

THE 85th

HIGHLIGHTS of the 2017 LEGISLATIVE SESSION

The University of Texas
Rio Grande Valley™

August 2017

85TH TEXAS LEGISLATURE

The Texas Legislature completed its biennial session on May 29, 2017. The dynamics of this 85th Texas Legislature was not much different from the last several, with a conservative approach being taken to funding state government agencies and programs, to the consideration of a myriad of conservative policy changes such as the “sanctuary cities bill.” The Legislature considered nearly 7,000 substantive bills and resolutions, but passed only 18 percent of them during the 140 day session. A budget was passed, but it is being characterized as “bare bones” and was stifled from the beginning of the session with less general revenue available to lawmakers than last session.

An unusually high level of the typical wrangling between the House and Senate Chambers contributed to the lowest percentage of legislation passed in decades, but it was the sharp divisions between the Governor, Lt. Governor, and the Speaker of the House that prevented some legislation from passing and resulted in a Special Session being called by Governor Greg Abbott, which began on July 18.

JANUARY

The Texas Legislature meets in its regular session for no longer than 140 days starting at noon on the 2nd Tuesday in January of every odd-numbered year.

“MAKING SAUSAGE”

Many capitol insiders refer to the process of law-making during a legislative session as “Making Sausage.”

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HIGHER EDUCATION WRAP-UP

It was a rocky road for higher education, with overall appropriations mostly stagnant compared to last session and with an increase in funding for higher education of just 1.2 percent - \$20.5 billion compared to \$20.3 billion for the 2016–17 biennium – most of the increase is found in two places: Tuition Revenue Bond (TRB) debt service payments and Higher Education Assistance Fund (HEAF) funding. An example of reductions found in the budget for Higher Ed is the \$103 million reduction to the Texas Research Incentive Program (TRIP).

Higher Education All Funds Appropriations	Est/Budgeted 2016-17 \$20.3 Bil.	Appropriations 2018-19 \$20.5 Bil.	Biennial Change \$235.4 Mil.	Percentage Change 1.2%
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Despite the slight increase in All Funds, it was the Senate’s push to eliminate Special Items that particularly hurt universities, like UTRGV, that rely heavily on special items or require start-up funding for new programs, such as UTRGV’s School of Medicine.

UTRGV Legislative Appropriations (excluding TRB appropriations)	Est/Budgeted 2016-17 \$226.2 Mil.	Appropriations 2018-19 \$201.9 Mil.	Biennial Change -\$24.5 Mil.	Percentage Change -10.8%
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Special Item (SI) Funding

It was apparent from the Senate's original budget proposal (SB1) that SI funding was on the chopping block. Special Items, under the Senate's original plan, would cease to exist and funds would be doled out based on a formula system. The House, on the other hand, sought to keep special items, but reduce the funding slightly. In the end, the programs funded as special items were maintained and renamed "Non-Formula Support" items; funding was reduced for all institutions, with those institutions that relied more heavily on special items taking a larger hit. UTRGV's

support for 16 items was reduced by \$10.6 million, a 37.8 percent decrease from the current biennium.

Unfortunately, the move to eliminate special items is not over. In fact, a new rider (a directive found in SB 1) added to the appropriations bill establishes a special joint legislative committee in the interim to prepare recommendations to realign and/or possibly eliminate nonformula support items, and to consider funding modifications for institutions of higher education. The committee is slated to begin its meetings in September.

UTRGV Special Item/Non-Formula Support	Est/Budgeted 2016-17 \$28.1 Mil.	Appropriations 2018-19 \$17.5 Mil.	Biennial Change -\$10.6 Mil.	Percentage Change -37.87%
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Formula Funding

Due to a dip in enrollment during the 2016 school year, UTRGV formula funds will decrease by \$8.2 million for the 2018-19 biennium, a 4.5 percent cut from the current biennium.

One critical and positive occurrence was that UTRGV's School of Medicine (SOM) was recognized as a Health Related Institution (HRI), which receives a higher formula than the General Academic Institutions (GAI). As

the SOM grows in enrollment, this will be particularly important.

Additionally, to offset a portion of the cuts in higher education, a Hold Harmless line item was added to GAIs and other institutions. UTRGV's share of the Hold Harmless funding was \$4.2 million.

UTRGV Academic Unit (GAI) Formula Funding	Est/Budgeted 2016-17 \$181.8 Mil.	Appropriations 2018-19 \$173.7 Mil.	Biennial Change -\$8.2 Mil.	Percentage Change -4.5%
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School of Medicine

Thanks to the unrelenting advocacy from our Valley Legislative Delegation, our UTRGV leadership and support from some community leaders, the School of Medicine (SOM) will receive \$54.2 million; of this amount, \$42 million is in Non-Formula Support (start-up funding) and \$11.6 million is in formula funding. While it is a reduction from the \$61.4 million received last session, it is significant to note that when the Senate first produced its budget, the SOM was to receive only around \$8M. Aside from its core funding, the SOM will also receive \$2.5 million in Tobacco Settlement funds, a 2.5 percent increase from the 2016-17 biennium.

UTRGV School of Medicine	Appropriations 2016-17 \$61.4 Mil.	Appropriation 2018-19 \$54.2 Mil.	Biennial Change -\$7.2 Mil.	Percentage Change -11.8%
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To say the least, the funding scheme and decisions made by the Legislature are complicated. The SOM's current (inaugural) budget is funded entirely as Special Item Funding and is characterized by many as "start-up" funding. The Legislature's distaste for SI funding and its desire to trim budgets across all of state government led to the less than desired level of funding for the SOM.

