126.0 million in General Revenue Funds over the 2014-15 biennium. General Revenue funding increases to the formula, exclusive of Baylor College of Medicine appropriations through THECB, include:

- \$71.7 million for the Instruction and Operations formulas
- \$10.8 million for the Infrastructure formula
- \$5.9 million for the Research formula

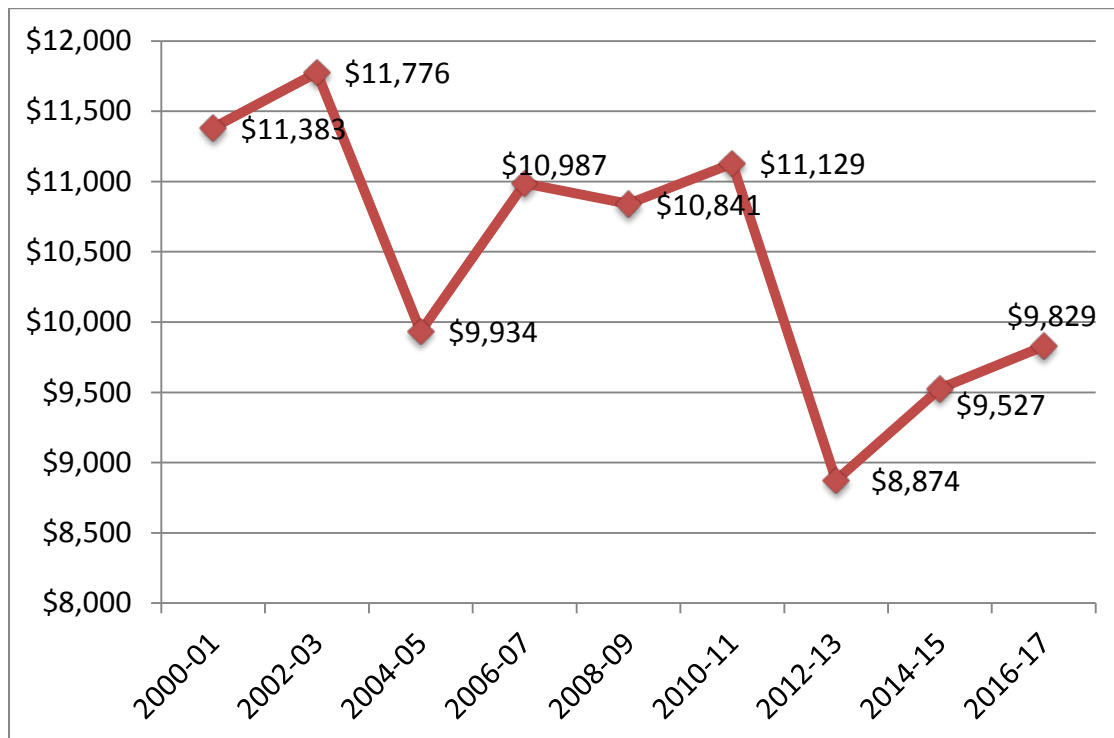
- \$16.5 million for the GME formula
- \$18.1 million for the mission specific formulas for MD Anderson and UT Health Science Center Tyler

In addition to the amounts listed above, Baylor College of Medicine received \$8 million.

The table below shows the change in the instruction rate for the Health Related Institutions over time. Some progress was made this biennium in trying to restore the rate to previous levels.

The **Texas A&M Health Science Center** received \$190.2 million in formula General Revenue; this is a \$13.8 million increase in formula General Revenue, or 7.8 percent increase. This compares to an overall formula GR increase for the health related institutions of 7.5 percent.

Health Related Institutions: Instruction and Operations Rate per Full Time Student Equivalent



The legislature changed the funding requirements to qualify for the Small Class Supplement. Last biennium, all programs that numbered fewer than 200 students qualified for the small class supplement. This biennium the Legislature funded only those programs of fewer than 200 students that were not at the same campus location as the institution's headquarters with the exception of programs on the UT Tyler Health Science Center's main campus. This resulted in several programs no longer receiving the small class supplement, including the **A&M Health Science Center's** nursing, pharmacy, and biomedical science programs in College Station.

Non-Formula

Special Items: New special item funding includes:

- UT Southwestern:
 - \$16,000,000 for the Center for Regenerative Science and Medicine
 - \$2,000,000 for Advance Radiation Therapy
- UT Health Science Center at Houston: \$3,200,000 for Biomedical Informatics
- UT Health Science Center San Antonio: \$4,000,000 for the San Antonio Life Sciences Institute
- UT Health Science Center Tyler:
 - \$8,000,000 for Mental Health Workforce Training programs
 - \$5,000,000 for the Northeast Texas Initiative (NETNet)
- UT Rio Grande Valley School of Medicine: \$30,000,000 for the School of Medicine (in the UTRGV bill pattern)
- Texas A&M Health Science Center:
 - \$10,000,000 for Healthy South Texas
 - \$2,000,000 for Forensic Nursing
 - \$500,000 for Nursing Program Expansion
- Texas Tech Health Science Center: \$2,331,160 for the School of Public Health
- UNT Health Science Center
 - \$2,298,000 for the Texas Missing Persons and Human Identification Program
 - \$4,000,000 for the Institute for Patient Safety and Preventable Harm

The legislature also transferred the Heart Institute – Adult Stem Cell Program from UTHSC-Houston to the University of Texas System Administration and \$31.4 million from UTHSC-SA to UT RGV for the School of Medicine.

House Bill 2 included \$8.2 million for UTMB - Galveston for a Bio-Containment Critical Care Unit.

Other: Worker’s Compensation and Unemployment Compensation were generally kept at the 2014-15 appropriated levels and were consistently funded with General Revenue across all institutions. The Permanent Health Fund amounts were reallocated among the institutions to include an estimated allocation for the medical school at the University of Texas Rio Grande Valley.

See THECB section for actions related to graduate medical education and other programs that impact the health related institutions, including appropriations to Baylor College of Medicine.

TEXAS A&M SYSTEM AGENCIES

Based on decisions of the legislature, appropriations for the Texas A&M System Agencies for the 2016–17 biennium total \$971.4 million in All Funds, an increase of \$32.5 million over the 2014–15 biennium or 3.5 percent. Of this funding, \$357.1 million is composed of General Revenue Funds, an increase of \$25.6 million over the 2014–15 biennium. The appropriations include a new methodology for infrastructure support outside Brazos County that is proportionally allocated to the agricultural agencies by their percentage of total actual square footage. This decision was a reallocation of existing funding among the agriculture agencies. Appropriations for infrastructure support inside Brazos County are adjusted to align with the General Academic Institutions’ Infrastructure Formula rate. Additionally the agencies were allocated additional General Revenue to fully fund the statewide pay raise authorized in the 83rd session and resulted in an approximate increase in funding of \$2.3 million.

**Texas A&M System Agencies
General Revenue and Other Appropriations
2014-15 Compared to 2016-17**

TAMUS Service Agencies	2014-15	2016-17	Change	% Change
Texas AgriLife Research	107,119,112	113,345,358	6,226,246	5.8%
Texas AgriLife Extension Service	86,619,858	89,042,817	2,422,959	2.8%
Texas Engineering Experiment Station	33,824,560	37,548,547	3,723,987	11.0%
Texas Transportation Institute	21,177,597	18,726,819	(2,450,778)	-11.6%
Texas Engineering Extension Service	15,639,833	15,795,342	155,509	1.0%
Texas Forest Service	106,671,420	129,450,796	22,779,376	21.4%
Texas Veterinary Medical Diagnostic Lab	<u>17,763,126</u>	<u>17,948,842</u>	<u>185,716</u>	1.0%
TOTAL - TAMUS Service Agencies	<u>331,571,943</u>	<u>421,858,521</u>	<u>90,286,578</u>	27.2%

Notes: AgriLife Extension includes \$1.66 million in wine related GR dedicated funds. TTI includes Fund 006 appropriations in 2014-15 that was swapped to GR for 2016-17. TFS includes GR Dedicated funds in all years.

Key decisions by agency include:

- **Texas A&M AgriLife Research:** \$5 million for Insect Transmitted Diseases.
- **Texas A&M AgriLife Extension:**
 - \$2 million as a partner in the \$10 million Healthy South Texas program funded at the A&M Health Science Center (the AgriLife share is not shown above since the appropriation is made to the TAMHSC);
 - \$1.66 million from GR Dedicated funds for wine related programs (Art. 9, Sec. 18.19).
- **Texas A&M Engineering Experiment Station:**
 - \$5 million for debt service for the Center for Infrastructure Renewal, which is a \$65 million facility. The funding was only provided for FY2017 and will have to be increased next session to fully fund the debt service.
 - \$3 million reduction due to the elimination of the one-time power line project
 - Unexpended balance authority from the 2014-15 to the 2016-17 biennium for the power line project to complete the work.
- **Texas A&M Transportation Institute:**
 - Change in the method of financing of their base operations funding from Fund 006 to GR
 - \$2.7 million decrease for the Legislative Resource program. The Legislative Resource program was a \$6 million new program funded in the 2014-15 biennium, 50 percent from GR and 50 percent from Fund 6. In the base bills that began the session, the program was reduced to \$1.5 million in GR funding for the biennium, or a \$4.5 million reduction. At the close of the appropriation bill, \$1.8 million in GR funding was added to partially restore the base bill cuts.
- **Texas A&M Forest Service:**
 - \$23 million increase out of unexpended balances of General Revenue–Dedicated Volunteer Fire Department Assistance Account No. 5064 for additional grants to rural volunteer fire departments
 - \$2.3 million reduction in one-time projects that were funded in the 2014-15 biennium.

The A&M Agencies are appropriated funds outside of Article III in the General Appropriations Act, including:

- \$800,000 for Zebra Chip Research for **AgriLife Research** maintains existing program in Texas Department of Agriculture (TDA) bill pattern;
- \$900,000 for Feral Hog Abatement Program maintains existing program in TDA bill pattern for **AgriLife Extension**; and
- \$2 million for Quail for **AgriLife Extension** maintains existing program. This funding is appropriated to the Texas Parks and Wildlife Department from Fund 009, Game, Fish and Water Safety GR Dedicated Account. The base bill eliminated this funding at the beginning of session, but it was restored in the House bill and the final bill.

THE TEXAS HIGHER EDUCATION COORDINATING BOARD

The General Revenue budget for the Texas Higher Education Coordinating Board (THECB) totals \$1,269.9 million, an increase of \$183.3 million. Key changes include:

Financial Aid:

Financial aid programs funded through THECB were increased by over \$107.9 million in General Revenue. Increases by program include:

- \$62.7 million in General Revenue for the TEXAS grant program
- \$28.9 million for the Texas Equal Opportunity Grants (TEOG)
- \$12.2 million for the Tuition Equalization Grants
- \$2.6 million for the Teach for Texas Loan Repayment Program
- \$1.5 million for the Educational Aide Program

Several financial aid programs were discontinued and funding was provided for renewal students only, resulting in an overall funding decrease to these programs totaling \$52.9 million from all funding sources and \$35.5 million from General Revenue:

- \$12.2 million decrease for B-on-Time program for private institutions
- \$17.4 million decrease for B-On-Time program for public institutions funded with GRD
- \$21.4 million for the Top 10 Percent Scholarship program
- \$1.8 million for the Texas Armed Services Scholarship program

Health programs:

- \$38.7 million in new funding for Graduate Medical Education Expansion
- \$4.0 million increase for the Family Practice Residency Program
- \$3.0 million for the Preceptorship Program
- \$4.4 million increase to Baylor College of Medicine (BCOM) for undergraduate education
- \$3.6 million increase to BCOM for its share of the GME formulas.
- \$5.4 million for discontinuation of trustee funds for UNT Pharmacy program which is now supported by the health related formulas.

Research:

- \$102.5 million increase in All Funds for the Texas Research Incentive Program. This includes \$9 million in Emerging Technology Funds.
- \$1.0 million decrease for the Norman Hackerman Advanced Research Program

Other:

- \$4.0 million increase for Advise Texas program
- \$30.0 million reduction to THECB for the Hazlewood Tuition Exemption program. These funds are now appropriated to the Texas Veteran’s Commission at the same \$30 million level but spread over two years of the biennium instead of one.
- \$8.1 million for Autism Services

CONSTITUTIONAL / PERMANENT FUNDS

Available University Fund: Estimated earnings distributed to the Available University Fund are anticipated to be \$1,690.5 million, a decrease of about \$11.7 million from the 2014-15 base.

New reporting requirements include:

- Rider 7 requires that UT and A&M Systems report annually regarding system office operations and system initiatives along with providing quarterly updates of any information that changes from the annual report.
- Rider 8 requires that the UT and A&M Systems give notification to the LBB at least 30 days prior to board action on system initiatives.
- Rider 9 provides a listing of program categories for reporting all AUF expenditures.

Higher Education Fund: The legislature updated the Higher Education Fund (HEF) allocation beginning in FY2016 and provided a 50 percent increase per year increase to the statewide total beginning in FY2017. The total appropriation for the HEF is \$656.3 million for the 2016-17 biennium or a \$131.25 million increase in FY2017. **SB 1191 (Seliger/Crownover)** details the updated allocation by institution. The A&M System’s six HEF-eligible institutions received an additional \$23.4 million as detailed in the table below.

Annual Higher Education Fund Allocation by A&M System Institution

	2015	2016	2017	2016-17 Increase
Texas A&M - Corpus Christi	7,139,067	7,424,229	11,136,344	4,282,439
Texas A&M - Kingsville	5,046,885	5,977,371	8,966,056	4,849,657
Texas A&M International	3,796,436	4,473,273	6,709,910	3,590,311
West Texas A&M	4,652,995	4,776,272	7,164,408	2,634,690
Texas A&M - Commerce	5,193,232	7,190,875	10,786,313	7,590,724
Texas A&M - Texarkana	1,307,907	1,215,922	1,823,883	<u>423,991</u>
Total, A&M System HEF Eligible Institutions				<u>23,371,812</u>

Permanent Fund Support Military and Veteran Exemptions (MVE): The 83rd Legislature created the MVE to help public institutions of higher education off-set the waived tuition and fee revenue from the Hazlewood Legacy Program. In FY2015, the first distribution from the fund totaled \$11.4 million and was released in October 2014. Funding from the Permanent Fund Supporting Military and Veterans Exemptions (MVE) for the 2016-17 biennium totals \$23.5 million, an increase of \$12.1 million from the

2014-15 biennium. The increase in funding is attributable to the expected growth of the MVE and annual distributions being made in each year of the 2016-17 biennium. For FY2016, the distribution from the fund is estimated to be \$11.6 million and is anticipated to be released in October 2015.

Available National University Fund: Estimated funding totals \$61.1 million, an increase of \$5.2 million from the 2014-15 level. The University of Houston and Texas Tech University are currently eligible to receive distributions. Of the remaining emerging research universities, The University of Texas at Dallas (UT Dallas) has fulfilled the most eligibility criteria but still must fulfill the mandatory criteria of reporting \$45 million in annual restricted research expenditures and one additional optional criterion. Because the eligibility criteria require institutions to exceed the required criteria threshold in the two state fiscal years preceding the state fiscal year for which the appropriation is made, it is not likely that UT Dallas will become eligible to receive NRUF distributions before fiscal year 2017.

BENEFITS

Higher Education Group Insurance

Higher Education Group Insurance (HEGI) contributions excluding community colleges total \$1,059.0 million, an increase of \$151.69 million over 2014-15. Funding for the **Texas A&M University System** totals \$239.0 million, which is an increase of \$43.6 million over the 2014-15 base. Funding rates were increased in the base bill by 7.19 percent in FY2016 and 7.17 percent in FY2017 to cover partially health care cost increases. However, a small portion of this increase was slightly reduced in the conference committee bill when the final distribution of the HEGI funds was based on the updated LAR Schedule 3 submitted to the LBB early in the session which provides an *actual* headcount of enrollees by coverage category as of December 1, 2014, rather than the estimate that was included in the LARs and used in the base bill.

Higher education employees within the Employees Retirement System group health insurance program were funded at 89.2 percent, down from 89.394 percent, of ERS general state employee premium rates; higher education employees within the University of Texas and **Texas A&M University Systems** were funded at 86.8 percent, down from 87.011 percent, of ERS rates. Prior to the 2012-13 reductions, higher education employees' group insurance was funded at 97.5 and 95 percent respectively. This change for 2016-17 is because the final distribution of the HEGI funds was based on the data, and no additional funds were added to the bill to account for any increased costs due to the updated data.

State agencies and institutions of higher education that participate in the ERS group insurance program are required to pay a 1 percent payroll assessment (Article IX, Sec. 17.04, HB 1, Regular Session). UT System and **A&M System** institutions are exempt because they fund their own insurance programs.

The bill also includes a new benefits proportional audit requirement, requiring each institution to conduct an internal audit for fiscal years 2012, 2013, and 2014. If any instances of noncompliance are found that resulted in an institution receiving excess General Revenue payments, the institution must submit a remittance payment to the Comptroller of Public Accounts within two years from the conclusion of the institution's audit. More information on the requirements of the audit can be found in Rider 8, Benefits Proportionality Audit Requirement, in the HEGI bill pattern, page III-39.

Retirement Benefits

Teachers Retirement System: The state contribution rate for the teacher retirement program is 6.8 percent in both years of the biennium. Employee contributions are scheduled to increase for active members from the current 6.7 percent in FY 2015 to 7.2 percent in FY 2016 and 7.7 percent FY 2017.

Optional Retirement Program: The state contribution rate is 6.6 percent in both years of the biennium.

ARTICLE III SPECIAL PROVISIONS

Contingency for HB100: The budget includes \$240 million for debt service payments in FY2017 for **HB100 (Zerwas/Seliger)**, the tuition revenue bond bill. The bill included \$3.1 billion in authorization for capital construction projects at institutions of higher education, including \$800 million for Texas A&M University System institutions. See the following page for a listing of A&M System projects that were funded. The rider directs THECB to promulgate an allocation of the debt service by January 1, 2016.