Another legislative directive that will likely impact the SOM is known as Rider 18. The rider calls for cost savings from contractual provider relationships with Health Related Institutions by reducing contracted provider rates.

Moving forward, it is critical that the SOM continue to grow its enrollment as anticipated, develop a practice plan that will produce revenues, increase research dollars and keep a growing and strong residency program so that the SOM can be less reliant on non-formula funding.

FACT:

The version of the General Appropriations Bill that becomes law is referred to as the General Appropriations Act (GAA). The GAA is the state's budget for a two-year period referred to as a biennium. The State's fiscal year begins Sept. 1.

A PERFECT STORM

UTRGV sails through rough waters

Legislators gathered for their 2017 Session just in time to receive news from State Comptroller Glenn Hagger that lawmakers and appropriators would begin the session with \$2.9 billion less than they had the prior session.

The Senate then unleashed its agenda complete with a budget that sought to eliminate all Special Item funding. Prior to the session, Capitol offices and hallways were already beginning to sound complaints about their disapproval of tuition increases and campus expansions. Tuition regulation and freezes, limitations on grant programs, repeal of in-state tuition for Deferred Action for Childhood Arrivals (DACA) students, and scrapping the Top 10% Rule were all on the table.

Indeed the 85th Legislative Session presented several challenges for an institution situated as an expanding university, with traditionally underfunded programs, a new medical school, a relatively high number of special items, and a relatively high Institutional Enhancement (IE) appropriation (IE funding began as additional resources channeled to UTRGV's legacy institutions in fiscal 1990 in the form

of Special Line Items via the South Texas Border Initiative to help equalize funding relative to other institutions across the state).

Cutting the Institutional Enhancement funds by \$8.4 million, down 40 percent from FY 2016-17, is difficult given UTRGV's already low tuition structure and finances inherited from the legacy institutions, especially as the University works to create educational opportunities across the Rio Grande Valley.

Because the SOM is in its start-up phase, it means that formula funding and tuition revenue are not yet significant and the practice plan and the revenue it will generate is in its infancy. Additionally, the level of philanthropy does not yet compare to mature medical schools.

These factors coupled with the drop in enrollment in 2016-17 (which will have a negative impact on the University's formula funding - \$8.2 million) created the perfect storm for UTRGV during the 2017 Legislative Session.



BRIGHT SPOTS

Some good news

UTRGV, as most other public universities, is partially insulated from swings in state appropriations as they account for a minority of UTRGV's overall revenue to support general operations – about 42 percent. Some areas of the institution such as student organizations and athletics are funded solely by fees, sales, and other revenue streams and are not directly affected by reductions in state appropriations.

As enrollment increases at both the general academic unit of the University and the School of Medicine, so too will formula funding and tuition revenue.

The maturing of the medical school will also result in receipt of revenues from an enhanced practice plan and expected increases in philanthropy, as well as increased research funding.

TEXAS Grant Program

Late in the session, the budget writing conference committee included a 10 percent funding hike for Texas' main method of helping students attend four-year colleges, the TEXAS Grant program. This program is the state's primary method of helping well-prepared high school graduates with financial need go to college. The Legislature added \$71 million, bringing the total proposed spending on the program over the next two years to \$786 million.

The appropriation will not however address the biggest perennial shortfall —insufficient money to give grants to everyone who qualifies. For the current year, about 15 percent of students who were eligible for a TEXAS Grant did not receive one.

Estimates for next year cut the shortfall to about 7.5 percent, which means TEXAS Grants will be available to 92 percent of those eligible.

Graduate Medical Education

Another piece of good news came in the form of additional appropriations for Graduate Medical Education (GME):

GME Expansion – GME Expansion Grants were increased to \$44 million. Of this amount, \$21.8 million is being funded from the distributions of the newly created Permanent Fund Supporting GME; the rest comes from General Revenue.

During the 2015 Legislative Session lawmakers approved the creation of a multi-million dollar endowment that allows medical schools, teaching hospitals and community based, ambulatory patient care centers to apply for grants to develop new graduate medical education programs with first year residency positions and/or to expand current programs. The goal then and now is to ensure a residency slot for every Texas medical school graduate so Texas can keep its best and brightest doctors in the state and attract graduates from other states.



SIGNIFICANT LEGISLATION – IMPACT

Sanctuary Cities / SB 4

Referred to as the “Sanctuary Cities” bill, SB 4 will amend the local Government Code to prohibit a local entity, state criminal justice agency, or campus police from adopting rules, orders, ordinances, or policies that prohibit enforcement of state and federal immigration laws. The bill gained national attention when early in the legislative session Governor Greg Abbott tweeted that any Texas city or institutions of higher education that declared itself a sanctuary city or campus would lose state funding.

SB 4 will establish a process for handling complaints about violations of these provisions and require law enforcement agencies to comply with federal detainer requests. It will also authorize community outreach policies related to the bill, establish a grant program for local entities, and direct citizen complaints of noncompliance to the Attorney General. Local entities or campus police departments that intentionally violate the law will be subject to civil penalties.

The bill also allows local and state law enforcement officers to question a person’s immigration status during detention.

For universities like UTRGV, the new law will amend the policies and practices of campus police. The University of Texas System will provide guidance on the implementation of SB 4. The new law is currently being challenged in court.

The new law will take effect Sept. 1, 2017 unless a court intervenes.

CAMPUS SEXUAL ASSAULT: GUIDANCE & PRACTICES

There were numerous bills filed this session to address sexual assault and sexual harassment on college campuses, a growing epidemic nationwide and an issue University of Texas System Chancellor, William McRaven, has made a priority. Four of the bills that did pass and have been signed by the Governor are SBs 966, 968, 969 and HB 355.

Defense of Minors / SB 966

The bill creates Good Samaritan-like protections for minors who are victims or bystanders and who report sexual assault. The new law provides that criminal offenses committed by a minor relating to consumption or possession of an alcoholic beverage would not apply to a minor who reports a sexual assault of a minor or another person to: (1) health care providers treating the victim of sexual assault; (2) an employee of a law enforcement agency, including an employee of a campus police department or the Title IX coordinator of an institution of higher education; or (3) another employee of the institution responsible for responding to reports of sexual assault.

The bill also provides that a minor is entitled to raise a defense in the prosecution of an offense under Section 106.5, Alcoholic Beverage Code, only if the minor is in violation of the section at the time of the sexual assault. A minor who commits a sexual assault is not entitled to raise the defense in the prosecution of the minor for the offense of consumption or possession of an alcoholic beverage. The new law will take effect on September 1, 2017.





UTRio Grande Valley

WE WILL INSPIRE THE WORLD

Online Reporting / SB 968

Requires each public, private, or independent institution of higher education to allow electronic reporting of sexual harassment, sexual assault, dating violence, or stalking committed against or witnessed by the student or employee, regardless of the location at which the alleged offense occurred.

- Requires each institution to provide the electronic reporting option no later than January 1, 2018, and allows a student or employee to report the alleged offense anonymously and requires it to be easily accessible through a clearly identifiable link on the institution's website home page.
- Creates definitions for dating violence, sexual assault, sexual harassment and stalking.
 - "Dating violence" is defined as abuse or violence, or a threat of abuse or violence, against a person with whom the actor has or has had a social relationship of a romantic or intimate nature;
 - "Sexual assault" as sexual contact or intercourse with a person without the person's consent, including sexual contact or intercourse against the person's will or in a circumstance in which the person is incapable of consenting to the contact or intercourse;
 - "Sexual harassment" as unwelcome, sex-based verbal or physical conduct that in the employment context unreasonably interferes with an employee's work performance or creates an intimidating, hostile, or offensive work environment or in the education context is sufficiently severe, persistent, or pervasive that the conduct interferes with a student's ability to participate in or benefit from educational programs or activities; and
 - "Stalking" as a course of conduct directed at a person that would cause a reasonable person to fear for the person's safety or to suffer substantial emotional distress.
- The new law took effect immediately upon the signature of the Governor on June 12, 2017.

Amnesty in Reporting / SB 969

Seeks to encourage victims and third party witnesses to report incidents of sexual assault to a IHE by providing amnesty for other student conduct code violations that may have occurred ancillary to the incident. Examples include giving amnesty for violations such as underage drinking or not meeting curfew.

- The bill amends the Education Code to prohibit a public, private, or independent IHE from taking any disciplinary action against a student enrolled at the institution for a violation by the student of the

institution's policies on student conduct if the student in good faith reports to the institution being the victim of, or a witness to, an incident of sexual assault and the violation of the institution's policies is in relation to the incident.

- This prohibition applies regardless of the location at which the incident occurred or the outcome of the institution's disciplinary process regarding the incident, if any, but does not apply to a student who reports the student's own commission of sexual assault or assistance in the commission of sexual assault.
- Establishes that a determination that a student is entitled to amnesty is final and prohibits the determination from being revoked.
- Authorizes the Texas Higher Education Coordinating Board to adopt rules as necessary to implement and enforce the bill's provisions, which apply beginning with the 2018 spring semester.
- The new law took effect immediately upon the signature of the Governor on June 12, 2017.

Prohibiting Sex Offenders from Residing on Campus / HB 355

Seeks to prohibit registered sex offenders from living in on-campus dormitories or other housing facilities.

- The bill would also enable institutions of higher education to decide if a registered sex offender who is rated at the lowest likelihood of reoffending can live in on-campus housing.
- The new law takes effect September 1, 2017.

FINANCIAL AID/BENEFITS**Special Course Fees / SB 53**

Requires the disclosure of course fees in the course catalogs at public institutions of higher education. Each institution is required to include in its course catalog, for each course listed in the catalog, "a description and amount of any special course fee, including an online access fee or lab fee, to be charged specifically for the course." Proponents of the bill argued that disclosing this information to students can help them prepare for costs arising from the courses they take. The new law took effect immediately upon the signature of the Governor on June 9, 2017.

Open Educational Resources / SB 810

In an effort to develop the use of open educational resources, the new law requires the Texas Higher Education Coordinating Board (THECB) to establish and administer a grant program to encourage faculty at institutions of higher education to adopt and develop courses that use only open educational resources. Under the program, a faculty member of an institution of higher education could apply to the Board for a grant to adopt, modify or redesign a course at the institution to exclusively use open educational resources.

The new law will require the Board, in collaboration with the Texas Education Agency, public institutions of higher education and school districts and textbook publishers, and representatives of the open educational resource community, to conduct a study to determine the feasibility of creating a state repository of open educational resources. The new law took effect immediately upon the signature of the Governor on June 9, 2017.

Student Loan Debt Disclosures / SB 887

Requires a participating higher educational institution under the student loan program that enrolls one or more students receiving state financial aid administered by the Texas Higher Education Coordinating Board (THECB) and that receives education loan information for a student enrolled at the institution, to provide to that student at least annually certain estimates regarding the student's education loan obligations in an electronic form.

The bill limits this required disclosure to education loan debt information on students that the institution receives or otherwise obtains from the U.S. Department of Education central database for student aid and may reasonably collect from its own records and requires the disclosure to identify the types of education loans included in the institution's estimates and to include a statement that the disclosure is not a complete and official record of the student's education loan debt and an explanation regarding why the disclosure may not be complete or accurate. The new law took effect immediately upon the signature of the Governor on May 27, 2017.