The bill included at least one project per institution, and for institutions that have campuses in multiple locations, some second projects were authorized. The authorizations in the bill were structured with some basic maximum amounts per projects: \$80 million per project for health related institutions; \$75 million for research universities; \$70 million for emerging research universities; \$60 million for all other institutions. Adjustments were made to these maximums depending on if the institution had multiple campuses, if the institution was a new university, and based on the level of the request.

Since the last statewide TRB package passed in 2006, the A&M System has grown by more than 33,000 students, the equivalent of a large university, and has increased its research expenditures by over \$313 million. Meanwhile, the statewide adjusted space deficit for general academic and health related institutions for Fall 2014 was 20.4 million square feet, including a total deficit of 2.85 million square feet at A&M System institutions.

ARTICLE IX GENERAL PROVISIONS

Article IX, Section, 18.38 includes an appropriation of \$65,324,057 in General Revenue–Dedicated Funds in 2016 of B-On-Time Account balances, contingent upon enactment of legislation (**HB700 Giddings/Seliger**). The provision does not provide specific direction on the allocation of the funding. The provision also specifies that \$63,432,308 appropriated to THECB from the Texas B-On-Time Account shall be used for renewal awards at public institutions of higher education.

Texas A&M University System Capital Projects*

Institution	Project Name	LAR Request (Millions)	Conference Report HB100	% of LAR Request
TAMU	Biosafety Laboratory Level 3 Facility (BSL-3)	85,000,000	75,000,000	88%
TAMU-Galveston	Expansion of Instructional Facilities, Infrastructure, and	92,000,000	60,000,000	65%
Prairie View A&M	Fabrication Center and Capital Improvements	30,790,000	28,632,000	93%
Tarleton	Applied Sciences Building 1	75,000,000	54,000,000	72%
Tarleton	Southwest Metroplex Building	55,000,000	39,600,000	72%
TAMU-Central Texas	Construct a Multi-Purpose Building III	40,000,000	36,000,000	90%
TAMU-Corpus Christi	Life Sciences Research & Engineering Building	120,000,000	60,000,000	50%
TAMU-Kingsville	Construct new building & renovate existing structure.	93,000,000	60,000,000	65%
TAMU-San Antonio	Academic Building - Science & Technology	70,000,000	63,000,000	90%
Texas A&M International	Library Renovation	62,100,000	55,200,000	89%
West TAMU	Agricultural Sciences Complex	43,000,000	38,160,000	89%
West TAMU	Amarillo Center	10,000,000	7,200,000	72%
TAMU-Commerce	Nursing and Health Sciences Building	54,000,000	48,000,000	89%
TAMU-Texarkana	The Academic and Student Service Building	40,000,000	32,000,000	80%
TAMU Health Science	A&M Baylor College of Dentistry Education Facility - Dallas	98,500,000	72,000,000	73%
TAMU Health Science	Multi-Disciplinary Research And Education Facility - Bryan	80,000,000	72,000,000	90%
A&M System Total		1,048,390,000	800,792,000	76%

System Totals	LAR Request (Millions)	Conference Report HB100	% of HB100 Total
UT System	2,013,950,600	922,632,000	30%
A&M System	1,048,390,000	800,792,000	26%
UH System	743,790,000	362,456,000	12%
UNT System	393,800,000	269,000,000	9%
Texas Tech System	388,220,000	247,115,000	8%
Texas State System	369,452,000	256,420,000	8%
Independents	239,247,000	202,797,000	7%
TSTC	44,500,000	41,740,000	1%
Statewide Total	5,592,849,600	3,102,952,000	100%

* In addition, the Texas A&M Engineering Experiment Station received \$5 million in debt service in FY2017 for the Center for Infrastructure Renewal, a \$65 million capital project.

Article III Special Provisions

The following summarizes the changes to the Article III Special Provisions:

Amended Sections

Sec. 3 Definition of Terms. References University of Texas at Brownsville and University of Texas at Pan American as the University of Texas at Rio Grande Valley.

Sec. 6.5. Investment Reports. Requires institutions to also maintain quarterly investment reports on its website for at least two years.

Sec. 27. General Academic Funding. Updates the recommended formula rates for general academic institutions. 27.4 deletes the Skiles Act bond payments as a direct reimbursement.

Sec. 28. Health Related Institutions Funding. Updates the recommended formula rates for health related institutions.

Sec. 28.1. Instruction and Operations Support Formula. Clarifies that instructional programs in remote locations and the main campus at University Texas Health Science Center at Tyler with under 200 students at individual campuses will receive additional funding.

Sec. 28.3. Research Funding. Reduces the percentage of research expenditures health related institutions receive from 1.23percent to 1.22 percent.

Sec. 28.7. Supplemental Non-formula Items. Allows institutions to receive an appropriation for hospital and clinic operations as well as special items.

Sec. 28.09 (b). Mission Specific Support. For University Texas Health Science Center at Tyler, amount of growth in total funding from one biennium to another may not exceed the average growth in funding for health related institutions in the I&O formula.

Sec. 45. Program to Encourage Certification to Teach Bilingual Education, English as a Second Language, or Spanish. Updates the list of participating schools and no longer provides loan forgiveness as a program benefit. Sets eligibility criteria for students receiving awards and requires programs to submit reports to the Texas Higher Education Coordinating Board on performance measures.

Sec. 47. Contingent Appropriations for Small Business Development Centers. Updates the informational listing of 2016-17 appropriations.

Sec. 51. Cancer Prevention & Research Institute of Texas Awards. Updates listing of institutions awarded and awards amounts for FY2014.

Sec. 55. Informational Listing – Designated Tuition. Updates estimated designated tuition amounts by institutions for FY2016 and FY2017.

New Provisions

Sec. 3.2. Definition of Terms. Adds health related institutions to list of definitions.

Sec. 28.4. Research at Clinical Partners. States research conducted by faculty of a health related institution under contract with a clinical partner will be considered in the formula calculations for the Research Enhancement and E&G Space Support strategies.

Sec. 59. Network Access Improvement Program Annual Report. Requires participating programs in the Network Access Improvement Program to submit an annual report on clients and services provided to the Governor and Legislative Budget Board.

Sec. 60. Texas Collegiate License Plate Scholarships. Appropriates funds for the Texas Collegiate License Plate scholarship for students with financial need. Provides a list of estimated collegiate license plate revenue amounts for 2016 and 2017.

Sec. 61. Research Funding and General Academic Institutions. Adds informational amounts for the Texas Research University Fund and the Comprehensive Research Fund for emerging research universities.

Sec. 62. Requests for Information on Appropriations Expenditures. Requires institutions of higher education receiving appropriated funds to submit requested information to the Legislative Budget Board for oversight purposes.

Sec. 63. Emerging Research Universities Research Funding. Adds informational amounts for the Texas Research Incentive Program and Core Research Support.

Sec. 64. Contingency for House Bill 100. Appropriates General Revenue funds to the Texas Higher Education Coordinating Board to distribute to institutions of higher education for debt service on the authorized tuition revenue bonds, and requires the board to present a plan for allocation to the Legislative Budget Board.

Sec. 65. Research Funding Reporting Requirement. Requires general academic institutions to report to Legislative Budget Board and the Governor the amount of research funds awarded from appropriations and the amount of funding for each individual award from an external source.

Sec. 66. Contingency for SB 778. Designates all performance measures as key measures in each general academic institution's bill pattern for the 2016-17 biennium.

Deleted Sections

Sec. 15. Medical School Enrollment.

Sec. 52. Hold Harmless.

Sec. 54. Appropriations for the Research Development Fund.

Sec. 56. Appropriations for the Texas Competitive Knowledge fund.

Article IX – General Provisions

The following sections list selected major changes to provisions in Article IX.

Amended Sections

Sec. 2.01 Position Classification Plan. Adds multiple classified positions and updates existing position titles to better fit the encompassing responsibilities.

Sec. 3.02. Salary Supplementation. Clarified to apply specifically to state agencies under the executive branch (658.001 Government Code) and higher education institutions (659.020 Government Code).

Sec. 3.04. Scheduled Exempt Positions. Revises schedule exempt positions and respective salary groups.

Sec. 3.11. Matching Retirement and Certain Insurance. Renumbered to 3.13.

Sec. 6.01. Definitions. Renames section “Unexpended Balance.” States that the estimate of an unexpended balance is adjusted to equal the actual unexpended balance in the appropriation.

Sec. 6.08 (a). Benefits Paid Proportional by Fund. Exempts funds not expended on salaries and wages from the proportional requirement of section (a). See below for new subsection details.

Sec. 6.15 (b). Title Excludes Skiles Act Debt Service.

Sec. 7.04 (a). Contract Notification: Amounts Greater than \$50,000. Amends definition of contract.

Sec. 7.04 (b). Contract Notification: Amounts Greater than \$50,000. Adjusts section identifying criteria not included as a contract.

Sec. 8.01. Acceptance of Gifts of Money. Requires all permission letters and transfers of gifts to also be reported to the Legislative Budget Board.

Sec. 8.02. Federal Funds/Block Grants. Renumbered to 13.01.

Sec. 8.03. Reimbursements and Payments. Renumbered to 8.02. Specifies dates for use of disaster-related recoveries, reimbursements, refunds, or other payments.

Sec. 8.04. Surplus Property. Renumbered to 8.03. Appropriates 100 percent of the receipts of property sold under section (a) to the Texas Education Agency.

Sec. 8.05. Refunds and Deposits. Renumbered to 8.04.

Sec. 8.06. Vending Machines. Renumbered to 8.05

Sec. 8.07. Pay Station Telephones. Renumbered to 8.06

Sec. 8.08. Appropriation of Collections for Seminars and Conferences. Renumbered. To 8.07.

Sec. 8.09. Appropriation of Bond Proceeds. Renumbered to 8.08

Sec. 8.10. CMIA Interest Payments. Renumbered to 8.09.

Sec. 8.11. Appropriation of Receipts: Credit, Charge, Debit Card, or Electronic Cost Recovery Service Fees. Renumbered to 8.10.

Sec. 9.07 (h). Payments to the Department of Information Resources. Includes the development of an additional methodology to determine the source of funds used for agencies' payments which are directly remitted to vendors.

Sec. 10.03. Informational Listing on Use of Tobacco Settlement Receipts. Reflects changes in tobacco settlement receipts to the Texas Higher Education Coordinating Board and health related institutions.

Sec. 11.04 State Owned Housing: Renumbered to 11.02.

Sec. 13.01. Employee Meal Authorization. Renumbered to 8.11.

Sec. 13.02. Bank Fees and Charges. Renumbered to 8.12.

Sec. 13.03. Appropriation from State Tax Revenue. Renumbered to 6.23.

Sec. 13.04. Informational Items. Renumbered to 6.22.

Sec. 13.05. Appropriation of Specialty License Plate Receipts. Renumbered to 18.13.

Sec. 14.04 (d). Disaster Related Transfer Authority. States a request under this section must have prior notification of the Legislative Budget Board and Governor.

Sec. 16.02. Judgments and Settlements. Renumbered to 16.04.

Sec. 17.04. Interagency Contract to Coordinate Use of PARIS Data to Assist Veterans and Achieve Savings for State. Renumbered to 17.03. Report completed.

Sec. 17.05. Payroll Contribution for Group Health Insurance. Renumbered to 17.04.

Sec. 17.06. Appropriation for a Salary Increase for General State Employees. Renumbered to 18.02. Provides a 2.5percent increase in annual salary for most state employees. Some exceptions apply.

Sec. 17.07. Appropriation for Salary Increases for State Employees in Salary Schedule C. Renumbered to 17.05. Reflects changes in appropriations for Salary Schedule C pay raises.

Sec. 17.09. Veterans Services at Other State Agencies. Renumbered to 17.06. Replaces the Adjutant General's Department with the Texas Military Department as a participating agency.

Sec. 17.10. Agency Coordination for Youth Prevention and Intervention Services. Renumbered to 17.07. Replaces the Adjutant General's Department with the Texas Military Department as a participating agency.

Sec. 17.13. Additional Payroll Contribution for Retirement. Renumbered to Sec. 17.08.

Deleted Sections

Sec. 3.01. (e)(f)(g). Salary Rates.

Sec. 6.22. Definition, Appropriation, Reporting and Audit of Earned Federal Funds.

Sec. 7.04. (d). Contract Notification: Amounts Greater than \$50,000.

Sec. 7.06. Reporting Fees, Fines, and Penalties.

Sec. 7.07. Reporting Federal Homeland Security Funding.

Sec. 8.02. (b)(c)(d)(e)(f)(g)(h)(i)(j)(k)(l). Federal Funds/Block Grants.

Sec. 9.04. (c). Information Technology Replacement.

Sec. 11.05. (i). State Agency Emergency Leases.

Sec. 11.07. Use of Water Conservation Techniques in State Construction.

Sec. 13.05. (c). Appropriation of Specialty License Plate Receipts.

Sec. 16.01. (k)(1). Court Representation and Outside Legal Counsel.

Sec. 16.01. (k)(3). Court Representation and Outside Legal Counsel.

Sec. 16.01. (l). Court Representation and Outside Legal Counsel.

Sec. 16.01. (m). Court Representation and Outside Legal Counsel.

Sec. 17.02. Appropriation of Proposition 4 General Obligation Bond Proceeds.

Sec. 17.03. Report Operational Capacity.

Sec. 17.08. Technical Adjustments for Data Center Services.

Sec. 17.11. Certain Targeted Salary Increases.

Sec. 17.12. Additional Appropriation for Employee Benefits.

Sec. 17.14. Eligible Expenses in Medicaid Program.

Sec. 17.15. State Agency Internal Accounting Systems.

Sec. 17.16. Department of Public Safety Method of Finance Swap.

Sec. 17.17. Contingency Appropriation: Credits against the Cost of Recapture.

Sec. 17.18. Spaceport Contingency.

New Provisions

Sec. 3.11. Exceptions for Certain Employees. Exempts certain employees from salary administration provisions in Article 3.

Sec. 3.12. Exceptions for Salary Schedule C. Allows the Department of Public Safety to pay certain employees at rates that exceed maximum rates in Salary Schedule C.

Sec. 6.08. (f). Benefits Paid Proportional by Fund. Requires the State Auditor to send an audit report to the Comptroller and Legislative Budget Board with recommendations.

Sec. 6.08. (g). Benefits Paid Proportional by Fund. Allows an agency or institution to adjust benefit expenses if cash balances prohibit absorbing additional expenses related proportionality requirements.

Sec. 6.08. (h). Benefits Paid Proportional by Fund. Restricts higher education institutions from expending appropriated funds for employee benefit costs or costs related to salaries or wages if the salaries and wages are not paid from funds in this Act.

Sec. 6.24. Deposit and Notification Requirement for Certain RESTORE Act Funds. Deposits and expends funds for the RESTORE Act to the State Treasury in a designated account.

Sec. 7.06. Internal Assessments on Utilization of Historically Underutilized Business. Requires each agency and institution to submit an assessment of the agency's or institution's efforts to increase participation of historically underutilized businesses (HUBs).

Sec. 7.07. Historically Underutilized Business Policy Compliance. Requires each agency and institution to submit a report demonstrating compliance and a plan to maintain future compliance with Government Code 2161.123.

Sec. 7.10 Reporting Requirement for Deepwater Horizon Oil Spill Funds. Requires agencies or institutions of higher education receiving, expending, or administering funds related to the Deepwater Horizon oil spill to submit a report to the Legislative Budget Board.

Sec. 7.11. Border Security. Defines border security and requires requested agencies to report budgeted and expended amounts and performance results for border security.

Sec. 7.12. Notification of Certain Purchases or Contract Awards, Amendments, and Extensions. Requires agencies and institutions of higher education to provide notification of certain purchases or contract awards, amendments, and extensions expected to exceed certain thresholds.

Sec. 7.13. Notification of Certain Expenditures Related to Mitigation of Adverse Environmental Impacts. Requires agencies and institutions of higher education to provide notification to the Legislative Budget Board before entering an agreement to comply with Title 23, Subchapter H, Part 777 of Code of Federal Regulations of Sec. 201.617 Transportation Code.

Sec. 8.02. (h). Reimbursements and Payments. Appropriates recovered state funds distributed under Texas Education Code 12.106 to the Texas Education Agency.

Sec. 8.12. Bank Fees and Charges. Authorizes bank fees and charges to be paid from interest income appropriated in the GAA.

Sec. 8.14. Cost Recovery of Testing Fees. Appropriates any cost recovery fee collected in relation to the use of an electronic test back to the agency.

Sec. 8.15. Cost Recovery Fees. Appropriates any cost recovery fee collected by an agency back to the agency.

Sec. 9.02. (c) (4). Quality Assurance Review of Major Information Resources Projects. Allows the Quality Assurance Team to make requests and impose requirements or additional actions.

Sec. 9.04. (c). Information Technology Replacement. Allows the Department of Information Resources to require agencies to coordinate the purchase or replacement of information technology through the department.

Sec. 9.08. Computer Inventory Report. Requires agencies to report an inventory of all personal computers and other information technology devices to the Legislative Budget Board.

Sec. 9.09. Server Consolidation Status Update. Requires agencies in the Data Center Services program to report quarterly the status of their server consolidation to the Legislative Budget Board and Department of Information Resources.

Sec. 9.10. Prioritization of Cybersecurity and Legacy System Projects. Requires the Department of Information Resources to submit a prioritization of agencies' cybersecurity projects and legacy system modernization and replacement projects to the Legislative Budget Board.

Sec. 9.11. Cybersecurity Initiatives. Requires certain agencies to coordinate cybersecurity initiatives considered major information resources projects with the Department of Information Resources.

Sec. 9.12. Surplus Information Technology Hardware. Underlines the Legislative intent for agencies to purchase information technology hardware through the state surplus property program before considering other sources.