Tuition and Fee Exemption / SB 1123

Exempts adopted students, formerly in foster or other residential care, from having to meet satisfactory academic progress (SAP) requirements for continued eligibility in the tuition and fee exemption program. The law was signed by the Governor on June 9, 2017 and

will take effect on September 1, 2017.

Student Loan Default Prevention & Financial Aid Literacy Pilot Program / SB 1799

Modifies the student loan default prevention and financial aid literacy pilot program to allow the program to align with the new financial literacy initiative for which Texas Guaranteed Student Loan Corporation (TG) recently received approval from the U.S. Department of Education. The bill removes the Coordinating Board's involvement, other than the establishment of a Memorandum of Understanding, removes career schools from the pilot, and amends the selection of institutions to focus on minority-serving institutions, rather than on default rates. The new law took effect immediately upon the signature of the Governor on June 15, 2017.

Texas Armed Services Scholarship Program / SB 49

Allows the governor, lieutenant governor, speaker of the House of Representatives and members of the Texas Legislature to name an alternate annually at the time of making an initial nomination to the Texas Armed Services Scholarship Program (TASSP). If the elected official's initial appointment fails to fulfill the initial eligibility requirements for TASSP, the alternate shall be notified of the opportunity to participate in the program. The new law was signed by the Governor on June 9, 2017 and will take effect on September 1, 2017.

Texas Armed Services Scholarship Program / HB 66

Transfers the monitoring of satisfactory academic progress to the Texas Higher Education Coordinating Board (THECB), rather than the institution in which the student is enrolled. The bill also authorizes the elected official who appointed the initial recipient to appoint another eligible student if the initial student no longer meets the requirements for the scholarship. The newly appointed student will receive the unused funds designated for the initial recipient. The new law was signed by the Governor on May 29, 2017 and will take effect on September 1, 2018.

**CAMPUS/CAMPUS LIFE
Study on Best Practices in
Credit Transfer / SB 802**

Requires the Texas Higher Education Coordinating Board (THECB) to conduct a study to identify best practices in ensuring that courses transferred to an institution of higher education (IHE) for course credit, including courses offered for dual credit, apply toward a degree program at the IHE. The study shall evaluate existing articulation agreements that govern the transfer of course credit between IHEs and

identify those IHEs that are implementing certain best practices.

The bill also requires an IHE, on request, to provide information to THECB as necessary for THECB to perform its duties under the new law. THECB, not later than November 1, 2018, shall submit to the legislature the results of its study and recommendations for legislative or other action. The new law took effect immediately upon the signature of the Governor on May 29, 2017.

Returning Adult Students / SB 1782

Requires institutions to allow students that re-enroll at the institution or another institution of higher education following a break in enrollment covering the preceding 24 months, and that have successfully completed at least 50 semester credit hours at an institution of higher education, to drop one additional course from the amount currently allowed by the Education Code. The Board may not exclude semester credit hours for courses taken up to three times by students under this exception for hours reported for formula funding. Additionally, the bill would provide that the first 15 semester credit hours earned by a student under this exception not be counted as excess undergraduate credit hours. The new law took effect immediately upon the signature of the Governor on June 15, 2017.

Work-Study Student Mentorship Program / SB 2082

Modifies current law relating to the work-study student mentorship program administered by the Texas Higher Education Coordinating Board (THECB). Currently, funding supports mentoring and tutoring at participating institutions of higher education, high school GO Centers, or similar high school-based recruiting centers designed to improve student access to higher education. The new law expands the program to allow funding to support targeted student support interventions, such as advising and supplemental instruction, to increase student completion and success rates. The new law took effect immediately upon the signature of the Governor on May 26, 2017.

Expanded Public Junior College Baccalaureate Degrees / SB 2118

Allows the Texas Higher Education Coordinating Board (THECB) to authorize baccalaureate degree programs in applied science, applied technology, and applied nursing at a public junior college that previously participated in a pilot project. Also allows THECB to authorize baccalaureate degree programs at a public

junior college that already offers a degree program in applied science, including a degree in applied science with an emphasis in early childhood education, applied technology, or nursing.

A public junior college that offers a baccalaureate degree in applied science, applied technology, or applied nursing and previously participated in pilot project may not offer more than five baccalaureate degree programs at a time, otherwise it may not offer more than three of these programs at a time. THECB is also authorized to allow a baccalaureate degree in dental hygiene at a junior college without the provision that the junior college participated in a pilot project. The new law took effect immediately upon the signature of the Governor on June 12, 2017.

College Credit for Heroes / HB 493

The bill will require the Texas Workforce Commission (TWC) to report the number of academic or workforce education semester credit hours and transfer credit hours awarded under the program and applied toward a degree or certification program at an institution of higher education. The new law was signed by the Governor on May 30, 2017 and will take effect on January 1, 2018.

Texas Success Initiative / HB 2223

The bill clarifies provisions relating to the requirement under the Texas Success Initiative that a public institution of higher education assess each entering undergraduate student to determine the student's readiness for freshman-level coursework. If the student fails to meet certain assessment standards, an IHE is allowed to refer the student to remedial courses, known as developmental education, to address the student's deficiencies. The new law took effect immediately upon the signature of the Governor on June 15, 2017.

DUAL CREDIT

Statewide Goals for Dual Credit Programs / HB 1638

Requires the Texas Education Agency and the Texas Higher Education Coordinating Board (THECB) to collaboratively develop statewide goals for dual credit programs by August 31, 2018. These goals must address these programs' role in enrollment and acceleration through higher education, impact on performance in college-level coursework, and the development of an effective bridge between secondary and post-secondary education.

Any dual credit program agreement between a school

district and institution of higher education established or renewed after August 31, 2018, must include specific program goals aligned with the state goals. The agreement must also establish the course credits that may be earned under the agreement, describe the academic supports and guidance that will be provided to students, establish roles for ensuring quality and rigor in the program, and state the sources of funding for course offered under the program. The new law took effect immediately upon the signature of the Governor on May 23, 2017.

Dual Credit at Hospital – Pilot Program / HB 2937

Allows the Texas Higher Education Coordinating Board (THECB) to choose one licensed hospital, in a county that borders Mexico and has a population between 700,000 and 800,000, to establish a pilot program in which high school students are enrolled in dual credit courses. The hospital must be accredited to offer degree programs by a recognized accrediting agency or operate in partnership with an institution of higher education.

This legislation requires that a students' school district cover the cost of tuition, fees, textbooks and other instructional materials for the courses through the Foundation School Program. The new law took effect immediately upon the signature of the Governor on June 9, 2017.

Limitations on Dual Credit Courses / SB 1091

Restricts dual credit course offerings in the state to only those courses which are: 1) in the core curriculum of the public institution of higher education or public junior college providing the college credit; 2) a career and technical education course; or 3) a foreign language course. These limitations would not apply to Early College High School programs offered under Education Code Sec. 29.908 or other early college high school programs that would assist students in earning an associate degree while in high school.

The bill also requires institutions to adopt and implement credit granting policies for students who have achieved required scores on certain examinations. The new law took effect immediately upon the signature of the Governor on June 12, 2017.

SCHOOL OF MEDICINE / MEDICAL EDUCATION

The UTRGV School of Medicine will have a transformative effect on the Rio Grande Valley and Texas. Throughout the legislative session as UTRGV fought for every dollar possible to support the School of Medicine, there were also many conversations in Austin on how to make sure that medical school graduates remain in Texas to practice medicine. Below are examples of this and other significant legislation effecting Health Related Institutions.

Graduate Medical Education / HCR 102

House Concurrent Resolution 102 expresses the position of the Legislature that the state should prioritize a substantial increase in funding for graduate medical education (GME) before it considers the authorization and creation of additional medical schools in the state.

- The resolution also charges the Texas Higher Education Coordinating Board (THECB) to work with institutions of higher education and the medical community to achieve the statewide goal of having a 1.1 to 1 ratio of GME residency positions to medical school graduates.

Graduate Medical Education / SB 1066

Requires any future medical degree programs to submit to the Texas Higher Education Coordinating Board (THECB) a plan regarding how the institution intends to address the additional residencies necessary to meet the needs of new graduates. The provision will ensure that as medical school slots expand, residency slots expand with them, increasing the chance that those new doctors will continue to practice in Texas. The new law took effect immediately upon the signature of the Governor on June 15, 2017.

Statewide Preceptorship Program / SB 491

The Statewide Preceptorship Program in family medicine provides medical students with a stipend to work in family practice to encourage them to pursue a career in primary care. The Texas Higher Education Coordinating Board (THECB) is authorized to contract with organizations to operate the statewide preceptorship programs in general internal medicine and in general pediatrics for medical students enrolled in Texas medical schools. SB 491 specifies that the THECB may include preceptorship programs in family medicine.

- SB 491 also makes students from the School of Osteopathic Medicine at The University of Incarnate Word eligible for the Statewide Preceptorship Program.
- The new law took effect immediately upon the signature of the Governor on June 9, 2017.

LEGISLATION CONSIDERED BUT NOT PASSED

Financial Aid/In-State Tuition for DACA Students –

Legislation failed to pass that would have restricted access to the TEXAS Grant program and another bill that would have repealed in-state tuition for DACA (Deferred Action for Childhood Arrivals) students. This was of great importance to UTRGV because of the significant number of DACA students enrolled in the institution.

Tuition – Several bills were filed to re-regulate tuition, to freeze tuition or only allow it to increase pro rata with inflation, to tie performance metrics to tuition increases, and to repeal mandatory tuition set-asides, but all failed to pass.

Texas Higher Education Coordinating Board (THECB)

– Several bills were filed to expand the administrative powers of THECB. SB 828 was among the most ambitious bill. Institutions of Higher Education like UTRGV would have had to go to THECB for approval of new degrees or certificates offered at an off-campus academic or research site. The bill stated that a degree or certificate program offered at an off-campus academic or research site is considered a new degree or certificate program if not previously offered at the off-campus academic or research site. Institutions would have also needed approval for purchase, lease and/or purchase of land and/or property. Similar bills failed to pass.

Limiting Aid to Veterans – Much like last session, legislation was debated during the 85th session to scale back the Hazlewood exemption but did not pass, meaning that the current exemption will remain in place. Under Hazlewood, public universities are required to exempt from tuition, veterans and their spouses, as well as the veteran's children through a legacy component of the exemption.

UTRGV Specific – Several bills were considered that would have had a direct impact on UTRGV:

- A pair of bills would have connected the UTRGV School of Medicine (SOM) to the Joint Admission Medical Program and the Permanent Health Fund for Higher Education.
- Two bills authored by RGV legislators would have called for the coordination of a study to review and establish a law school in Cameron or Hidalgo County.
- Another bill would have established a distant learning program partnering with the UT Austin School of Law. The pilot would have included 5 students taking their first year classes remotely from UTRGV.
- HB 2678 would have created “bilingual zones” in which English and Spanish would have served as official languages. The UTRGV B3 Institute would have cooperated with other entities to conduct a feasibility study.