Sec. 10.04. Statewide Behavioral Health Strategic Plan and Coordinated Expenditures. Provides an informational listing of All Funds amounts appropriated specifically for behavioral health services, and authorizes a statewide behavioral health coordinating council to submit a five year strategic plan and an expenditure proposal.

Sec. 10.05. Funding for Autism Services. Allocates General Revenue Funds for the biennium to certain agencies for autism services.

Sec. 11.07. Efficient Use of State Property to House State Facilities. States that state agencies or the Texas Facilities Commission, before leasing privately owned property, must identify and prioritize state-owned property when their property lease expires or prior to opening new locations.

Part 13 Federal Funds. Adds 13 sections addressing the appropriation, use, and reporting of federal funds.

Sec. 13.02. Report of Additional Funding. Requires an agency to report to the Legislative Budget Board, the Governor, and the Comptroller the amount and use of federal funds in excess of \$10 million before the funds may be expended.

Sec. 13.03. Report of Expanded Operational Capacity. Requires an agency to report its operational capacity for expanded federal programs, excluding Medicaid, to the Legislative Budget Board if certain conditions are met.

Sec. 13.04. Reports to Comptroller. Allows the Comptroller to set state reporting standards and time lines in the event that 10 or more state agencies are awarded a combined amount above \$1 billion in federal stimulus funds from the United States government.

Sec. 13.05. Deposit and Expenditure Limitations. Requires federal funds to be deposited to and expended from the specific appropriation item and may not be used for a purpose other than that which has been reviewed by the Legislature. Excludes institutions of higher education.

Sec. 13.06. Reimbursement from Federal Funds. Credits federal reimbursements by the Comptroller to the agency's current appropriation or the accounts from which the expenditure was originally made.

Sec. 13.07. Limitations on Positions. Phases out any position created for administration of federal grant programs upon the discontinuance of the particular federal grant.

Sec. 13.08. Funding Reductions. Distributes any reduction or reallocation of federal funds across affected agencies if federal funds programs are eliminated, consolidated, replaced, or reduced.

Sec. 13.09. Unexpended Balances. Appropriates any unexpended balances for use during the biennium for the original purposes of the appropriation.

Sec. 13.10. Temporary Assistance for Needy Families (TANF) or Social Services Block Grant. Authorizes agencies appropriated TANF or Social Services Block Grant Federal Funds to expend balances at the start of the biennium for an appropriation made in the previous biennium with written approval by the Legislative Budget Board.

Sec. 14.03 (a)(2). Limitation on Expenditures – Capital Budget. Clarifies that certain requirements do not apply to changes in finance methods that may occur as a result of a transfer involving a capital budget item of appropriation.

Sec. 16.02. Contingent Fee Contract for Legal Services. Restricts funds from being expended by a state governmental entity for payment of legal fees or expenses under a contingent fee contract unless approved by the Legislative Budget Board.

Sec. 16.03. Proceeds of Litigation. Directs all revenue or financial benefits gained as a result of litigation to the state treasury, to a state governmental entity or the State, and requires notice to the Legislative Budget Board before revenue or financial benefits may be expended.

Sec. 16.05. Incidents Report: State Supported Living Centers and State Hospitals. Requires the Attorney General to report to the Legislative Budget Board a listing of all claims and incidents of injuries to a resident of a state supported living center or client of a state hospital made to the Attorney General that may result in a settlement or judgment of more than \$100,000.

Sec. 16.06. Professional Legal Services. Allows an official or entity to expend General Revenue funds in Article X to pay for professional legal services if the Attorney General is prevented from abiding by the official's or entity's decisions on objectives and methods of representation and decisions to accept or reject a settlement offer.

Sec. 17.02. Limitation on Substitution of General Obligation Bond Funded Projects. Allows an agency with General Obligation Fund projects to substitute the approved project by submitting a written request to the Texas Public Finance Authority.

Sec. 17.09. Border Security – Informational Listing. Provides an informational listing of amounts appropriated elsewhere for border security.

Part 18. Contingency and Other Provisions. Adds 74 sections addressing contingency and other provisions of the 84th Legislature. Contingencies that apply broadly to higher education include:

Sec. 18.02. Appropriation for a Salary Increase for General State Employees. Defines salary increase as a 2.5 percent increase in annual salary and appropriates funds to the Comptroller of Public Accounts to fund a salary increase for employees of state agencies including employees of the Higher Education Coordinating Board. Does not apply to employees of institutions of higher education. Historically the A&M System agencies have been included in statewide pay raises. However, since this statewide pay raise was intended to cover the increased contribution to the Employee Retirement System (ERS) for the employee share, the agencies were not included since those employees are not members of the ERS.

Sec. 18.03. Centralized Accounting and Payroll/Personnel Systems Deployments. Increases appropriations to state agencies for operating and maintaining the Centralized Accounting and Payroll/Personnel System and deploying agencies onto the system. Increases number of Full-time Equivalents for certain state agencies including the Higher Education Coordinating Board.

Sec. 18.11 Contingency for HB 9. Appropriates funds to the Employees Retirement System from the General Revenue Fund, General Revenue-Dedicated Funds, Federal Funds, Other Funds, and Fund 6 for additional state contributions to Retirement at the Employees Retirement System.

Sec. 18.21. Contingency for SB 13. Appropriates funds from General Revenue and nine Full-Time Equivalents for FY2016 and FY2017 for measures to support public school student academic achievement and high school, college, and career preparation.

Sec. 18.31 Contingency for HB 7. Reduces appropriations from the General Revenue-Dedicated Motorcycle Education Fund No. 501 to the Department of Public Safety in FY2016 and FY2017, and makes an appropriation in the same amount from the General Revenue Fund to the Department of Public Safety. Appropriates funds from the General Revenue-Dedicated Hazardous and Solid Waste Remediation Fee Account No. 550 to the Texas Commission on Environmental Quality for the environmental remediation of a closed battery recycling facility in a certain area of the state. Reduces appropriation to the Railroad Commission from the General Revenue Fund in FY2016 and FY2017 and increases appropriations by the same amount to the Railroad Commission from the General Revenue-Dedicated Oil and Gas Regulation and Cleanup Account No. 5155 in FY2016 and FY2017.

Sec. 18.32 Contingency for HB 4. Appropriates funds in each year of the biennium to the Texas Education Agency from the General Revenue Fund to provide a high quality pre-kindergarten grant program.

Sec. 18.33 Contingency for HB 10. Appropriates funds from General Revenue and increases the number of Full-Time Equivalents by 11 in each year of the biennium to the Truited Programs Within the Office of the Governor to establish the Child Sex Trafficking Prevention Unit within the Criminal Justice Division of the Office of the Governor.

Sec. 18.35 Contingency for HB 19. Appropriates funds from General Revenue in each year of the biennium to the Department of Family and Protective Services for a preventive services program and mental health programs for veterans and military families.

Sec. 18.38. Contingency for HB 700. Appropriates unexpended balances to institutions of higher education from the General Revenue-Dedicated Texas B-On-Time Account 5103 and requires appropriations made to the Higher Education Coordinating Board from the General Revenue-Dedicated Texas B-On-Time Account 5103 to be used to renew award at public institutions of higher education.

Sec. 18.49. Contingency for HB 3062 and SB 1351. Appropriates funds from the General Revenue Fund to the Texas Workforce Commission in each year of the biennium for transferring certain duties of the comptroller related to the Jobs and Education for Texans Grant Programs to the Texas Workforce Commission.

Sec. 18.53. Contingency for SB 20. Appropriates funds from the General Revenue Fund in Strategy B.4.1, Procurement, and Strategy A.4.1, Tax Hearings, to the Texas Comptroller of Public Accounts for fiscal years 2016 and 2017, and increases the number of Full-Time Equivalent positions in the agency bill pattern by 7. Appropriates funds from the General Revenue Fund to the Texas Department of Transportation for fiscal year 2016 and 2017 and allows funds to be used for capital budget purposes. Appropriates the Office of the Attorney General funds from the General Revenue Fund Strategy A.1.1. Legal Services, for fiscal year 2016 and 2017 and increases the number of Full-Time Equivalent positions in the agency bill patter by 14.

Sec. 18.60. Contingency for SB 239. Appropriates the Higher Education Coordinating Board funds from General Revenue in each year of the biennium for the creation of a student loan repayment assistance program for certain mental health professionals. Also appropriates any unexpended balances from FY2016 for the same purpose in FY2017.

Sec. 18.70. Contingency for HB7, HB 26, OR SB 632, Providing for the Disposition of the Emerging Technology Fund and Creation of the Governor's University Research Initiative. Provides estimated available balances in the Emerging Technology Fund No. 5124 and the amounts appropriated elsewhere providing for the wind-down of the Emerging Technology Fund and creation of the Governor's University Research Initiative. Contingent on legislation that allows the Comptroller of Public Accounts to access the unencumbered balance of the Emerging Technology Fund, the agency is appropriated General Revenue for FY2016 and FY2017 to deposit to the Emerging Technology Fund No. 5124 in order to manage the state's portfolio of equity positions, other investments, and associated assets. If legislation does not authorize the Comptroller of Public Accounts to access the balance of the fund, the agency is appropriated funds from General Revenue to deposit to the Texas Treasury Safekeeping Trust for the same purposes.

Bill Facts

Legislation Filed & Passed

The following table provides a summary comparison of legislative bill activity from the 83rd and 84th Regular Sessions.

83 rd Legislative Session				84 th Legislative Session		
Type	Filed	Passed	%	Filed	Passed	%
HBs	3950	732	18.5%	4207	818	19.4%
HJR	130	6	4.6%	133	2	1.5%
SBs	1918	705	36.7%	2069	504	24.3%
SJR	63	4	6.3%	67	5	7.4%
TOTAL	6061	1447	23.8%	6476	1329	20.5%

Bill Analysis Task Force

A legislative session requires the highest and best efforts of enormous numbers of the A&M System institutions' faculty, administration, and staff. In addition, because the Texas Legislature meets regularly only 140 days every other year, a session necessarily operates on its own highly compressed clock and takes no prisoners when it demands responses from institutions. One of the principal instruments we have created to respond to the demands of a session is the Bill Analysis Task Force (BATF). The BATF provides a timely synopsis of all legislation that affects the A&M System member universities and agencies. These analyses of key bills are provided to the Chancellor, his Executive Officers, System CEOs and the State Relations Team, so that they will be better prepared to furnish information to and communicate the A&M System's legislative program to the legislature and governor during the fast-paced session. Of note, all the BATF members serve voluntarily and take on these extra duties while continuing to carry out their regular duties, and without extra compensation.

This session the Office of State Relations tracked and kept watch over **1,223 bills, which is 18.9% of all the bills that were filed.** The Task Force members provided analyses for **722 of these tracked bills.**

Without the support and assistance of all the individuals who serve the Bill Analysis Task Force, the Texas A&M University System would not have been able to provide legislators and their staff the information they required during the session.

The names and affiliation of members of the Bill Analysis Task Force may be found in the Appendix.

Texas A&M University System Institution-Specific Legislation

The following summary includes legislation that directly affects a member institution of The Texas A&M System or the entire System.

Texas A&M University

SB 699 By Eltife/Kuempel - Relating to the Texas Real Estate Commission and the regulation of certain real estate professionals. This is the recodification bill for the commission. Within the new law is a section relating to the Texas Real Estate Research Center located at Texas A&M University. This legislation continues the set-aside from broker license fees dedicated to the center. Although a section regarding a fee is eliminated (there were two set-aside sections), a newly created section consolidates the set-asides for the center where the status quo is maintained.

TAMUS Health Science Center

HB 19 by King/Campbell – Relating to a preventive services program and mental health programs for veterans and military families. This bill requires the Department of Family and Protective Services (DFPS) to develop and implement a preventive services program for veterans and military families who have committed or experienced, or who are at high risk for, family violence, abuse or neglect. Initially the program must be established as a pilot, and it must coordinate with community initiatives and include a prevention and early intervention component. DFPS must evaluate the program and determine that it is producing positive results before statewide implementation occurs. The bill also requires the Texas Veterans Commission (TVC) and the Department of State Health Services to coordinate to administer the mental health programs for veterans. The TVC is responsible for training volunteer coordinators and peers, providing technical assistance, recruiting, training and communicating with community- and faith-based therapists and organizations, and coordinating services for justice involved veterans. TVC is required to provide appropriate facilities to support this work, and is also responsible for providing volunteer coordinator certification training. Finally, TVC and DSHS much include as part of the program an initiative that encourages local communities to conduct cross-sector collaboration to synchronized locally accessible resources available for veterans and military service members.

HB 177 by Zedler/Bettencourt – Relating to the research, collection, and use of adult stem cells. This bill creates the Texas Adult Stem Cell Research Coordinating Board (the board) made up of seven members, at least one of whom must represent an institution of higher education. Board term length is six years, and the governor must designate as presiding officer of the board a board member who represents an institution of higher education. The board is charged with creating the Texas Adult Stem Cell Research Consortium, which is composed of institutions of higher education and businesses that accept public money for adult stem cell research or otherwise agree to participate in the consortium.

The board will administer the program to make grants and loans to consortium members for adult stem cell research projects, including:

- projects to develop therapies, protocols, or medical procedures involving adult stem cells;
- development of facilities to be used solely for adult stem cell research projects; and
- commercialization of products or technology involving adult stem cell research and treatments.

The board is also charged with supporting consortium members in all stages of the process of developing treatments and cures based on adult stem cell research, establishing appropriate regulatory standards and oversight bodies for consortium members' research related to adult stem cells, and assisting consortium members with applying for grants under the program. The program is not allowed to be funded with state appropriations—only gifts, grants and donations. The bill also allows blood collected by a blood bank to be used for collection of adult stem cells if the donor consents in writing to that use. Lastly, the bill allows hospitals to use adult stem cells in procedures if the physician determines appropriate, the patient consents in writing, the stem cells are properly manufactured and stored, and the stem cells are approved for use by the Food and Drug Administration.

HB 2950 by Klick/V. Taylor - Relating to the task force on Infectious Disease Preparedness and Response. This bill codifies the Texas Task Force on Infectious Disease Preparedness and Response in statute as an advisory panel to the governor. It requires the task force to provide expert, evidence-based assessments, protocols, and recommendations related to state responses to infectious diseases, including Ebola, and to serve as a transparent source of information and education for Texas leadership and citizens. It gives the governor the discretion to appoint members to the task force who have expertise in infectious disease, but requires that at least one member be a county judge from a county with population of less than 100,000, and one from a county with a population of more than 100,000, at least one representative from a rural local health authority, and one from an urban local health authority, at least one licensed nurse, and at least one emergency medical services professional. It allows, but does not require, the task force to make written reports on its findings and hold public hearings. The task force meets at the discretion of the director of the task force, and meetings may be closed to discuss matters of confidentiality under state or federal law, or to ensure public security or law enforcement needs. The bill requires that state agencies that have members on the task force provide administrative support for the task force. The bill also allows the Health and Human Services Commission (HHSC) to enter into contracts at health-care related institutions to assist with infectious disease emergency preparedness. This allows for payment by HHSC to facilities to equip for and develop infectious disease preparedness, and may include materials, equipment, services, and other items.

HB 3078 by Darby/Seliger - Relating to the creation of an advisory committee to recommend a uniform pre-nursing curriculum for undergraduate professional nursing programs offered by public institutions of higher education. This bill created a new Uniform Pre-Nursing Curriculum Advisory Committee at the Texas Higher Education Coordinating Board (THECB) that is charged with assessing current nursing prerequisites required for undergraduate professional nursing programs across the state and the ability of students to transfer course credits between institutions to qualify for consideration for admission to an undergraduate pre-nursing program offered by another institution of higher education. This committee will include representation from across all sectors of higher education (health-related institutions, general academic institutions, and community colleges) and will make recommendations to the Legislature regarding their findings by December 1, 2016.

HB 3185 by Raney/Lucio – Relating to the creation and operations of health care provider participation programs in certain counties. This bill was one of multiple local provider participation fee

(LPPF) bills that passed into law during the 84th Session. It authorizes a county, in this case Brazos County, to collect and deposit a payment from each institutional health care provider in the county into an LPPF fund that the county establishes. In turn, money in the fund may be used by the county to:

- fund intergovernmental transfers to provide the nonfederal share of Medicaid supplemental payments under the state Medicaid plan or Medicaid 1115 waiver;
- subsidize indigent care programs in the county;
- pay administrative expenses of a county only for activities under the LPPF program;
- refund a portion of a mandatory payment collected in error from a paying hospital; or
- refund to paying hospitals the proportionate share of money received by the county from the Health and Human Services Commission that is not used to fund the nonfederal share of Medicaid supplemental payment programs payments.

Under the bill, an institutional health care provider is defined as a nonpublic hospital that provides inpatient services. The amount of each hospital's annual mandatory payment is based on its net patient revenue as reported to the Department of State Health Services. A county may not collect the mandatory payment unless authorized by a majority affirmative vote of the commissioners' court, and a hospital paying the mandatory payment may not add any surcharges to patients for the payment.

SB 18 by Nelson/Zerwas – Relating to measures to support or enhance graduate medical education in this state, including the transfer of certain assets from the Texas Medical Liability Insurance Underwriting Association to the permanent fund supporting graduate medical education and the authority of the association to issue new policies. Senate bill 18 built on and streamlined legislation passed in the 83rd Regular Session to create several new graduate medical education (GME) programs, and also established a permanent source of funding for these programs. The bill statutorily defines several terms that had previously only been defined in rule at THECB. It also defines new terms such as “community-based, ambulatory patient care centers,” (community health centers) which includes federally qualified health centers (FQHCs), community mental health centers, rural health clinics, and teaching health centers. The permanent fund created by the bill is in the treasury but outside the general revenue fund, and is administered by the Texas Treasury Safekeeping Trust Company. It consists of funds transferred or appropriated by the legislature, gifts or grants contributed, and any returns on investments of money in the fund. Public and private institutions of higher education are allowed to solicit and accept gifts and grants for deposit to the credit of the fund. THECB is required to withhold funding from grant recipients under the chapter if they do not comply with reporting requirements or use grant funds for an unauthorized purpose, and is required to seek reimbursement of grant funds in this scenario. The bill amends the GME Planning Grant program by opening up eligibility to hospitals, medical schools, and community health centers regardless of whether they currently or have previously offered GME programs. When the Planning Grant program was first created, it was limited only to hospitals that had never had a GME program. The new Planning and Partnership Program will allow hospitals, medical schools, and community health centers to partner with existing GME programs for purposes of planning a new GME program using funds awarded under the program. SB 18 also clarifies that:

- funds received under the chapter can be expended on resident stipends and benefits as well as other direct resident costs to the program; and
- grant amounts extend for the duration of the period the resident who initially fills the position continues to hold the position.

The bill prioritizes awarding funding to medical specialties that are determined by THECB to be at “critical shortage levels.” In determining what specialties are at critical shortage levels, THECB must

consider research from the Comprehensive Health Professions Research Center (the Center), criteria related to health professional shortage area, as well as from “other appropriate entities,” such as the American Association of Medical Colleges. In addition to the critical shortage level research, the bill also requires the Center to conduct research regarding the overall supply of physicians in Texas and the ability of the state’s GME system to meet current and future health care needs, and report its results to the Legislative Budget Board, THECB, the Office of the Governor, and the standing committees of the Legislature with jurisdiction over finance or appropriations. The bill repeals the Resident Physician Expansion Program, which was similar to the Grants for New and Expanded GME program. Finally, the bill requires the Department of Insurance to complete an actuarial study to determine the amount of assets necessary for known and unknown insurance claims and administrative expenses and liabilities for the Texas Medical Liability Insurance Underwriting Association’s (the Association) employee retirement plan. Once the study has been completed, the Association must transfer any assets not necessary for remaining claims or administrative costs mentioned above to the permanent fund for GME. After that, the Insurance Commissioner must determine whether the Association needs to continue to be able to issue policies, and if not, may order the Association to cease and desist.

SB 295 by Schwertner/Guillen – Relating to tracking career information for graduates of Texas medical schools and persons completing medical residency programs in Texas. Senate bill 295 requires THECB to establish a tracking system by which they obtain data about the initial residency choices made by medical school graduates and persons completing medical residency programs in the state. The system must collect information for the two-year period following completion of a residency program, and must include information on whether and how long physicians who complete residency programs work in primary care, which medical specialties they report as their primary medical practice, and the locations of the practices established. THECB must establish this tracking system by January 1, 2016.

Texas A&M Forest Service

HB 7 by Darby/Nelson - Relating to the amounts, availability, and use of certain statutorily dedicated revenue and accounts. This bill allows that money in the Volunteer Fire Department (VFD) Assistance Fund, can be used for contributions to the Texas Emergency Services Retirement System. Amounts appropriated for this purpose and up to \$11.5 million appropriated to the Texas A&M Forest Service for grants to volunteer fire departments cannot be used to determine the fiscal 2016-17 assessment on certain insurers that goes into the volunteer fire department assistance fund thus using unexpended balances in the fund for increased appropriations to the agency for VFD grants. Increased funding for VFD grants was contingent on passage of HB 7.

Texas A&M AgriLife Research

HB 942 by Kacal/Birdwell - Relating to the storage of certain hazardous chemicals. The bill provides guidelines and procedures for fire prevention at ammonium nitrate storage facilities. Fire marshals would be authorized to enter and examine such facilities, and marshals would be authorized to order owners and operators to correct any hazardous situations. Bill codifies the rules of the Office of the Texas State Chemist relating to storage / separation of ammonium nitrate and combustible materials.

Texas A&M AgriLife Extension Service

SB 881 by Nelson/Springer - Relating to the dedication of certain wine-related revenue. This bill provides additional funding for Texas A&M AgriLife Extension Service viticulture programs. The bill amends Alcoholic Beverage Code by renewing funding for Texas wine industry education and research priorities from sales and excise taxes on wine sold in Texas. Texas A&M Agrilife Extension Service will receive \$830,000 per year, up from \$50,000.

Texas A&M Transportation Institute

HB 790 by Burkett/Hancock Relating to a study on the implementation and effectiveness of sound mitigation measures on certain highways. House Bill 790 requires the Texas A&M Transportation Institute to conduct a study assessing the implementation and effectiveness of sound mitigation measures on certain highways. The deadline for TTI to report its findings and any recommendations back to the Legislature is November 1, 2016.

Texas A&M Engineering Experiment Station

HB 1184 by Paddie/Eltife - Relating to authorizing certain utility cost savings and alternative fuel programs as eligible for local government energy savings performance contracts. House Bill 1184 amends the Local Government Code to add "utility cost savings" as a type of energy savings that could offset the cost of an energy-saving improvement measure for local government buildings and grounds under a performance contract. Specifically, the bill includes language from HB 2919 by Raney et al. (which did not pass) that defines a "pilot program" to be operated by the Texas A&M Energy Systems Laboratory, in consultation with the Texas Facilities Commission and the State Energy Conservation Office. Governor Abbott signed this bill on June 19, 2015 and it took effect immediately.

HB 1736 by Villalba/Fraser - Relating to building energy efficiency performance standards. House Bill 1736 amends the Health and Safety Code regarding building energy efficiency performance standards.

The State Energy Conservation Office adoption of new energy codes would be based on the written findings from the Texas A&M Energy Systems Laboratory.

Texas A&M Engineering Extension Station

SB 1287 by Hinojosa/Geren - Relating to the Texas Forensic Science Commission, the accreditation of crime laboratories, and the licensing and regulation of forensic analysts; authorizing fees; requiring an occupational license. Senate Bill 1287 amends the Code of Criminal Procedure by shifting crime laboratory accreditation procedures and responsibilities from the Texas Department of Public Safety to the Texas Forensic Science Commission, creating a forensic analysts license, and creating an advisory committee. Additionally, the bill reduces the number of names that can be submitted by the chancellor of The Texas A&M University System to the governor. The decrease is from 10 to only five names who must be Texas A&M University faculty or staff that specialize in clinical laboratory medicine. Governor Abbott signed the bill on June 20, 2015 and it takes effect on September 1, 2015 except Section 4-a(b) which will take effect on January 1, 2019.

Overview of Key Higher Education Legislation

Board of Regents/Legal Related Legislation

HB 1040 by Paddie/Hancock - Relating to the liability of certain sports officials and organizations. This bill amends the Civil Practice and Remedies Code to establish that a sports official engaged in an athletic competition is not liable for civil damages related to any act, error, or omission that results from a risk inherent in the nature of the competitive activity in which the claimant chose to participate unless the act, error, or omission constitutes gross negligence or wanton, willful, or intentional misconduct. An organization sponsoring such a competitive activity cannot be held liable for an act, error, or omission of a sports official absent any new act, error, or omission of the organization that gave rise to the harm.

HB 1295 by Capriglione/Hancock - Relating to the disclosure of research, research sponsors, and interested parties by persons contracting with governmental entities and state agencies. Section one of HB 1295 addresses the issue of sponsored research and public communication; it requires that the identity of each sponsor be disclosed if the financial value constitutes at least fifty percent of the cost of conducting the research.

Section 2 of the bill sets forth parameters that must be met by state agencies that enter into research contracts (paid with appropriated funds) with institutions of higher education or adopt rules based on research conducted by institutions of higher education. The data of the research is to be disclosed, if certain conditions are not met. The research contracts between the Cancer Prevention and Research Institute of Texas and institutions of higher education are exempt.

Section 3 of HB 1295 amends the Government Code to prohibit a governmental entity or state agency from entering into certain contracts that requires an action or vote by the governing body of the entity or agency before the contract may be signed or that has a value of at least \$1 million with a person unless the business entity, in accordance with the bill and rules adopted under the bill, submits a disclosure of interested parties to the entity or agency at the time the person submits the signed contract to the entity or agency. The bill requires the disclosure of interested parties to be submitted on a form prescribed by the Texas Ethics Commission. The bill requires the governmental entity or state agency to submit a copy of the disclosure of interested parties to the commission not later than the 30th day after the date the governmental entity or state agency receives the disclosure.

HB 2134 by Burkett/Hall - Relating to allowing a governmental body to request clarification of a request for public information by electronic mail. The bill amends the Government Code to allow governmental entities responsible for public information requests to seek clarification from the requestor by electronic mail if the request was submitted electronically. A request for clarification submitted electronically under this bill is subject to the same requirements as such requests made by certified mail.

HB 3736 by Davis/Huffman – Relating to conflicts of interest by members of state agency governing boards and governing officers and the contents and amendment of financial statements filed by certain persons; creating a criminal offense. This bill amends the Government Code to require that a governing board member disclose conflict of interest and refrain from making a decision on such a matter. If a majority of the members of the governing board have a conflict of interest on a particular matter, the bill requires that each member disclose the conflict in writing and that if the board makes a finding that an emergency exists, the board can make a decision on the matter. **(See Below for Governor’s Message)**

Vetoed

“At the beginning of this legislative session, I called for meaningful ethics reform. This legislation does not accomplish that goal. Provisions in this bill would reduce Texans’ trust in their elected officials, and I will not be a part of weakening our ethics laws. Serious ethics reform must be addressed next session – the right way. Texans deserve better.”
– Governor Greg Abbott

HB 4046 by Alvarado/Ellis - Relating to confidentiality of student records. This bill protects students personal information from any gaps that are not covered by FERPA. Generally, interested parties note, state public information law provides access to public information, with the exception of information considered confidential. The parties suggest that while one type of excepted information is student records at an educational institution funded wholly or partly by state revenue, the law does not define what constitutes a student record. The parties also suggest that a gap in coverage exists under certain federal privacy law with regard to an individual who applies for enrollment at an institution but does not enroll and attend. This gap, the parties continue, creates a serious privacy concern for many prospective students who are deserving of well-defined laws that protect their constitutional right to privacy.

SB 11 by Birdwell/Fletcher - Relating to the carrying of handguns on the campuses of and certain other locations associated with institutions of higher education; providing a criminal penalty. SB 11 generally authorizes a handgun license holder to carry a concealed handgun on the campus of an institution of higher education, subject to an institution’s rules adopted in accordance with the Act. The bill applies to an “institution of higher education” and “private or independent institution of higher education” as defined in Section 61.003 of the Education Code, which is a comprehensive definition that includes all universities, medical and dental units, university systems, agencies of higher education, public junior colleges, public technical colleges and all not-for-profit, tax-exempt, accredited private colleges and universities. Campus is defined as all land and buildings owned or leased by a public or private institution of higher education.

Each public and private institution of higher education may establish rules that address the storage of handguns in campus dormitories/residential facilities.

Public institutions of higher education shall establish reasonable rules, regulations or other provisions regarding the carrying of concealed handguns by license holders on campus/campus premises, including identification of any areas in which license holders may not carry. However, rules may not generally prohibit or have the effect of generally prohibiting concealed carry by license holders. Rules are to be established by the president or CEO of an institution after consultation with students, staff and faculty of the institution. Not later than 90 days after the president or CEO establishes rules, the board of regents or governing board shall review the rules and may amend the rules partially or wholly with a two-thirds vote of the board. The finally adopted rules must be widely distributed and published on the institution’s website, and appropriate signage must be installed wherever handguns will not be

permitted. Every even-numbered year, institutions must submit a report to the Governor and Legislature describing the adopted rules and explaining the reason for the rules.

After consultation with students, staff and faculty, private or independent institutions may establish rules to prohibit handguns entirely from campus.

SB 11 establishes penalties for displaying a handgun anywhere on higher education institution premises, for carrying a handgun on the campus of a private institution that prohibits handguns, and for intentionally carrying a handgun on a portion of campus premises on which the institution has adopted rules to prohibit handguns.

This Act takes effect August 1, 2016, before which time higher education institutions must establish rules for each campus. The effective date for community colleges is delayed until August 1, 2017.

SB 20 by Nelson/Price – Relating to state agency contracting. SB 20 was the major contracting bill of the session. The major provisions of the bill impacting higher education will require that institutions of higher education comply with training requirement for purchasing personnel and disclosure of potential conflicts of interest and reporting. All contracts for the purchase of goods and services with a private vendor of \$15,000 or greater must be reported on the institutions web site, along with the statutory authority under which a contract is not competitively bid. All institutions must develop rules for purchases over one million dollars and must develop and publish a contract management handbook.

SB 20 amends the Education Code to make the current best value procurement authority of institution of higher education contingent on implementation of policies and procedures described in the bill. If the state auditor determines that an institution of higher education has failed to adopt the required rules and policies, the auditor will adopt a remediation plan in consultation with the institution. If the auditor finds that the institution fails to comply with the remediation plan, the purchasing authority of the institution would subject to standard agency procurement oversight and procedures.

SB 20 also includes the disclosure of research sponsors in certain public communication found in HB 1295. If further information is needed on this bill, contact the Office of General Counsel.

SB 24 by Zaffirini/Howard - Relating to training for members of the governing board of a public institution of higher education. This bill requires members of governing boards of higher education institutions to attend at least one training program during the member's first year of service, rather than within two years as in current law.

A governing board member who held an appointive position would be required to attend an intensive short orientation course to be developed by the THECB. The orientation course would have to be offered as an online interactive course and could also be offered as a written document or in a one-on-one or group setting.

Rules developed by THECB would require a member to attend the orientation course and any relevant training sponsored or coordinated by the governor's office the first time such courses were offered after the member took the oath of office. A member whose first year of service began on or after September 1, 2015, could not vote on a budgetary or personnel matter until after the member had completed the intensive short orientation course.

The orientation course would have to include

- Best practices and matters relating to excellence, transparency, accountability, and efficiency in the governing structure and organization of general academic teaching institutions and university systems
- Best practices relating to the manner in which governing boards and administrators develop and implement major policy decisions, including the need for impartiality and adequate internal review; and
- Ethics, conflicts of interests, and the proper role of a board member

The bill adds several new requirements for the content of training programs, including ethics, limitations on the authority of the governing board, and the requirements of federal and state laws governing the privacy of student information.

SB 27 by Zaffirini/Howard - Relating to the online broadcast of open meetings of institutions of higher education. This bill amends the Government Code to include among the requirements for a telephone conference call meeting held by the governing board of an institution of higher education, the Board for Lease of University Lands, or the Texas Higher Education Coordinating Board the requirement that each part of such a meeting that is required to be open to the public be broadcast over the Internet in the manner prescribed by statutory provisions governing Internet broadcasts of open meetings. The bill specifies that the manner in which the required recording of each such meeting is to be made available to the public is in an online archive located on the website of the entity holding the meeting.

SB 42 by Zaffirini/Sheffield - Relating to the selection process for student members of the board of regents of a state university or state university system. This bill limits the authority of the Governor to appoint a student regent who does not submit an application to the student government of the institution. This bill amends the Education Code to prohibit the governor from appointing a student member of the board of regents of a state university or state university system who did not submit an application to the student government of the university or of a general academic teaching institution or medical and dental unit in the system, respectively.

SB 273 by Campbell/Guillen - Relating to certain offenses relating to carrying concealed handguns on property owned or leased by a governmental entity; providing a civil penalty. SB 273 prevents a state agency or political subdivision from communicating to a concealed handgun license holder carrying a handgun that he or she is prohibited from carrying a handgun on the premises if such conduct is not prohibited by Section 46.03 or 46.035, Penal Code.

The bill would also provide for civil penalties of \$1,000 to \$1,500 for a first offense and \$10,000 to \$10,500 for subsequent violations. Each day of a continuing violation would be a separate violation. The bill would require the attorney general to investigate a complaint on behalf of a citizen of this state or an individual licensed to carry a concealed handgun if the individual so requests and presents evidence that his or her right to carry a concealed handgun was violated under this section. The attorney general or appropriate county or district attorney would be permitted to sue the responsible state agency or subdivision. After recovering reasonable expenses incurred by the attorney general, any civil penalty collected under this section would be deposited to the credit of the compensation to victims of crime fund.

SB 273 does not expand in any way the types of places under Chapter 46.03 (Places Weapons Prohibited) of the Penal Code where a CHL holder is prohibited or not prohibited from legally carrying.

SB 1213 by Kolkhorst /Oliveira – Relating to prohibiting the reidentification of certain deidentified information and the release of reidentified information; creating a criminal offense; providing a civil penalty. SB 1213 amends the Business & Commerce Code to require a state agency, including an institution of higher education, to provide written notice to a person to whom the agency releases deidentified information that the information is deidentified information. The bill requires a person who sells covered information or otherwise receives compensation for the transfer or disclosure of covered information, defined by the bill as deidentified information released by a board, commission, department, or other agency of the state to provide written notice to the person to whom the information is sold, transferred, or disclosed that the information is deidentified information obtained from a state agency. The bill defines "deidentified information" as information with respect to which the holder of the information has made a good faith effort to remove all personal identifying information or other information that may be used by itself or in combination with other information to identify the subject of the information.

SB 1213 makes it a Class A misdemeanor to reidentify or attempt to reidentify personal identifying information. The bill establishes that it is a defense to a civil action or prosecution if the person was reidentifying the covered information for the purpose of a study or other scholarly research, including performing an evaluation or test of software intended to deidentify information, and did not release or publish the names or other information identifying any subjects of the reidentified covered information. It is also a defense if the person obtained informed, written consent from the individual who is the subject of the covered information that specifically referenced the information to be reidentified, disclosed, or released, and authorized the reidentification, disclosure, or release of that information.

SB 685 by Seliger/Raney - Relating to the applicability of open meetings and public information laws to the education research center advisory board. This bill amends the Education Code to establish that an education research center advisory board is considered to be a governmental body for purposes of state open meetings and public information law. The bill specifies that the conducting of any advisory board meeting by electronic means may be done to the extent and in the manner authorized by state open meetings law.