Bathroom Policy – But perhaps the most contentious topic of the session dealt with use of bathrooms in Texas. The bill, SB 6 by State Senator Lois W. Kolkhorst, was a priority for Lt. Governor Dan Patrick who favors strict policies to limit bathroom use to sex at birth; and it's failure during the regular session set up the dynamics which led to a Special Session.

The “bathroom bill” was not well-received in the Texas House, with Speaker Joe Stauss publicly stating his opposition; the bill failed to pass in the Special Session.



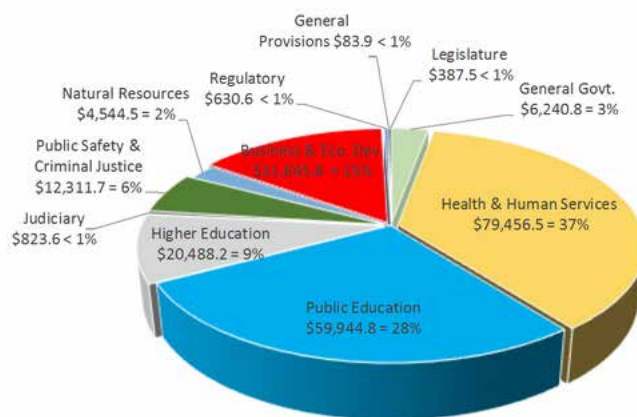
BUDGET PRIORITIES, 2020-2021 OUTLOOK, & THE SPECIAL SESSION

The Statewide Texas Budget

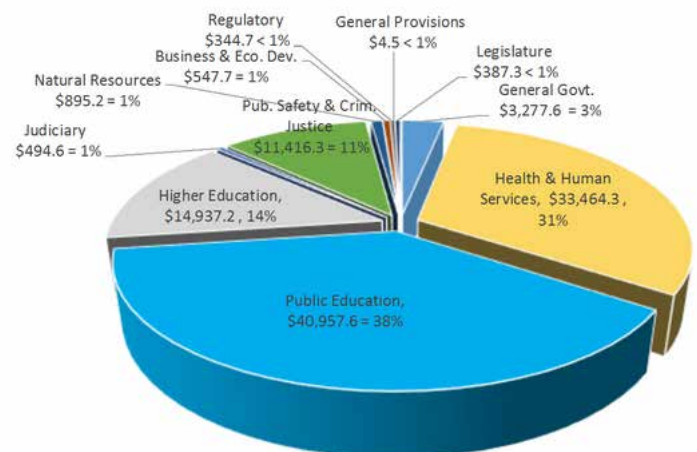
Legislators must pass each legislative session a two-year budget that takes effect on September 1 following the regular session. This session legislators again chose to take a conservative approach, increasing the All Funds budget by only 0.2 percent to \$217 billion for the 2018-19 biennium, and decreasing the General Revenue budget by 1.2 percent to \$106.7 billion, notably tapping the Economic Stabilization Fund (also known as the state's Rainy Day Fund) for nearly \$1.0 billion and delaying about \$1.8 billion in state tax revenue that would have otherwise been deposited to the State Highway Fund. These two measures allowed legislators to avert further cuts to a variety of programs.

Here's how the budget is broken up:

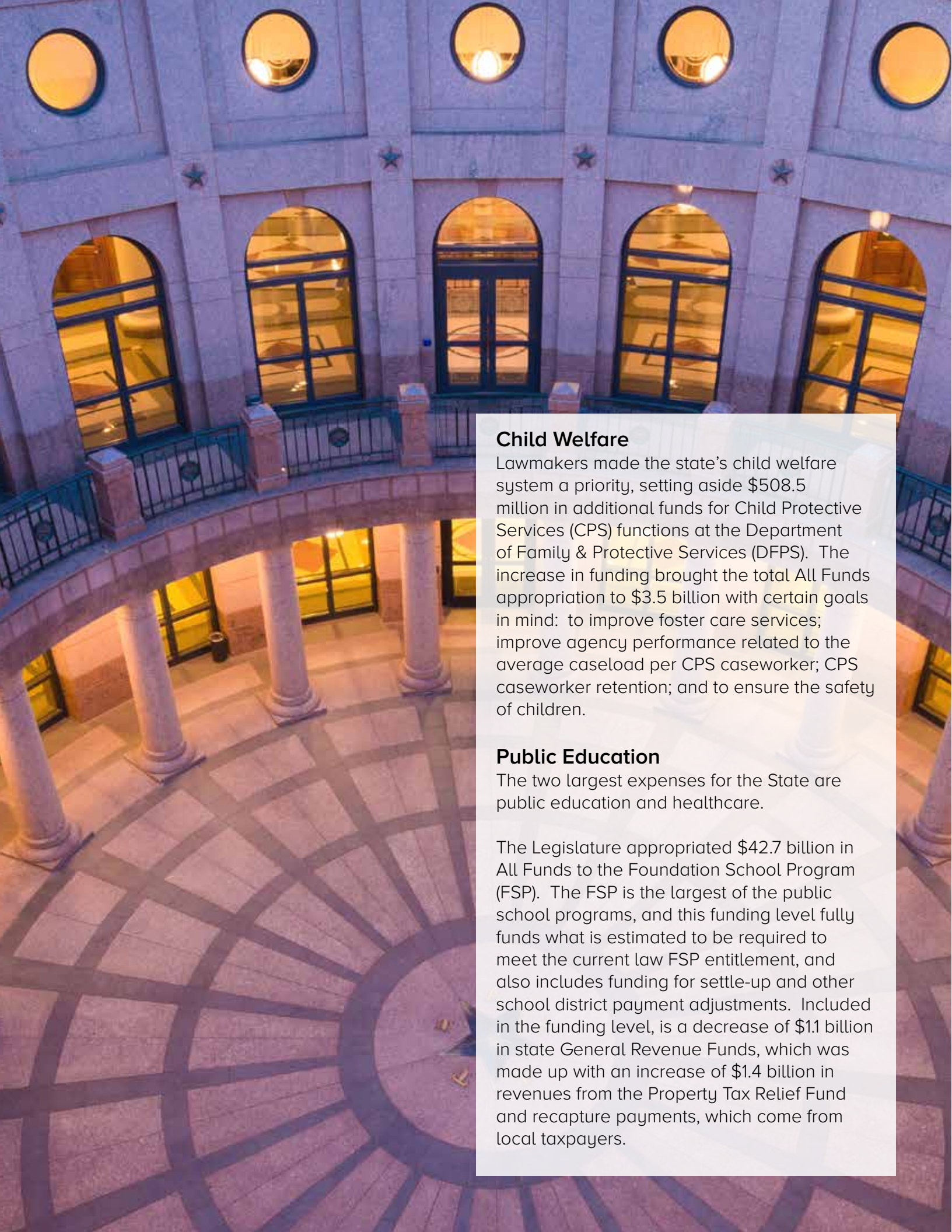
FUNDING BY ARTICLE - ALL FUNDS
Percentage of Total Appropriations
(in millions)