Academic Related Legislation

HB 505 by Rodriguez/Estes - Relating to a prohibition of limitations on the number of dual credit courses or hours in which a public high school student may enroll. The bill prohibits any limitation on the number of dual credit courses, dual credit hours, or grade levels in which a high school student could enroll each semester or academic year. The bill would repeal statute prohibiting high school students from enrolling in more than three courses in a junior college if the junior college does not have a service area that includes the student's high school. The bill could result in an increase in dual credit students at institutions of higher education.

HB 1054 by Clardy/Zaffirini - Relating to developmental education programs under the Texas Success Initiative for public institutions of higher education. This bill creates non-course competency-based developmental education programs and interventions designed for students whose performance falls significantly below college readiness standards. For each assessment instrument designated by the

board for use under this section, the board shall prescribe a score below which a student is eligible for basic academic skills education. The bill would amend Education Code as it relates to developmental education programs under the Texas Success Initiative for public institutions of higher education.

HB 1613 by Guillen/Perry - Relating to the use of performance on certain assessment instruments designated by the Texas Higher Education Coordinating Board to satisfy requirements concerning high school end-of-course assessment. The bill requires the State Board of Education (SBOE) to develop and adopt, by rule, a chart that shows the alignment of college readiness standards with the Texas Essential Knowledge and Skills (TEKS). The bill exempts a student from the Algebra I or the English I and English III end-of-course (EOC) assessments if the student enrolls in a college preparatory mathematics or English language arts course and satisfies the requirements of the Texas Success Initiative (TSI) assessment instruments, even if the student previously failed the EOC. The bill allows students who do not successfully satisfy the TSI assessments to retake the TSI assessments or the appropriate EOC.

HB 1992 by Zerwas/Seliger - Relating to the granting of undergraduate course credit by advanced placement examination at public institutions of higher education. The bill amends Education Code as it relates to the minimum score on an Advanced Placement examination for granting of undergraduate course credit at public institutions of higher education. The bill requires THECB to conduct a study on the performance of undergraduate students at institutions of higher education who receive undergraduate course credit for achieving required scores on one or more Advanced Placement examinations. The bill requires THECB to submit a progress report and recommendations for legislative or administrative action no later than January 1, 2017 and report the results of the study and recommendations for legislative or administrative action by January 1, 2019.

HB 2628 by Clardy/Garcia - Relating to the development and alignment by the Texas Higher Education Coordinating Board of curricula for certain educational programs. The bill relates to the development and alignment by the Texas Higher Education Coordinating Board of curricula for certain educational programs.

HB 2812 by Springer/V. Taylor - Relating to the limit on junior college courses that a high school student may enroll in for dual credit. The bill removes the limitation relating to the number of junior college courses that a high school student may enroll in for dual credit. The bill could result in an increase in dual credit students at institutions of higher education.

The bill authorizes the Commissioner of Education to adopt rules under which a student's participation in an off-campus instructional program provided by an entity other than a school district or charter school would be counted for the purpose of calculating average daily attendance under the Foundation School Program (FSP). The bill takes effect September 1, 2015.

HB 3348 by Clardy/Eltife - Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs. The bill amends the Education Code to require the THECB to establish a pilot project to examine the feasibility and effectiveness of authorizing baccalaureate degree programs in the field of dental hygiene at a public junior college that satisfies the criteria included in the provisions of the bill.

SB 453 by Seliger/Clardy - Relating to minimum scores required for public school students to receive credit by an examination administered through the College-Level Examination Program. This bill amends the Education Code to lower from 60 to 50 the minimum scaled score a student in grade level six or above must score on an examination approved by the board of trustees of a school district and

administered through the College-Level Examination Program in order for the district to be required to give the student credit for a subject. The bill applies beginning with the 2015–2016 school year.

SB 955 by Schwertner/Miller - Relating to permissible locations for open-enrollment charter schools created by institutions of higher education. This bill allows a public senior college or university to apply for an open-enrollment charter school to operate in any county in Texas.

In evaluating an application for a charter outside the campus or county where the college or university was located, the commissioner of education would be required to consider:

- the locations of existing open-enrollment charter schools, as appropriate, to avoid duplication of services in the area in which the applicant proposed to operate the school; and
- the need of the community in that area to have an additional charter school.

The bill applies to an application for a new charter pending on or submitted on or after the effective date of the bill. A college or university holding a charter granted before the effective date would need to obtain the commissioner of education's approval to operate a charter school in another county.

SB 1189 by Seliger/Zerwas - Relating to the establishment of a transfer associate degree program at each public junior college. This bill requires the establishment of a multidisciplinary studies associate degree program at each public junior college. The bill requires THECB to adopt rules as necessary for the administration of the provisions of the program. Based on information provided by THECB, duties and responsibilities associated with implementing the provisions of the bill could be accomplished utilizing existing resources.

SB 1470 by Watson/Raney - Relating to the establishment of state authorization reciprocity agreements for postsecondary distance learning courses. This bill authorizes the THECB to enter on behalf of the state into a state authorization reciprocity agreement among states, districts, and territories regarding the delivery of postsecondary distance education that establishes comparable standards for the provision of distance education by public or private degree-granting postsecondary educational institutions in each of the states, districts, or territories covered by the agreement to students of the other states, districts, or territories covered under the agreement. The bill requires THECB to apply to an appropriate organization for that purpose and to administer the agreement, including by establishing an application and approval process for a degree-granting postsecondary educational institution with its principal campus located in Texas to participate under the agreement and by maintaining a dispute resolution procedure for complaints regarding participating postsecondary educational institutions located in Texas. The bill requires THECB, not later than September 1, 2016, to develop and submit a plan and application for entering into the state authorization reciprocity agreement to the Southern Regional Education Board or other appropriate organization.

This bill also requires THECB, if it obtains evidence that a public or private postsecondary educational institution established outside Texas that is providing courses within Texas under a state authorization reciprocity agreement is in apparent violation of the agreement or of public education law or rules adopted under these bill provisions, to take appropriate action to terminate the institution's operation within Texas. The bill requires the coordinating board to adopt rules to administer the bill's provisions concerning a state authorization reciprocity agreement.

Further this bill clarifies that, with regard to the requirement that THECB take appropriate action to terminate the operation within the boundaries of Texas of a public institution of higher education

established outside the boundaries of Texas for certain apparent violations, the requirement stands regardless of whether the institution participates in a state authorization reciprocity agreement. The bill authorizes a public institution of higher education established outside the boundaries of Texas to offer a course within Texas without the approval of THECB if the course is provided in accordance with a state authorization reciprocity agreement.

SB 1543 by Perry/James -Relating to the admission of undergraduate students with nontraditional secondary education to public institutions of higher education. This bill requires that a public institution of higher education must treat an applicant for admission to the institution as an undergraduate student who presents evidence of completion of a nontraditional secondary education. The bill requires an institution of higher education that sorts applicants by high school graduating class rank in its undergraduate admission review process to place any applicant who presents evidence of having successfully completed a nontraditional secondary education that does not include a high school graduating class ranking at the average high school graduating class rank of undergraduate applicants to the institution who have equivalent standardized testing scores as the applicant. The bill's provisions apply beginning with admissions to a public institution of higher education for the 2016 fall semester. This bill seeks to serve students have completed high school via home schooling.

SB 1714 by Zaffirini/Howard -Relating to the release of student academic information by a public institution of higher education for certain purposes and the manner in which the information is used. This bill amends current law that allows for a reverse transfer between four year institutions and two year institutions. While this "reverse-transfer" provision established in 2011 has helped students attain associate's degrees, the current procedures require each four-year institution to contact each potential reverse-transfer student for permission to release information and then must release that information to each applicable two-year institution. Then that two-year institution must check for eligibility and subsequently award the student with an associate's degree. The amount of administrative effort required to comply with the provision could be lessened by a more automated process. The National Student Clearinghouse is, among other things, a data exchange service offering applications that are designed to facilitate compliance with FERPA, The Higher Education Act, and other applicable laws. The Clearinghouse is developing, with the help of institutions like The University of Texas at Austin, a reverse-transfer automated data sharing exchange platform that would greatly increase the efficiency of reverse-transfer degree awards. S.B. 1714 would allow institutions to participate in this platform to satisfy their obligations under existing law. This bill amends current law relating to the release of student academic information by a public institution of higher education for certain purposes and the manner in which the information is used.

SB 1776 by Menendez/Guillen - Relating to the exemption from the assessment requirements of the Texas Success Initiative for students who successfully complete certain college preparatory courses. This bill amends existing education code, to extend current exemption for High School Students who successfully have completed Texas Success Initiative (TSI) preparatory courses. Currently this exemption only lasts one year, this bill amends it to two years.

The bill also requires the THECB to collect and analyze data regarding the effectiveness of college preparatory courses as measured by students' successful completion of the first college-level course in the exempted content area.

SB 2031 by Watson/Howard - Relating to the date for publication of the factors considered for admission to a new graduate and professional program. This bill amends the Education Code to

authorize a general academic teaching institution or medical or dental unit, if compliance with requirements of an accrediting agency effectively prevents the institution from timely publishing the factors the institution must consider in admissions decisions for graduate and professional programs, to delay publication of the factors. The bill requires the institution in such a case to publish the factors as soon as practicable when compliance with accrediting agency requirements permits.

Research Related Legislation

HB 7 by Darby/Nelson (also in HB 26 by Button/Fraser and SB 632 by Fraser/Button) - Relating to certain fiscal matters affecting governmental entities; reducing or affecting the amounts or rates of certain taxes, assessments, surcharges, and fees. HB 7 amends Education Code 62 to establish the Governor's University Research Initiative (GURI) which Governor Abbott unveiled at the January 2015 State of the State and creates the Governor's University Research Initiative Fund (the Fund). GURI will be administered by the Texas Economic Development and Tourism Office within the Office of the Governor (the Office). With the ultimate goal of elevating Texas universities among national rankings, the Fund is to be used to provide matching grants to eligible institutions to recruit distinguished researchers who have been identified by the institution. Distinguished researchers include Nobel Laureates and members of the National Academy of Sciences, National Academy of Engineering, or the National Academy of Medicine. However, eligible institutions may not use matching grants to recruit a distinguished researcher from another eligible institution or a private or independent institution. Public general academic and health related institutions may participate; private institutions of higher education are not eligible. Eligible institutions may use any non-GR funds for matching purposes. The Office is directed to give priority to grants that involve recruitment of distinguished researchers in the fields of science, technology, engineering, mathematics and medicine. The Office is responsible to submit biennial reports to the legislature on the use of the Fund.

The bill designates the Governor's University Research Initiative Fund as the successor fund to the Emerging Technology Fund. Any Emerging Technology Fund contracts previously awarded are to continue under the agreed to terms unless the award recipient and the governor agree otherwise. The Texas Treasury Safekeeping Trust Company shall wind up the Emerging Technology investment portfolio in a manner that, to the extent feasible, provides for the maximum return on the state's investment.

HB 7 authorizes the unencumbered balance of the Emerging Technology Fund to be appropriated only to 1) the Texas Research Incentive Program (TRIP), 2) the Texas Research University Fund (TRUF), 3) the Governor's University Research Initiative Fund (GURIF), 4) the Texas Enterprise Fund, or 5) the comptroller for purposes of expenses incurred in managing the portfolio.

HB 26 and SB 632 have some additional modifying provisions.

HB 26 by Button/Fraser - Relating to state economic development measures, including administration of the Texas Enterprise Fund, creation of the Economic Incentive Oversight Board and the governor's university research initiative, abolishment of the Texas emerging technology fund, and renaming the Major Events trust fund to the Major Events Reimbursement Program. See HB 7.

HB 1000 by Zerwas/Seliger - Relating to state support for general academic teaching institutions in this state. The bill amends the Education Code relating to state support for general academic teaching institutions in the state. The bill renames the Texas Competitive Knowledge Fund (TCKF) as the Texas

Research University Fund, and would make changes to the eligibility of the fund. The provisions of the bill define eligible institutions as institutions designated as research universities that made total annual research expenditures of not less than \$450 million in three consecutive fiscal years, and removes emerging research universities from eligibility.

This bill renames the Research Development Fund (RDF) as the Comprehensive Research Fund and would make changes to the eligibility of the fund. The provisions of the bill define eligible institutions as general academic teaching institutions other than The University of Texas (UT) at Austin, Texas A&M University, or emerging research universities.

The bill creates the Core Research Support Fund to provide funding to promote increased research capacity at emerging research universities. Under provisions of the bill, 50 percent of funding would be distributed to eligible institutions each fiscal year based on the average amount of restricted research funds expended by each institution per year for the three preceding state fiscal years, as reported to THECB. The remaining 50 percent would be distributed based on the average amount of total research funds expended by each institution per year for the three preceding state fiscal years. The money received by an institution from the fund could be used only for the support and maintenance of educational and general activities that promote increased research capacity at the institution.

SB 44 by Zaffirini/Howard - Relating to matching private grants given to enhance additional research activities at institutions of higher education. The bill clarifies that private gifts for undergraduate research received by an emerging research institution are eligible to receive a state match under the Texas Research Incentive Program (TRIP). This bill also clarifies that private gifts for financial aid received by an emerging research institution are not eligible to receive a state match under the Texas Research Incentive Program. Based on information provided by THECB, undergraduate research gifts are currently allowed to be matched under the program and gifts for financial aid are not allowed to be matched.

This bill amends the Education Code to include undergraduate research among the purposes for which an institution of higher education designated as an emerging research university under the THECB accountability system receives gifts or endowments from private sources in a state fiscal year that trigger the institution's entitlement to receive, out of funds appropriated for the purposes of the TRIP for that fiscal year, a matching grant in a specified amount.

SB 632 by Fraser/Button - Relating to the creation of the governor's university research initiative and to the abolishment of the Texas emerging technology fund. See HB 7.

Student Affairs Related

HB 197 by Price/Nelson - Relating to requiring a public institution of higher education to post information regarding mental health resources on the institution's Internet website. This bill requires public institutions of higher education to create a web page on the institution's website dedicated solely to information regarding the mental health resources available to students at the institution. The site also must include the address of the nearest local mental health authority. This analysis assumes that any costs for these institutions of higher education to implement the provisions of the bill could be absorbed within current resources.

HB 699 by Nevarez/Uresti - Relating to requiring public institutions of higher education to establish a policy on campus sexual assault. The bill requires all institutions of higher education in the state to adopt a “policy on campus sexual assault,” to include definitions of prohibited behavior, sanctions for violations, and the protocol for reporting and responding to reports. The policy is to be disseminated via employee and student handbooks and the institution’s webpage. All entering freshman students must attend an orientation on the institution’s campus sexual assault policy before or during the first semester or term in which the student is enrolled. The institution determines the format and content of the orientation, as well as transfer students.

HB 1287 by Simmons/Burton - Relating to a requirement that each state university's Internet website include a link to certain employment data. Each general academic teaching institution shall maintain in a prominent location on the institutions Internet website a link to the Texas Consumer Resource for Education and Workforce Statistics ("Texas CREWS" report on gainful employment applicable to the institution for the most recent year for which that report is available.)

HB 1807 by Naishtat/Zaffirini - Relating to requiring the Texas Higher Education Coordinating Board to maintain an inventory of postsecondary educational programs and services for persons with intellectual and developmental disabilities. House Bill 1807 amends the Education Code to require THECB to maintain, post on its website, and submit to the Texas Education Agency an inventory of all postsecondary educational programs and services provided for persons with intellectual and developmental disabilities by public institutions of higher education.

SB 37 by Zaffirini/Naishtat - Relating to a study of the participation of individuals with intellectual or developmental disabilities in public higher education. This bill amends the Education Code to require the Texas Higher Education Coordinating Board to collect and maintain data relating to undergraduate and graduate level participation of persons with intellectual and developmental disabilities at institutions of higher education and to conduct an ongoing study of the data to analyze factors affecting the participation of such persons at institutions of higher education. The bill requires the coordinating board to conduct an ongoing study on the recruitment of such persons at institutions of higher education and requires the study to identify previously made recruitment efforts, limitations on recruitment, and possible methods for recruitment. The bill requires the coordinating board, not later than November 1 of each even-numbered year, to submit to the governor and members of the legislature a report on the results of the study on recruitment and any recommendations for legislative or other action. The bill requires each institution of higher education, at times prescribed by the coordinating board, to submit to the coordinating board any information requested by the coordinating board as necessary for the coordinating board to carry out its duties under the bill's provisions. The bill requires the coordinating board to adopt rules as necessary to implement the bill's provisions in a manner that ensures compliance with federal law regarding confidentiality of student medical or educational information.

SB 1624 by Rodriguez/Marquez - Relating to a requirement that entering undergraduate students at a public institution of higher education attend an orientation regarding mental health and suicide prevention services. This bill requires a general academic teaching institution to provide to each entering full-time undergraduate, graduate, or professional student, including each full-time undergraduate, graduate, or professional student who transfers to the institution, information about available mental health and suicide prevention services offered by the institution or by any associated organizations or programs and about early warning signs that are often present in and appropriate intervention for a person who may be considering suicide. The bill authorizes such information to be

provided through a live presentation or a format that allows for student interaction, such as an online program or video, and prohibits the information from being provided in a paper format only. This bill seeks to serve students who may suffer from depression, and have suicidal thoughts.

Finance/Tuition/Financial Aid Related Legislation

HB 700 by Giddings/Seliger - Relating to the repeal of the Texas B-On-time student loan program. The bill repeals the B-On-Time student loan program effective September 1, 2015 and prohibits the Coordinating Board from making any initial B-On-Time awards beginning with the Fall 2015 semester. The bill abolishes the B-On-Time Student Loan Account effective September 1, 2020 (fiscal year 2021) and directs the remaining funds in the account to be appropriated by the Legislature to eligible public institutions in accordance with a formula that would treat fairly those institutions that have been net donors to the program over time. Finally, the bill eliminates the tuition set aside associated with the B-On-Time program which results in the designated tuition set aside rate decreasing from 20 percent to 15 percent of designated tuition in excess of \$46 per SCH (note: the 5% set aside never applied to designated tuition less than \$46 per SCH).

Appropriations to the Coordinating Board in HB1 conform to the decisions made in HB700. The appropriations for both public and private institutions for the B-On-Time Loan program cover renewal awards only; no initial awards are funded in HB1. The B-On-Time renewal awards for students at private institutions are paid from a GR appropriation and the renewal awards for students at public institutions are made from the B-On-Time Student Loan Account which is funded by the 5% set aside. In addition to the appropriations made to the Coordinating Board, Art. IX, Section 18.38 of HB1 appropriates \$65,324,057 of unexpended balances (UB) in the B-On-Time Student Loan Account to institutions of higher education. This accelerates the schedule of allocating at least part of the UB remaining in the account. The Art. IX provision does not provide any direction on how the UB funds are to be allocated back to institutions of higher education. Our understanding is that the allocation of these funds will be determined through the negotiated rule making process with the Coordinating Board. **(See below for Governor's Message)**

"Tuition set-asides subsidize the education of some students at the cost of all, and should be eliminated as provided by House Bill No. 700. Unfortunately, this bill does not require a corresponding cut in tuition. University boards of regents should decrease tuition in proportion to the amount no longer required to be set aside by law, rather than using this legislation as a new source of revenue." – Governor Greg Abbott

SB 806 by Campbell/King - Relating to the College Credit for Heroes program. The College Credit for Heroes Program helps to expedite paths to a college degree, professional certification, or both for veterans. This bill seeks to provide for the reporting of that information. This bill amends the Labor Code to require the Texas Workforce Commission, not later than November 1 of each year and after consultation with the THECB, to report to the legislature and the governor on:

- the results of any grants awarded under the College Credit for Heroes program;
- the best practices for veterans and military service members to achieve maximum academic or workforce education credit at institutions of higher education for military experience, education, and training obtained during military service;
- measures needed to facilitate the award of academic or workforce education credit by institutions of higher education for military experience, education, and training obtained during military service; and

- other related measures needed to facilitate the entry of trained, qualified veterans and military service members into the workforce.

SB 947 by Zaffirini/Howard - Relating to a study and report by the Texas Higher Education Coordinating Board on the feasibility of providing off-campus employment positions through the Texas college work-study program. This bill requires THECB to conduct a one-time study to examine the feasibility of providing employment positions located off-campus through the Texas college work-study program. The bill requires the study to identify best practices for developing partnerships with employers to provide off-campus employment positions through the work-study program, to identify any careers or industries that are well-suited for providing off-campus employment positions through the work-study program.

SB 1664 by Perry/Burkett - Relating to the establishment of the Texas Achieving a Better Life Experience (ABLE) Program. This bill creates the Texas Achieving a Better Life Experience (ABLE) Program and Texas ABLE savings plan account as authorized by federal law. The program would be administered by the Prepaid Higher Education Tuition Board (Board) and the savings plan account would be established as a trust fund outside the state treasury to be financed through administrative fees and service charges authorized under the bill. Contributions to a participant's ABLE savings account and the earnings on those contributions would be used to finance a beneficiary's qualified disability expenses.

Among the bill's required duties of the Board in administering the ABLE program are requirements to develop and provide related information for participants and their families; enter into agreements with any financial institution or any state or federal agency to administer the program; invest participant funds in appropriate investment instruments; and provide annual financial reports.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either within or outside of the treasury, or create a dedicated revenue source.

SB 1750 by West/Murphy - Relating to the requirements for employment positions provided through the Texas college work-study program. This bill amends the Education Code to require each institution eligible to participate in the Texas college work-study program to ensure that up to 50 percent of the employment positions provided through the work-study program in an academic year are provided by employers eligible under the program who are providing employment located off campus. This requirement applies to participation in the program beginning with the 2016–2017 academic year

GENERAL OPERATIONS RELATED LEGISLATION

HB 855 by Sanford/V. Taylor - Relating to the compatibility of state agency websites with certain devices and Internet browsers. HB 855 requires the Department of Information Resources (DIR) to identify the three most commonly used internet browsers and to post a list containing those browsers in a conspicuous location on DIR's website. DIR would be required to update the list at least biennially. Each state agency and institution of higher education's website is required to be compatible with the most recent version of each browser listed by DIR and with a wireless communication device.

HB 896 by Hernandez/Huffman - Relating to creating a criminal offense regarding the breach of computer security. Legislation enacted in 2011 dealing with breach of computer security addressed the

prosecution of and punishment for the offense, but inadvertently removed certain language, which has resulted in the need to clarify matters relating to the legislature's original intention to punish the intent to obtain a benefit through computer hacking. H. 896 seeks to address this issue and give prosecutors the ability to effectively prosecute these types of offenses.

HB 1293 by Alvarado/Huffman – Relating to the confidentiality of identifying information of victims of stalking; creating a criminal offense. HB 1293 requires the Attorney General to develop and distribute a form to record certain information and a pseudonym of a victim who is subject of stalking. The victim would be required to complete the form and submit the form to the applicable law enforcement agency. Upon submission of the form, a law enforcement agency would be required to replace the victim's name with a pseudonym name in records and files. The law enforcement agency must also notify the prosecuting attorney and provide a copy of the completed form to the victim.

HB 1293 creates a Class C misdemeanor if a public servant knowingly discloses confidential information about the victim to any person not assisting in the investigation or prosecution.

HB 1912 by Elkins/Zaffirini – Relating to employment of a statewide data coordinator in the Department of Information Resources. HB 1912 amends Chapter 2054 of the Government Code, also referred to as the Information Resources Management Act, to add a new section to require the executive director of the Department of Information Resources (DIR) to employ a statewide data coordinator to improve the control and security of information collected by state agencies; promote information sharing between state agencies; and to reduce information collection costs. The statewide data coordinator would be required to develop and implement best practices among state agencies related to information coordination, collection, and sharing. The section added by the bill would expire on September 1, 2021.

HB 3750 by Simmons/Birdwell - Relating to interim studies on real property owned by the state. HB 3750 requires the State Office of Risk Management (SORM) to use information provided by the Legislative Budget Board (LBB) on statewide real property holdings to conduct an interim study on insurable state assets. SORM will use the study to develop a statewide strategy to ensure that all real property owned by the state is adequately insured. In collecting information about state real property holdings, the LBB is required to coordinate with SORM, the Texas Comptroller of Public Accounts (CPA), the State Auditor's Office (SAO), the General Land Office (GLO), the Texas Facilities Commission (TFC), the Texas Higher Education Coordinating Board (THECB), and any other state agency. The bill requires LBB to collect comprehensive data on state-owned properties, including both building and land assets. The bill requires LBB to provide the information it collects to SORM by a date prescribed by SORM. By June 1, 2016, SORM will have to compile the information into a single database that is accessible to the legislature and all state agencies.

For institutions of higher education, the building information will be pulled from the THECB building information, while the land information will be utilized from existing data. The intent of the bill is not require institution to have to capture any new additional information currently not being collected.

HB 3842 by Smithee/Seliger - Relating to an agreement to finance and build a conference center and other appropriate facilities in or near a state park. The bill amends the Parks and Wildlife Code to allow the Parks and Wildlife Department (TPWD) to enter into a joint agreement with an institution of higher education regarding the financing and construction of conference centers and related facilities in or near

state parks. Any such facility would be required to be operated cooperatively between TPWD and the institution of higher education.

SB 20 by Nelson/Price – Relating to state agency contracting. SB 20 was the major contracting bill of the session. The major provisions of the bill impacting higher education will require that institutions of higher education comply with training requirement for purchasing personnel and disclosure of potential conflicts of interest and reporting. All contracts for the purchase of goods and services with a private vendor of \$15,000 or greater must be reported on the institutions web site, along with the statutory authority under which a contract is not competitively bid. All institutions must develop rules for purchases over one million dollars and must develop and publish a contract management handbook.

SB 20 amends the Education Code to make the current best value procurement authority of institution of higher education contingent on implementation of policies and procedures described in the bill. If the state auditor determines that an institution of higher education has failed to adopt the required rules and policies, the auditor will adopt a remediation plan in consultation with the institution. If the auditor finds that the institution fails to comply with the remediation plan, the purchasing authority of the institution would subject to standard agency procurement oversight and procedures.

SB 20 also includes the disclosure of research sponsors in certain public communication found in HB 1295.

SB 788 by Eltife/Paddie - Relating to requiring direct access to 9-1-1 service from certain telephone systems and equivalent systems that use Internet Protocol enabled services. SB 788 requires a business service user that owns or controls a telephone system or an equivalent system that uses Internet Protocol enabled service and provides outbound dialing capacity or access to configure the telephone system or equivalent system to allow a person initiating a 9-1-1 call on the system to directly access 9-1-1 service by dialing the digits 9-1-1 without an additional code, digit, prefix, postfix, or trunk-access code.

SB 1081 by Creighton/Huberty - Relating to the disclosure of certain information under a consolidated insurance program. SB 1081 amends the Insurance Code relating to the disclosure of certain information under a consolidated insurance program. The bills requires that information be provided before entering into a contract so that all parties are fully informed of what the insurance program requires from each, and that failure to disclose the required information by timeframes set forth in the bill are a breach of the contract.

SB 1455 by Zaffirini/Elkins – Relating to certain required reports, plans, and other documents prepared by state agencies and institutions of higher education. SB 1455 amends various statutes including the Education, Government, Health and Safety, and Tax Codes to modify or eliminate certain required reports and other documents prepared by state agencies and institutions of higher education. The bill removes the Texas Racing Commission from the entities to which the executive director of Texas AgriLife Research is required to distribute an annual report on equine research. SB 1455 also deletes the following two reports:

- Section 51.752(g), Education Code, requiring the Educational Economic Policy Committee to report to the LBB, the governor, the SBOE, the Texas Higher Education Coordinating Board, and the legislature;
- Section 61.0761, Education Code, establishing the P-16 College Readiness and Success Strategic Action Plan

SB 1812 by Kolkhorst/Geren - Relating to transparency in the reporting and public availability of information regarding eminent domain authority; providing a civil penalty. SB 1812 amends Chapter 2206 of the Government Code, pertaining to eminent domain, and directs the Comptroller to create an internet database with information regarding public and private entities authorized by the state by a general or special law to exercise the power of eminent domain. The bill requires certain information which must be included in the database for each affected entity relating to that entity's eminent domain authority. The database would be updated annually and, to the extent possible, present information in a manner that is searchable and intuitive to users. The Comptroller would be prohibited from charging a fee to access the database. The Comptroller would be required to create and post the database not later than September 1, 2016. Each entity would be required to provide information to the Comptroller to operate and update the database. The bill creates civil penalties to be imposed on an entity which does not provide information to the Comptroller for the database and would require the Comptroller to maintain a list of noncomplying entities in the database.

SB 1844 by Zaffirini/Walle – Relating to the establishment and functions of the Interagency Data Transparency Commission. SB 1844 creates the Interagency Data Transparency Commission. The new commission would study and review the current public data structure, classification, sharing, and reporting protocols for state agencies and the possibility of collecting and posting data from state agencies online in an open source format that is machine-readable, exportable, and easily accessible by the public. A report of the study and recommendations would be due not later September 1, 2016. The new commission would be composed of at least eleven members.

SB 1877 by Zaffirini/Galindo – Relating to the development and maintenance by each state agency of a data use agreement for the state agency's employees and to training related to that agreement. SB 1877 requires each state agency to develop a data use agreement that is related to information security standards. This agreement would have to be updated at least every two years. Each agency employee who handles sensitive information would be required to sign the data use agreement. To the extent possible, each agency would be required to provide employees with cybersecurity awareness training.

SB 1878 by Zaffirini/Elkins - Relating to a study on the feasibility of implementing more secure access requirements for certain electronically stored information held by the state. SB 1878 requires the Department of Information Resources (DIR) to conduct a study to determine the feasibility of implementing new identification and access requirements for certain information that is electronically stored by the state, including personal identifying information and sensitive personal information, as those terms are defined in Section 521.002 of the Business and Commerce Code. The bill specifies the scope of the study and its content and directs DIR to collaborate with other agencies to consider the needs or concerns specific to those agencies. A report of the study with recommendations is due to certain leadership not later than November 30, 2016.

EMPLOYMENT/BENEFIT/RETIREMENT LEGISLATION

HB 437 by Raney/Campbell - Relating to eligibility to participate in health benefit programs for certain state employees reemployed after military service. HB 437 amends the Insurance Code to provide insurance coverage on the first day of reemployment for employees who return to their state position upon discharge, separation, or release from active military duty.

HB 786 by Walle/Zaffirini - Relating to the right of a public employee to express breast milk in the workplace. HB 786 specifies that a public employee in Texas is entitled to express breast milk at the employee's place of work. The bill would require a public employer to provide certain accommodations for employees to express breast milk and would prohibit a public employer from discriminating against an employee for expressing breast milk at work.

HB 1151 by S. Thompson/Garcia - Relating to sexual harassment protection for unpaid interns. HB 1151 amends the Labor Code relating to sexual harassment protection for unpaid interns. A recent federal court ruling in a suit relating to sexual harassment of an unpaid intern established that there was no claim because the law protects paid employees, not unpaid interns.

HB 1624 by Smithee/Seliger - Relating to transparency of certain information related to certain health benefit plan coverage. HB 1624 requires that a health benefit plan issuer shall display, on a public Internet website maintained by the issuer, formulary information as required by the commissioner by rule. A direct electronic link to the formulary information must be displayed in a conspicuous manner in the electronic summary of benefits and coverage of each health benefit plan issued by the health benefit plan issuer on the health benefit plan issuer's Internet website. The information must be publicly accessible to enrollees, prospective enrollees, and others without necessity of providing a password, a user name, or personally identifiable information.

Formulary disclosure requirements apply to each prescription drug included in a formulary and dispensed in a network pharmacy; or covered under a health benefit plan and administered by a physician or health care provider. The formulary disclosures must be electronically searchable by drug name and must include:

- the cost-sharing amount for each drug, including:
 - the dollar amount of a copayment; or
- a disclosure of prior authorization, step therapy, or other protocol requirements for each drug;
- the specific tier for each drug listed in the formulary;
- how prescription drugs will specifically be included in, or excluded from, the deductible,
 - including a description of out-of-pocket costs for a prescription drug that may not apply to the deductible;
- identification of preferred formulary drugs; and
- an explanation of coverage of each formulary drug.

HB 1771 by Raney/Kolkhorst - Relating to the donation of sick leave by state employees. HB 1771 amends the Government Code to allow state employees to donate any amount of their accrued sick leave to another employee at the same agency who has exhausted their own sick leave and any sick leave pool amounts available to them. The bill prevents the donor from receiving remuneration or a gift in exchange for the sick leave donation.

HB 1937 by Darby/Fraser - Relating to procedures and eligibility for terminating participation in the Teacher Retirement System of Texas Deferred Retirement Option Plan.

HB 1937 will allow the revocation of participation in the deferred retirement option plan (DROP) on or before December 31, 2015 as if the member never participated, provided, the member's DROP period has expired, and they have not retired before this date. The bill also allows the DROP revocation option for an eligible beneficiary.

HB 2390 by Bohac/Creighton - Relating to civil liability arising from an employee wellness program. HB 2390 prohibits civil action to be brought against an employer regarding an employee wellness program unless the program discriminates on the bases of a pre-existing medical condition, gender, age, sex or income level, or intentional or reckless conduct is the basis for the cause of action.

HB 2813 by K. King/Eltife - Relating to health benefit plan coverage for ovarian cancer screening. HB 2813 would require coverage for the CA125 blood test for detection of ovarian cancer.

HB 2974 by Flynn/Huffman - The bill would make technical and administrative changes related the definitions of annual compensation and employees, membership requirements, refunds, out-of-state service credit, open meetings, and contributions from employers to TRS-Care, the retiree health benefit plan, due to the employment of retired return-to-work employees. The bill changes the eligibility for the retirement system; it will be based on employment by a **single employer** for at least one-half time, as opposed to a combination of employers.

HB 2974 creates a joint interim committee comprised of three members each of the Senate and the House of Representatives to study and propose reforms to the two healthcare plans (TRS-Care and TRS-ActiveCare) administered by the Teacher Retirement System of Texas

HB 3337 by Clardy/Nelson - Relating to training and education for state agency administrators and employees. HB 3337 amends Chapter 656, Government Code, regarding training and education for state agency administrators and employees, including those in the executive, legislative, and judicial branches of state government. The bill clarifies that agencies may use public funds to reimburse administrators' and employees' tuition expenses for programs or courses offered by an institution of higher education only if the program course is successfully completed. The bill requires agencies to adopt policies regarding tuition reimbursement for employee training

SB 94 by Hinojosa/Guerra - Relating to certain fees charged for the adjudication of pharmacy benefit claims. SB 94 amends the Insurance Code to prohibit a health benefit plan issuer or a pharmacy benefit manager from directly or indirectly charging or holding a pharmacist or pharmacy responsible for a fee for any step of or component or mechanism related to the pharmacy benefit claim adjudication process.

SB 212 by Birdwell/Burkett - Relating to the abolishment of the Texas Council on Purchasing from People with Disabilities and the transfer of its functions to the Texas Workforce Commission. SB 212 abolishes the Council on Purchasing from People with Disabilities (Council) and transfers responsibility for the administration and oversight of the State Use Program from the Council to the Texas Workforce Commission (TWC). The bill requires TWC to establish a thirteen-member advisory committee to assist in establishing performance goals for the State Use Program and in setting criteria for certifying a community rehabilitation program for participation in the State Use Program. SB 212 requires TWC to provide administrative support for the advisory committee upon request; the committee would meet semi-annually.