FUNDING BY ARTICLE - GENERAL REVENUE FUNDS
Percentage of Total GR Appropriations
(in millions)



The General Appropriations Bill is categorized into articles that cover certain areas of state government. For example, Article I is General Government. Article II covers Health and Human Services, and Article III is Public and Higher Education. Six additional articles cover the other areas of government.



Child Welfare

Lawmakers made the state's child welfare system a priority, setting aside \$508.5 million in additional funds for Child Protective Services (CPS) functions at the Department of Family & Protective Services (DFPS). The increase in funding brought the total All Funds appropriation to \$3.5 billion with certain goals in mind: to improve foster care services; improve agency performance related to the average caseload per CPS caseworker; CPS caseworker retention; and to ensure the safety of children.

Public Education

The two largest expenses for the State are public education and healthcare.

The Legislature appropriated \$42.7 billion in All Funds to the Foundation School Program (FSP). The FSP is the largest of the public school programs, and this funding level fully funds what is estimated to be required to meet the current law FSP entitlement, and also includes funding for settle-up and other school district payment adjustments. Included in the funding level, is a decrease of \$1.1 billion in state General Revenue Funds, which was made up with an increase of \$1.4 billion in revenues from the Property Tax Relief Fund and recapture payments, which come from local taxpayers.

Medicaid

Appropriators agreed on \$62.4 billion on Medicaid, the federal-state insurance program for the poor and disabled, of which about 40 percent of funds come from the state, and the balance being sent from the federal government. This amount represents a biennial reduction of \$1.9 billion in All Funds, including about \$400 million in General Revenue Funds.

The state continues to oppose medicaid expansion. Critics argue that the refusal means billions of federal dollars are being left on the table for other states to use.

Transportation

Funding includes \$26.6 billion in All Funds provided for all functions of the Department of Transportation; this includes \$2.9 billion in funding from anticipated state sales tax deposits to the State Highway Fund (SHF) associated with voter approval of Proposition 7 in November 2015; \$2.5 billion in funding from oil and natural gas tax-related transfers to the SHF (Proposition 1, 2014); and all available SHF revenue from traditional transportation tax and fee revenue sources (estimated to be \$8.8 billion for the 2018–19 biennium).

Border Security

Securing the border continues to be a top priority as evidenced by the Legislature’s decision to once again fund operations with \$800 million of state revenue. The appropriations will be spread across the following agencies: The Department of Public

Safety (DPS), Trusteed Programs within the Office of the Governor, the Texas Parks and Wildlife Department, the Texas Alcoholic Beverage Commission, the Texas Commission on Law Enforcement, the Office of the Attorney General, the Texas Soil and Water Conservation Board, the Department of Motor Vehicles, and the Department of Criminal Justice. The majority of this funding (\$694.3 million in General Revenue Funds and General Revenue–Dedicated Funds) is provided to DPS.

Outlook for the 86th Legislature

When the Legislature convenes for its next Regular session in 2019, they will be faced with the reality of a shortfall of funds created by the decisions made to fund the current and 2018-2019 budgets: obligating otherwise general spending revenue through Proposition 7 for transportation, tax cuts, and leaving funding gaps in Medicaid and public schools. In fact, it is expected that the 86th Legislature will be handed a \$3 billion shortfall.

FACT:

Sine Die (sī-ni-dī)

The term is used by the Texas Legislature to signify the final adjournment of a session of the legislative body. The Latin origins of the term translate to “without day” and Merriam-Webster defines the term as without any future date being designated (as for resumption).

Special Session

The Governor of Texas has the prerogative to call legislators back to the Capitol if pressing matters of state importance present themselves outside of the “regular” 140-day session. Governor Greg Abbott exercised this authority on June 6 when he announced a 20 item agenda for a special session to begin on July 18.

The broad ranging agenda included items that did not pass during the regular session — school finance reform and school choice for special needs students — to longtime conservative priorities, such as anti-abortion measures and an effort to restrict mail-in ballot fraud. But it is the bathroom issue, a priority of Lt. Governor Ken Patrick’s (who favors strict policies to limit bathroom use to sex at birth), which ignited consideration of a special session after the Senate held up legislation needed to continue some state agencies, including the Texas Medical Board. Only the so-called “bathroom bill” would have had a direct impact on higher education institutions. This bill, among others, did not pass during the special session which adjourned on August 15.