SB 212 requires the Comptroller of Public Accounts (Comptroller) to assist TWC in determining fair market values, ensuring best rates, testing goods and services, and any other support necessary to implement the provisions of the bill. The legislation transfers the reimbursement to TWC and the Comptroller and would require that the reimbursements also cover the costs associated with providing support to the advisory committee.

SB 332 by Schwertner/Hunter - Relating to the use of maximum allowable cost lists related to pharmacy benefits. SB 332 amends the Insurance Code to add Subchapter H to Chapter 1369, establishing provisions related to the use of Maximum Allowable Cost (MAC) lists in the administration of pharmacy benefits for applicable health plans. The bill would also require applicable health plans to file updated provider contracts.

SB 374 by Schwertner/Dale - Relating to requiring state agencies to participate in the federal electronic verification of employment authorization program, or E-verify. SB 374 amends the Government Code to require a state agency, including an institution of higher education, to register and participate in the federal E-verify program to verify information of all new employees. The bill requires the Texas Workforce Commission to adopt rules and prescribe forms to implement this requirement.

SB 664 by V. Taylor/Sheets - Relating to employment termination for falsification of military record in obtaining employment or employment benefits. SB 664, formally cited as the Stolen Valor Act, authorizes an employer to terminate an employee if the employer determines that the employee falsified their military record. The Stolen Valor Act also provides that any employment contract entered into by an employer with an employee found to have falsified his or her military service is void and unenforceable. The intent of these changes is to provide employers with clear authority to terminate employees who falsify their military service records in obtaining employment or any benefit relating to that employment.

SB 664 authorizes an employee who was employed by an employer under an employment contract on the date of the employee's termination and who believes the employee was wrongfully terminated under Section 105.002 to bring suit against the employer in a district court in the county in which the termination occurred

SB 805 by Campbell/Raney - Relating to the employment of individuals qualified for a veteran's employment preference. SB 805 is an omnibus veteran's employment preferences bill. There are many provisions included in the bill; major issues include amending the employment goal from 40% to 20%; state agencies that have at least 500 FTEs must designate a veteran's liaison, and requires that state agency interviews include individuals qualified for veteran's employment preferences. If there are questions, Joni Baker is working on a more detailed analysis.

SB 901 by Eltife/Collier - Relating to the amount of temporary income benefits to which an injured employee is entitled under the workers' compensation system. SB 901 amends the Labor Code to raise from \$8.50 an hour to \$10 an hour the maximum wage threshold under which an injured employee is entitled to a temporary income benefit under the Texas Workers' Compensation Act, for the first 26 weeks after the injury, in an amount equal to 75 percent of the amount computed by subtracting the employee's weekly earnings after the injury from the employee's average weekly wage.

SB 1032 by Watson/Israel - Relating to authority for certain state employees to work flexible hours and to work from home or other authorized alternative work sites. SB 1032 amends the Government Code to authorize the administrative head of a state agency to adopt an agency policy that authorizes the supervisor of an employee of the agency to permit the employee to work from an alternative work site, including the employee's residence, as the employee's regular or assigned temporary place of employment. The bill requires such a policy to identify factors the state agency will consider in evaluating whether a position is suitable for an alternative work site. The bill requires the Department of Information Resources (DIR), not later than November 1 of each even-numbered year, to compile and

Vetoed

submit a report to the legislature regarding the agencies that have adopted an alternative work site policy and authorizes the Texas A&M Transportation Institute to assist in creating the report. The bill requires the report to include a list of agencies that have adopted a policy and to collect certain data sets. **(See Below for Governor’s Message)**

“Under current law, state employees are authorized to maintain flexible work schedules-including work from home, where appropriate-if the head of their state agency provides written approval. This policy provides flexibility for those employees who need it while imposing management controls that minimize the potential for abuse of these privileges.

Senate Bill 1032 takes this process further and would allow an employee’s immediate supervisor, rather than the agency head, to authorize flexible schedules and work from home. This would result in reduced accountability, inconsistent application, and greater potential for abuse. The bill’s provisions regarding overtime and compensatory time earned away from the office are also problematic. Authorizing employees to earn overtime or compensatory time for work performed at home raises legitimate record-keeping and management concerns.” – Governor Greg Abbott

HEALTH-RELATED LEGISLATION

Health and Human Services Enterprise Sunset Legislation

The collective package of sunset bills affecting the state’s health and human services enterprise (HHS) agencies represents the first review of these agencies since their consolidation under HB 2292 in 2003. The overarching decision of the Legislature, which was a departure from the initial recommendations adopted by the Sunset Advisory Commission, was to consolidate under the Health and Human Services Commission (HHSC) the functions of the Department of Aging and Disability Services (DADS) and the Department of Assistive and Rehabilitative Services (DARS). These agencies were then abolished, as well as all of the standing HHS councils. The Department of State Health Services’ (DSHS) public health and health care data collection functions, including the Texas Health Care Information Council, and the Department of Family and Protective Services (DFPS) remain stand-alone agencies for the time being. This consolidation and transfer of functions must occur in full no later than September 1, 2017. On a related note, the Department of Aging and Disability Services sunset legislation, which contained the Sunset recommendation of closing the Austin State Supported Living Center, and the potential for a Restructuring Commission to recommend additional closures, did not pass, but a provision in SB 200 (see below) will require a study to determine the feasibility of a new facility in a new location. Similarly, the DSHS sunset bill failed due to a number of controversial and non-germane amendments being added. The end result was passage of a bill that affected only the occupational regulatory areas of DSHS. DSHS and DFPS, if they are continued after 2019, have new sunset review dates of 2023. Below are the major provisions of the HHSC and DSHS Sunset bills.

SB 200 by Nelson/Price—Relating to the continuation and functions of the Health and Human Services Commission and the provision of health and human services in this state.

- Abolishes DARS, each separate HHS agency’s council, and the Texas Council on Autism and Pervasive Developmental Disorders by September 1, 2016;
- Abolishes DADS and the Office for Prevention of Developmental Disabilities after September 1, 2016 but before September 1, 2017;
- Transfers all agency functions, contracts, rights, records, property and related obligations to HHSC, but must be done in a way that minimally affects client services;
- Creates the HHS Transition Legislative Oversight committee made up of four Senators, four Representatives, three members of the public, and the executive commissioner (as an ex-officio

member only), which must report to the Legislature and leadership prior to the beginning of the next session on the progress of the transition;

- This committee is also charged with recommending by December 1, 2018 on whether or not DSHS and DFPS should remain stand-alone state agencies;
- Requires the executive commissioner to submit a transition plan to the Oversight Committee by March 1, 2016 after holding statewide hearings and obtaining and incorporating stakeholder feedback;
- Creates a new HHSC Executive Council made up of the executive commissioner, directors of the divisions of HHSC, commissioners of any other HHS agencies, and other individuals as the executive commissioner determines necessary;
- Sets out parameters by which the executive commissioner will centralize all HHS system administrative support services
- Requires the executive commissioner to name directors of each division within HHSC, which must include medical and social services, an office of inspector general, regulatory, administrative, and a facilities division for purposes of administering state facilities;
- Requires creation of an office of policy and performance, which will be responsible for coordinating policy and performance efforts across the HHS system;
- Moves the Nurse-Family Partnership Program to DFPS;
- Prohibits officers, employees or paid consultants of Texas trade associations in the field of health and human services from being appointed executive commissioner, serving on the executive council, or being employed in an executive or administrative professional capacity, and also prohibits a person whose spouse is an officer, manager or paid consultant of a Texas trade association from being appointed executive commissioner or general counsel;
- Creates an office of ombudsman to provide dispute resolution services and consumer protection and advocacy functions;
- Requires coordination of all HHS hotlines and call centers;
- Directs the executive commissioner to streamline Medicaid provider credentialing processes and enrollment;
- Establishes a Women's Health Advisory Committee to provide recommendations on consolidation of the women's health programs;
- Requires the office of inspector general to enter into a memorandum of understanding with licensing authorities to ensure that only licensed professionals who are in good standing may participate in the Medicaid program;
- Directs HHSC to develop and implement a coordinated and comprehensive plan to ensure consistency across the major quality initiatives of the HHS system and allows HHSC to consider development of incentives for quality initiative coordination;
- Directs HHSC to reduce the number of Delivery System Reform Incentive Projects under the Medicaid 1115 Waiver renewal process;
- Requires HHSC to ensure that Medicaid managed care organizations fully integrate behavioral health services into recipients' primary care coordination;
- Creates a pilot program to increase incentive-based provider payments by managed care organizations with a goal of identifying types of these payments that are appropriate for statewide implementation;
- Requires HHSC, in conjunction with the General Land Office and the Texas Facilities Commission, to conduct a study to determine the feasibility of transferring operations of the Austin State Hospital to a new facility in a new location and provide a report to standing committees with

jurisdiction over health and human services, the Sunset Advisory Commission, and the Legislative Budget Board by September 1, 2016;

- Authorizes the executive commissioner to create advisory committees related to Medicaid, CHIP, quality initiatives, aging, persons with disabilities, and a number of other issue areas; the executive commissioner will also adopt rules governing these committees, and the committees are required to report any policy recommendations to the executive commissioner and submit a written report to the legislature;
- Revises procedures related to the Drug Utilization Review Board;
- Abolishes the Texas Institute for Health Care Quality and Efficiency and 22 additional advisory committees and councils.

SB 202 by Nelson/Price—Relating to the transfer of certain occupational regulatory programs and the deregulation of certain activities and occupations.

- Allows DSHS to regulate only athletic trainers, dietitians, hearing instruments fitters and dispensers, midwives, orthotists and prosthetists, and speech language pathologists and audiologists, but does not allow DSHS to adopt a new rule related to the scope of practice of, or a health-related standard of care for any of the aforementioned professions unless the rule has been proposed by the advisory board for said profession;
- Transfers by September 1, 2019 the regulation of a number of other professions previously regulated by DSHS, including but not limited to massage school, laser hair removal professionals, sanitarians, and code enforcement officers to the Texas Department of Licensing and Regulation (TDLR);
- Requires TDLR to set up a health professions division and for DSHS to allow TDLR access to any systems or information necessary to accept regulation of any of the transferred programs;
- Transfers the Texas Board of Medical Radiologic Technology to the Texas Medical Board (TMB) and makes it an advisory board with complaint and investigatory authority;
- Transfers the Texas Board of Licensure of Professional Medical Physicists to TMB, and recreates it as the Medical Physicist Advisory Committee, an informal advisory body;
- Gives the TMB a number of additional duties, including establishing procedures for making confidential referrals to the Texas Physician Health Program and establishing minimum education requirements necessary for license;
- Requires the TMB to conduct a full criminal history background check of any individual applying for a Texas license;
- Transfers regulation of perfusionists to the TMB;
- Creates the Texas Board of Respiratory Care as an advisory board to the TMB;
- Implements new notification requirements and penalties for tanning facilities;
- Delineates all of DSHS' public health duties.

HB 437 by Raney/Campbell – Relating to eligibility to participate in health benefit programs for certain state employees reemployed after military service. HB 437 simply allows an individual who goes back to work for the state after military service to be eligible for health insurance coverage on the first day of reemployment versus the usual 90-day waiting period for all other state employees.

HB 2055 by Davis/Schwertner – Relating to the establishment of a sentinel surveillance program for emerging and neglected tropical diseases. This bill, while maintaining confidentiality of health records and information, allows the Department of State Health Services to release medical or toxicological

information to medical personnel, appropriate state agencies, health authorities, regional directors and public officers of counties and municipalities, and appropriate federal agencies such as the Centers for Disease Control related to the identification, monitoring, and referral of individuals infected with an emerging or neglected tropical disease. Emerging disease is defined in the bill as “a disease that is appearing in a specific population for the first time or that is increasing in incidence or geographic range,” and neglected tropical disease means “a parasitic or bacterial disease that occurs solely or principally in the tropics, is largely endemic in the developing world and has a potential to spread through international travel or trade.” The bill requires the executive commissioner to establish a program at DSHS to identify by sentinel surveillance individuals infected with emerging or neglected tropical diseases, to maintain a database of laboratory-confirmed cases of these diseases, and to use the information in the database to investigate the incidence, prevalence and trends of these diseases. It allows the executive commissioner to require health care facilities or professionals to make medical records or other information available for review as it relates to an occurrence of an emerging or tropical disease, but must reimburse the facility or professional for costs incurred in making this information available. Any information collected may be placed in a centralized database to facilitate information sharing and provider education, and DSHS is required to make informational and educational materials available to health care facilities and professionals on the importance of monitoring and surveilling emerging and tropical diseases.

HB 2084 by Munoz/Hinojosa – Relating to the transparency in the rate-setting processes for the Medicaid managed care and child health plan programs. HB 2084 requires the Health and Human Services Commission to publish actuarial reports for the Medicaid managed care and Children’s Health Insurance Programs (CHIP) premium payment rate-setting. The reports must be published in a format that allows for data tracing and formulas and to clearly identify the methodology by which the payment rates were set, the data sources used, the components of the process that are assumptions and how those assumptions were developed, multipliers and factors used, and the methodology by which the executive commissioner determined that the rates were actuarially sound for the populations covered and services provided. Information determined by the executive commissioner to be proprietary is not required to be published in the report. **(See Below for Governor’s Message)**

Vetoed

“Managed care organizations (MCOs) are paid by the taxpayers to insure Texas’s Medicaid population. The rate the State pays MCOs per Medicaid recipient is determined in large part by federal law, but there is substantial room for negotiation. Both the state and the MCOs conduct internal actuarial analyses that are critical to the rate-setting process.

The Texas Health and Human Services (HHSC) represents the taxpayer in rate negotiations with MCOs. House Bill 2084 would require HHSC to reveal the details of the internal actuarial analysis it uses when negotiating rates on behalf of the State. This would hamper HHSC’s ability to negotiate for the best possible rate. Billions of dollars in taxpayer funds are at stake. Where there is room for negotiation, HHSC should have all available tools at its disposal to protect Texas taxpayers.”

– Governor Greg Abbott

HB 2646 by Giddings/Schwertner – Relating to the disclosure of information regarding communicable diseases to first responders and certain entities. This bill increases the number of entities that are allowed to receive disclosure of information linking a person who is exposed to a person with a communicable disease, including governmental entities that provide first responders who may respond to a situation involving a potential communicable disease of concern, or a local health department or health authority for a designated monitoring period based on potential risk for developing symptoms of a communicable disease of concern. It allows a local health department or authority to provide first responders the physical address of a person being monitored for a communicable disease only for the duration of the disease’s incubation period, and must be removed from any computer dispatch systems

when the monitoring period expires. First responders are also added to the list of people who may receive reports, records, and information related to suspected cases of disease during a public health disaster, which includes an outbreak of a communicable disease.

HB 3781 by Crossover/Watson – Relating to the creation of the Texas Health Improvement Network.

HB 3781 creates the Texas Health Improvement Network (the network) and administratively attaches it to the University of Texas System. The purpose of the network is to reduce the per capita costs of health care, improve the individual experience of health care, including the quality of care and patient satisfaction, and improve the health of residents of this state. The network will function as an incubator and evaluator of health improvement practices and support local communities by offering leadership training, data analytics, community health assessments, and grant writing support. Additionally, the network is charged with establishing an advisory council to advise the network on health care needs of the state. The advisory council members will be appointed by an executive officer of the University of Texas System and must be state and national leaders in population health, experts in traditional public health and medical fields, and leaders in the fields of behavioral health, business, insurance, philanthropy, education, and health law and policy.

SB 94 by Hinojosa/Guerra—Relating to certain fees charged for the adjudication of pharmacy benefit claims. This bill prohibits a health benefit plan issuer or pharmacy benefit manager from directly or indirectly charging or holding a pharmacist or pharmacy responsible for a fee for any step or component or mechanism related to the adjudication process. This includes adjudication of pharmacy benefit claims, processing or transmission of a pharmacy benefit claim, development or management of a claim processing or adjudication network, or participation in a claim processing or adjudication network.

SB 460 by Schwertner/Crossover – Relating to the licensing and regulation of pharmacists and pharmacies. SB 460 makes a number of changes to the licensing and regulation of pharmacists and pharmacies, including:

- Allowing a pharmacist to dispense a dangerous drug for a maximum 30-day supply without authorization of a prescribing physician in the event of a natural or manmade disaster if failure to refill the prescription may result in an interruption of a therapeutic regimen or create patient suffering, the disaster prohibits the pharmacist from being able to contact the practitioner, the governor has declared a state of disaster, and the Board of Pharmacy (the board) has notified pharmacies that pharmacists may dispense up to a 30-day supply of a dangerous drug. The bill states that the prescribing physician is not liable for an act or omission by the pharmacist in dispensing the dangerous drug.
- Amending the inspection sections of the code by allowing the board to inspect financial records only in the course of an investigation of a specific complaint, and maintains that financial, sales and pricing data is confidential during such inspections.
- Requiring a pharmacy to report in writing to the board a change in location no later than 30 days before said change.
- Requiring that applicants for a pharmacy license include in their application proof that no owner of the pharmacy has held a pharmacist license in this state or another state that has been restricted, revoked, or suspended for any reason.
- Disciplining a license holder for waiving, discounting, reducing, or offering to waive, discount, or reduce a patient's copayment or deductible for a compounded drug in the absence of a legitimate documented financial hardship of the patient or evidence of a good faith effort to collect the copayment or deductible.

AGRICULTURE AND NATURAL RESOURCE-RELATED BILLS

HB 30 by Larson/Perry - Relating to the development of brackish groundwater. The bill requires the Texas Water Development Board (TWDB) to confirm that regional water planning groups consider large-scale seawater and brackish groundwater desalination associated with brackish groundwater production zones when developing regional water plans.

HB 85 by Craddick/Perry - Relating to a sales and use tax exemption for telecommunications services used for the navigation of certain farm and ranch machinery and equipment. The bill exempts telecommunications services used for the navigation of certain farm and ranch machinery and equipment from the sales and use tax. To qualify for the exemption, the telecommunications services must exclusively be provided or used for the navigation of machinery and equipment exclusively used or employed on a farm or ranch in the building or maintaining of roads or water facilities, or in the production of food for human consumption, grass, feed for animals, or other agricultural products to be sold in the regular course of business. Worked with office and provided resource information.

HB 262 by Miles/Creighton - Relating to liability of an owner, lessee, or occupant of land that allows land to be used as a community garden. Landowners of undeveloped land interesting in setting up community gardens on their property are sometimes reluctant due to potential for lawsuits arising from community gardening activities. The bill addresses this issue by establishing limited immunity from liability for a landowner, occupant, or lessee who allows a person to enter their property for a community garden purpose.

HB 275 by Ashby/Nichols - Relating to the exemption from ad valorem taxation of farm products. The bill amends Chapter 11 of the Tax Code, regarding taxable property and exemptions, to specify that an egg, as defined in the Agriculture Code, is a farm product for purposes of the property tax exemption for farm products in the hands of the producer, regardless of whether the egg is packaged.

HB 801 by King/Eltife - Relating to planning for the use of and liability resulting from prescribes burns by the Parks and Wildlife Department. The bill amends portions of the Parks and Wildlife Code relating to prescribed burns on state land managed by the Parks and Wildlife Department (TPWD). The bill requires TPWD to develop a general plan for prescribed burns and specific plans for each burn site. Additionally, TPWD is required to provide advanced notice of a planned burn to neighboring landowners and publish advanced notice in a newspaper in the county or counties in which the burn would be conducted.

HB 1902 by Howard/Zaffirini - Relating to the regulation and use of graywater. The bill expands the uses of graywater and alternative onsite water at a private residence authorized by the Texas Commission on Environmental Quality (TCEQ). The TCEQ is authorized to adopt minimum standards by rule for additional indoor and outdoor uses and reuses of treated graywater and alternative onsite water. The bill requires TCEQ to develop and make available a regulatory manual to explain rules associated with graywater and alternative onsite water use.

HB 2119 by Lozano/Zaffirini - Relating to charitable organizations, including charitable organizations that may conduct prescribed burning. The bill adds criteria to the list of charitable organizations authorized to conduct prescribed burns. A prescribed burning organization could be one that is an organization or corporation organized and operated exclusively for wildfire mitigation, range management, or prescribed burning purposes, and if it meets certain exempt organization standards under federal law.

SB 797 by Lucio/Guerra - Relating to a grant program to reduce wait times for agriculture inspections of vehicles at ports of entry along the Texas-Mexico border. The bill creates the Trade Agricultural Inspection Grant Program. The program allows TDA to make grants to nonprofit organizations for reducing wait times for agricultural inspections of vehicles at ports of entry along the Texas-Mexico border. Provided resource testimony in committee from Dean McCorkle.

SB 880 by Nelson/Geren - Relating to certain committees and programs to develop the wine industry in this state through the Department of Agriculture. The bill amends the Agriculture Code to require that the wine industry development advisory committee submit an annual plan and budget to the Agriculture Commissioner no later than September 1 of each fiscal year. The Agriculture Commissioner in turn must incorporate the committee recommendations, as appropriate, into a department annual plan and budget no later than November 1 of each fiscal year.

SB 1132 by Perry/Murr - Relating to the protection and use of certain products, information, and technology of the Parks and Wildlife Department. This bill allows the Parks and Wildlife Department (TPWD) to apply for patents, copyrights, trademarks or similar identifying marks, or other evidence of protection of exclusivity for intellectual property; allows TPWD to enter into contracts and collect a fee or royalty. Any revenue derived from royalties, license rights, or other compensation for the development or purchase of intellectual property is credited to the Game, Fish, and Water Safety Account No. 9 (Fund 9) or the State Parks Account No. 64 (Fund 64), as appropriate.

SB 1356 by Hinojosa/Darby - Relating to exemption from the sales tax for certain water-efficient products for a limited period. This bill adds Section 151.3335 to provide that a water-conserving product or WaterSense product are exempt from the sales and use tax during the period beginning at 12:01 a.m. on the Saturday preceding the last Monday in May (Memorial Day) and ending at 11:59 p.m. on the last Monday in May.

SB 1749 by Hinojosa/Martinez - Relating to citrus pest and disease management. This bill expands program at TDA re: control and suppression of the Asian citrus psyllid and citrus greening under provisions relating to the official citrus producers' pest and disease management corporation to make the program applicable to the control and suppression of citrus pests and diseases generally.

SB 1766 by Creighton/Metcalf - Relating to exemptions from certain regulation for small honey production operations. This bill exempts small honey production operations from certain regulations pertaining to food service establishments. The bill prohibits the regulation of small honey production operations by local government authorities. The bill requires honey or honeycomb sold or distributed by small honey production operations to be labeled.

Other Bills of Interest that Passed

HB 9 by Flynn/Huffman - Relating to member contributions to the Employees Retirement System of Texas.

HB 11 by D. Bonnen/Birdwell - Relating to the powers and duties of the Texas Department of Public Safety and the investigation, prosecution, punishment, and prevention of certain offenses.

HB 18 by Aycock/Perry - Relating to college and career readiness training for certain public school counselors.

HB 19 by S. King/Campbell - Relating to mental health and preventive services programs for veterans' and military families.

HB 21 by Kacal/Bettencourt – Relating to authorizing patients with certain terminal illnesses to access certain investigational drugs, biological products, and devices that are in clinical trials.

HB 32 by D. Bonnen/Nelson - Relating to decreasing the rates of the franchise tax.

HB 382 by Canales/Lucio - Relating to public junior college district branch campuses, including a requirement that the South Texas Community College District establish a branch campus in a certain location.

HB 389 by Bell/Nichols - Relating to the Montgomery County Hospital District.

HB 408 by C. Turner/Menendez - Relating to the retirement benefits for certain elected state officials.

HB 479 by Bell/Perry - Relating to transfer of the regional emergency medical dispatch resource centers program to the Commission on State Emergency Communications.

HB 495 by Howard/Hinojosa – Relating to the use of money from the permanent fund for health-related programs to provide grants to nursing education programs

HB 554 by Springer/Creighton - Relating to a defense to prosecution for the offense of possessing or carrying a weapon in or into the secured area of an airport.

HB 606 by Davis/Huffman – Relating to a study on the benefits of prenatal surgical procedures to treat birth defects.

HB 671 by Clardy/Nichols - Relating to an intercollegiate athletics fee at Stephen F. Austin State University.

HB 754 by King/Rodriguez – Relating to the use, collection, and security of health care data collected by the Department of State Health Services.

HB 796 by Geren/Eltife - Relating to the purchase of certain insurance coverage and the performance of related risk management services for certain university systems and the component institutions of those systems.

HB 903 by Capriglione/V. Taylor - Relating to the investment of a portion of the economic stabilization fund balance.

HB 992 by D. Bonnen/L. Taylor - Relating to the exemption from ad valorem taxation of the total appraised value of the residence homestead of the surviving spouse of a 100 percent or totally disabled veteran.

HB 1051 by Wray/Birdwell - Relating to the creation of a campus of the Texas State Technical College System in Ellis County.

HB 1184 by Paddie/Eltife - Relating to authorizing certain alternative fuel programs as eligible for local government energy savings performance contracts.

HB 1232 by Lucio/Estes - Relating to a study by the Texas Water Development Board regarding the mapping of groundwater in confined and unconfined aquifers.

HB 1430 by King/Zaffirini – Relating to the inclusion of mental health in the public services endorsement on a public school diploma in information about health science career pathways.

HB 1481 by Murphy/Birdwell - Relating to prohibiting the operation of an unmanned aircraft over certain facilities.

HB 1596 by Guerra/Hinojosa - Relating to the Hidalgo County Healthcare District.

HB 1786 by Dutton/Campbell - Relating to the transfer of driver and traffic safety education from the Texas Education Agency to the Texas Department of Licensing and Regulation.

HB 1878 by Laubenberg/Taylor, V. – Relating to the reimbursement of providers under the Medicaid program for the provision of telemedicine medical services in a school-based setting.

HB 1881 by Capriglione/Creighton - Relating to authorizing certain private schools to charge fees for processing or handling certain payments or payment transactions.

HB 1902 by Howard/Zaffirini - Relating to the regulation and use of graywater.

HB 1919 by Phillips/Estes - Relating to the applicability of certain provisions concerning invasive species.

HB 1945 by G. Bonnen/Hancock - Relating to the provision of direct primary care.

HB 1982 by R. Miller/Kolkhorst - Relating to the transfer of certain state property from the Texas Department of Transportation to the University of Houston.

HB 2123 by P. King/Perry - Relating to participation of the state military forces in the state group benefits program.

HB 2131 by Davis/Huffman – Relating to the designation of centers of excellence for fetal care and healthy outcomes in this state.

HB 2463 by Raymond/Campbell - Relating to the functions of the Department of Assistive and Rehabilitative Services.

HB 2568 by Morrison/Kolkhorst - Relating to authorizing a student center fee at the University of Houston-Victoria.

HB 2921 by Paul/V. Taylor - Relating to authorizing a recreation and wellness facility fee at the University of Houston-Clear Lake.

HB 3062 by Clardy/West - Relating to the participation of an independent school district in the Jobs and Education for Texans (JET) Grant Program.

HB 3123 by Price/Nelson - Relating to governmental entities subject to the sunset review process.

HB 3307 by R. Miller/Hinojosa - Relating to the authority of the Employees Retirement System of Texas to make available a TRICARE Military Health System Supplemental plan.

HB 3404 by S. Thompson/Lucio - Relating to a study on providing care to veterans with post-traumatic stress disorder.

HB 3781 by Crownover/Watson - Relating to the creation of the Texas Health Improvement Network.

HB 3842 by Smithee/Seliger - Relating to an agreement to finance and build a conference center and other appropriate facilities in or near a state park.

HJR 75 by D. Bonnen/L. Taylor - Proposing a constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of all or part of the market value of the residence homestead of the surviving spouse.

SB 1 by Nelson/D. Bonnen - Relating to certain restrictions on the imposition of ad valorem taxes and to the duty of the state to reimburse certain political subdivisions for certain revenue loss.

SB 44 by Zaffirini/Howard - Relating to matching private grants given to enhance additional research activities at institutions of higher education.

SB 55 by Nelson/Price – Relating to the creation of a grant program to support community mental health programs for veterans with mental illness.

SB 60 by Nelson/Price -Relating to children’s advocacy centers.

SB 97 by Hinojosa/Alvarado – Relating to the regulation, sale, distribution, possession, use, and advertising of vapor products.

SB 200 by Nelson/Price - Relating to the continuation and functions of the Health and Human Services Commission and the provision of health and human services in this state.

SB 202 by Nelson/Price - Relating to the Department of State Health Services, the provision of health services in this state, and the regulation of certain health-related occupations and activities.

SB 203 by Nelson/Raymond - Relating to the continuations and functions of the Texas Health Services Authority as a quasi-governmental entity and the electronic exchange of health care information.

SB 204 by Hinojosa/Raymond - Relating to the functions of the Department of Aging and Disability Services.

SB 206 by Schwertner/Burkett - Relating to the functions of the Department of Family and Protective Services.

SB 208 by Campbell/Burkett - Relating to the continuation and functions of the Texas Workforce Commission.

SB 212 by Birdwell/Burkett - Relating to the abolishment of the Texas Council on Purchasing from People with Disabilities and the transfer of its functions to the comptroller of public accounts.

SB 219 by Schwertner/Price - Relating to the provision of health and human services in this state, including the powers and duties of the Health and Human Services Commission and other state agencies, and the licensing of certain health professionals.

SB 239 by Schwertner/Zerwas – Relating to student loan repayment assistance for certain mental health professionals.

SB 277 by Schwertner/Sheffield - Relating to the abolition of certain health-related task forces, work groups, advisory councils, and advisory committees.

SB 308 by Whitmire/Coleman - Relating to the application of public information laws to campus police departments at private institutions of higher education

SB 317 by Hinojosa/Munoz – Relating to the University of Texas Rio Grande Valley.

SB 382 by Uresti/Huberty - Relating to public school educator continuing education credit for instruction on the use of an automated external defibrillator.

SB 386 by V. Taylor/Villalba - Relating to the appointment of school marshals by public junior colleges.

SB 596 by Estes/Crownover - Relating to the imposition of the student centers fee at Texas Woman's University.

SB 660 by Rodriguez/Blanco - Relating to regional coordinators within the veteran entrepreneur program.

SB 664 by V. Taylor/Sheets - Relating to employment termination for falsification of military record in obtaining employment or employment benefits.

SB 742 by Ellis/Davis - Relating to the issuance of Texas Medical Center specialty license plates.

SB 791 by Kolkhorst/Zerwas – Relating to testing for and education about congenital cytomegalovirus in infants.

SB 793 by L. Taylor/G. Bonnen - Relating to the operation of the Texas Windstorm Insurance Association and the renaming of the Texas Windstorm Insurance Association as the Texas Coastal Insurance Association.

SB 907 by Perry/Frullo - Relating to the powers and duties of the board of regents of the Texas Tech University System and to workers' compensation coverage for employees of the system's components.

SB 1004 by Bettencourt/S. Thompson - Relating to the school district students to whom certain public junior colleges may offer certain courses and programs.

SB 1280 by Huffman/Otto - Relating to directing payment, after approval, of certain miscellaneous claims and judgments against the state out of funds designated by this Act.

SB 1287 by Hinojosa/Geren - Relating to the licensing and regulation of forensic analysts and the administration of the Texas Forensic Science Commission.

SB 1304 by Menendez/Minjarez -- Relating to the creation of a women veterans mental health initiative within the mental health intervention program for veterans.

SB 1305 by Menendez/Minjarez -- Relating to the creation of a rural veterans mental health initiative within the mental health intervention program for veterans.

SB 1307 by Menendez/S. King - Relating to occupational licenses for military service members, military veterans, and military spouses.

SB 1351 by Hinojosa/Zerwas - Relating to transferring to the Texas Workforce Commission certain duties of the comptroller related to the Jobs and Education for Texans Grant Program.

SB 1463 by Lucio/Lucio - Relating to improving the delivery of health care services to veterans in this state.

SB 1465 by Watson/Phillips – Relating to creating limited purpose disaster declaration authority for the Governor.

SB 1466 by Watson/Clardy – Relating to the definition of medical schools for medical residency programs.

SB 1655 by West/Morrison - Relating to Texas Higher Education Coordinating Board fees for the administration of certificates of authorization and certificates of authority issued to certain postsecondary educational institutions. (See Below for Governor's Message)

"The Texas Higher Education Coordinating Board already has the legal authority to perform the services described in Senate Bill 1655. The primary purpose of the bill is to raise more revenue for the Board by creating new fees that will ultimately be paid for by students through increased tuition. These fees would be unnecessary burdens on institutions of higher education and their students. The Board should operate within its existing resources." – Governor Greg Abbott

SB 2004 by Eltife/Geren - Relating to deferred maintenance for state facilities.

Other Bills of Interest that Did Not Pass

HB 14 by Morrison/Watson Relating to the Texas emission reduction plan.

HB 80 by Craddick/Zaffirini – Relating to the use of a portable wireless communication device while operating a motor vehicle.

HB 778 by Bell – Relating to pharmacists, pharmacies, and pharmaceutical care under certain health benefit plans.

HB 1119 by Hernandez/Garcia Relating to a study assessing the statewide need for the replacement of mile markers on certain highways.

HB 1121 by Sanford/SB 1239 by V. Taylor Relating to a study on the implementation of a traffic light synchronization program.

HB 1557 by Alonzo Relating to creation of a search and rescue task force in each disaster field response region.

HB 2551 by E. Rodriguez Relating to the evaluation of the reduction of emissions of air containments achieved from certain programs.

HB 2392 by Anchia/Watson Relating to the establishment of a residential energy efficiency loan program.

HB 2406 by C. Turner Relating to the study of certain municipal transit systems by the Texas Transportation Institute.

HB 2919 by Raney/Bettencourt Relating to an energy efficiency pilot program for state-owned buildings operated by the Texas Facilities Commission.

SB 131 by West Relating to evidence technician training and the disposition of certain evidence in a criminal case.

SB538 by Schwertner – Relating to the control of infectious diseases.

SB 1032 by Watson/Israel Relating to authority for certain state employees to work flexible hours and to work from home or other authorized alternative work sites

Appendix

Bill Analysis Task Force

The following is a listing of those individuals that served as analysts on the BATF during the 84th Legislative Session.

Academic Related Issues

James Hallmark
Ken Poenisch

Engineering Related Issues

Cullen Grissom
Mark Posada
Cathy Reiley
Steven Polunsky
Ginger Goodin

Facilities/Construction Related Issues

James Davidson

Financial Aid Related Issues

Joe Pettibon

Finance Related/General Operation Issues

Joseph Duron
Wade Wynn
Jeff Zimmerman

Equal Opportunity/Diversity Issues

Joni Baker

Information Technology Related Issues

Mark Stone

Benefit/Workers Comp Related Issues

Paul Bozeman
Ellen Gerescher
Deanna Holladay
Kevin McGinnis

Legal Related Issues

Ray Bonilla
Brian Bricker

Jerry Brown
Jorge Canales
Tim Coffey
Lynda Cook
Warren DeLuca
Ron Dold
Jan Faber
Joe Galvan
Steve Garrett
David Halpern
Melia Jones
Gina Joseph
Mark Kelley
Scott Kelly
Katherine Knight
Claudene Marshall
Brooks Moore
Andrea Pereira
Glenda Rogers
Elenore Tescon

Research Related Issues

Jon Mogford

Student Service Related Issues

Melissa Mahan

Treasury/Investment Related Issues

Maria Robinson

84th Legislative Session State and Federal Relations Team