The Governor’s call included the following 20 items, the first of which (Sunset legislation) had to pass the Texas Senate prior to the Governor adding the additional 19 items via an official supplemental proclamation:

Governor’s Agenda

1. Sunset legislation ✓
2. Teacher pay increase of \$1,000
3. Administrative flexibility in teacher hiring and retention practices ✓
4. School finance reform commission ✓
5. School choice for special needs students
6. Property tax reform
7. Caps on state and local spending
8. Preventing cities from regulating what property owners do with trees on private land ✓
9. Preventing local governments from changing rules midway through construction projects
10. Speeding up local government permitting process
11. Municipal annexation reform ✓
12. Texting while driving preemption
13. Privacy – Limiting bathroom use
14. Prohibition of taxpayer dollars to collect union dues
15. Prohibition of taxpayer funding for abortion providers
16. Pro-life insurance reform ✓
17. Strengthening abortion reporting requirements when health complications arise ✓
18. Strengthening patient protections relating to do-not-resuscitate orders ✓
19. Cracking down on mail-in ballot fraud ✓
20. Extending maternal mortality task force ✓

✓ Denotes passage/partial passage of item

FACT:

Article 4 of the Texas Constitution authorizes the Governor, on extraordinary occasions, to convene the Legislature at the seat of Government or at a different place in certain circumstances. These Special Sessions can last up to 30 days and may consider only those items designated by the Governor in his proclamation calling for the special session.

FACTOID: A special session of the legislature amounts to “legislative overtime.”



DEVELOPING FUTURE LEADERS

This legislative session, The University of Texas Rio Grande Valley was able to place interns in the Capitol offices of the 11 members that make up the Rio Grande Valley legislative delegation.

The Valley Legislative Internship Program (VLIP) is an academic program made possible with generous funding from the UTRGV Foundation. It offers opportunities for undergraduate and graduate students to serve as interns in the Texas Legislature during regular legislative sessions.

The students selected for the program gained valuable insight into legislative procedures from budget writing to committee meetings to responding to constituents. They received a generous stipend of \$8,000 to live and work in Austin for the duration of the session.

The application and selection process is very competitive among UTRGV students. The internship is available to undergraduate juniors and seniors, as well as graduate students enrolled at UTRGV. Applicants must have a 3.0 GPA in their Political Science courses and a minimum 2.5 cumulative GPA. Interns are required to complete six academic hours, equivalent to two academic courses, during their internship.

Listed are the eleven students who were selected for the program along with their assigned legislators:

Kassandra Aleman - Sen. Juan “Chuy” Hinojosa

Alondra Galván - Rep. Rene O. Oliveira.

Victoria Garcia - Sen. Eddie Lucio.

Jorge Garza - Rep. Ryan Guillén.

Julio Garza – Sen. Judith Zaffirini.

Melissa Garza - Rep. Sergio Muñoz.

Ilse Irena- Rep - Armando “Mando” Martinez.

Ann Jacobo - Rep. Eddie Lucio III.

Arturo Limones - Rep. Oscar Longoria.

Sarahí Martinez - Rep. Bobby Guerra.

Carlos Pimentel - Rep. Terry Canales.

Because of their hard work, the interns were honored with resolutions from the Texas House of Representatives (HR No. 2145) and the Texas Senate, (SR No. 791). This semester’s interns have grown both personally and professionally, are now ready to continue preparing for successful careers.

The goal of the VLIP program is to expose students to government and have them develop leadership skills. The hope is that the interns will continue to work in public service at the federal, state and local levels of government after they graduate from UTRGV.





FACT:

The Texas State Capitol is home to the offices and chambers of the Texas Legislature and the Office of the Governor. Designed in 1881, it was constructed from 1882 to 1888. A \$75 million underground extension was completed in 1993.

A SPECIAL NOTE OF THANKS



Our Valley legislative Delegation has once again delivered a stellar performance prior to and throughout The 85th Legislative Session. Because of lawmakers' efforts, UTRGV averted major decreases in funding thereby allowing the university to remain on sound financial footing. Our students will continue to be mentored by some of the best and brightest faculty and staff in the country, and our regional approach to higher education will benefit communities across the entire Rio Grande Valley.

For these and many other items and hard work, UTRGV extends its gratitude to the RGV Legislative delegation:

Sen. Judith Zaffirini	Rep. Rene O. Oliveira	Rep. Sergio Muñoz Jr.
Sen. Eddie Lucio Jr.	Rep. Ryan Guillén	Rep. Bobby Guerra
Sen. Juan "Chuy" Hinojosa	Rep. Armando "Mando" Martinez	Rep. Oscar Longoria
	Rep. Eddie Lucio, III	Rep. Terry Canales

DATES OF INTEREST

- July, 2017 – THECB Formula Advisory committees named
- July 18, 2017 – 1st Called Session of the 85th Legislature convenes
- August 15, 2017- First called session adjourns Sine Die
- September 1, 2017 – Effective date of most new laws & the FY 2018-19 State Budget
- September 15, 2017 – Non-formula Support Items and Formula Study to be named
- November 7, 2017 - Constitutional amendments and municipal office election
- November 11 – December 11, 2017: Candidate filing for 2018 elections
- January 2017 – THECB Formula Advisory committees' recommendations finalized
- March 6, 2018 - Primary Election
- April 15, 2018 - Non-formula Support Items and Formula Study recommendations due
- May 22, 2018 - Runoff Primary Election
- August 2018 – LARs due
- November 6, 2018 - General Election
- November 12, 2018 - Pre-filing for 86th Legislative Session begins
- December 2018 – Interim reports due
- January 8, 2019 - 86th Legislature convenes

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