

# **The 85<sup>th</sup> Legislature, Regular and 1<sup>st</sup> Called Session**

**Cumulative Report**



**The Texas A&M University System**

**December 2017**



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# Overview of the 85<sup>th</sup> Legislature, Regular Session

The 85<sup>th</sup> Legislature marked the second regular legislative session for both **Governor Greg Abbott** and **Lieutenant Governor Dan Patrick**. Shortly after the November 2016 elections, Lieutenant Governor Patrick began unveiling his legislative priorities. By the beginning of session, the Lt. Governor's list topped out at thirty items, including local property tax reform, school choice, increased abortion restrictions, and most notably, the "bathroom bill" which would require people to use the bathroom that matched the gender noted on their birth certificate, and of special importance to institutions of higher education, a tuition freeze and repeal of tuition set-asides.

During his State of the State Address at the beginning of the 85<sup>th</sup> Legislative Session, Governor Abbott named four "emergency items" which, owing to that designation, are allowed to receive early consideration in the legislative calendar. The Governor directed lawmakers to reform the State's troubled Child Protective Services agency, eliminate so-called "sanctuary cities" for undocumented immigrants, pass ethics reform legislation, and support a resolution to call for "Convention of the States" to consider amending the U.S. Constitution to limit federal powers.

Meanwhile, **Representative Joe Straus** (R – San Antonio) was unanimously reelected by his peers for a record-tying fifth term as Speaker of the House of Representatives. During his acceptance speech, Straus outlined his core principles of governing: maintaining a healthy private sector with low taxes, reasonable regulations, and responsible stewardship; and maintaining an efficient and well-functioning government. The Speaker's policy priorities included mental health issues, public education, public school finance and improved child welfare.

Although committee chairs and membership remained largely the same in the Senate, there were several major changes to House leadership positions. **Representative John Zerwas** (R – Richmond) was named chair of the House Appropriations Committee. Chairmanship of the House Higher Education Committee was passed from Representative Zerwas to **Representative J.M. Lozano** (R – Kingsville). **Senator Jane Nelson** (R – Flower Mound) was appointed by Lieutenant Governor Patrick for her second session as chair of the Senate Finance Committee, and **Senator Kel Seliger** (R – Amarillo) was **reappointed** chair of the Senate Higher Education Committee for a second time.

The priorities that the three leaders—Governor, Lt. Governor, and Speaker—brought to the session were set against the backdrop of the national political narrative: polarizing partisanship and growing distrust in government and other national institutions. Tensions between the upper and lower chambers were evident from the start of the session, with the Speaker and House leadership questioning the need for a bathroom bill, declaring public school vouchers a non-starter, and slowing

several of the Lt. Governor's other priorities. As the session continued, the policy differences between the Lt. Governor, Speaker, and the chambers they led reached unprecedented levels.

This divide between the two chambers was evident in the budget. Heading into the 2017 Legislative Session, legislators faced a significant budget shortfall, with almost three percent less General Revenue (GR) than they had available the previous session. The primary factor was the new constitutional provision passed by the 84<sup>th</sup> Legislature and ultimately the voters that dedicated up to \$5 billion in General Revenue from the sales tax to the State Highway Fund. These were funds that otherwise would have been part of the General Revenue available for appropriation by the Legislature. In addition, a downturn in the oil and gas industry led to slowed growth in sales tax revenue and taken together resulted in difficult budget choices for appropriators. The two chambers introduced base budget bills that differed significantly in a number of policy areas, including higher education.

By April, the House and Senate budget writers had each crafted their versions of the FY 2018-2019 state budget, moving further apart both in *what* they funded and in *how* they proposed to pay for it. The House favored using \$2.5 billion from the Economic Stabilization Fund (ESF), or "Rainy Day Fund," while the Senate preferred delaying a \$2.5 billion payment to the state's highway fund. The Senate did not want to tap into the more than \$10 billion balance in the state's "Rainy Day Fund," and the House argued delaying a payment to the highway fund could be unconstitutional. In addition, the Senate's budget proposal eliminated funding for "special items" and reallocated formula funds away from some institutions with growing student enrollments, notably Texas A&M University, in order to provide funding to institutions that would lose funding owing to the elimination of special items—a move that would have dramatically corrupted formula funding stability and predictability.

Ultimately, the two chambers were able to reach a compromise and overwhelmingly approved a \$217 billion biennial budget by using \$1 billion from the Economic Stabilization Fund for "one time" purposes, and postponing to the 2020-21 biennium \$2 billion that would have otherwise gone to the highway fund. The structure of higher education base funding remained intact, though many institutions faced steep budget reductions. Governor Abbott signed the budget in early June, after line-item vetoing nearly \$120 million.

During the regular session Speaker Straus and his leadership team held to their stated reluctance to address many of the Senate's priorities. This in turn led to several must-pass pieces of legislation being held hostage by the Senate in the closing days of the regular session of the 85<sup>th</sup> Legislature. Lieutenant Governor Patrick began issuing calls for a special session if his key priorities such as a bathroom bill and property tax reform were not passed.

As the contentious regular session of the 85th Legislature came to a close, it became clear it would not be possible for the two chambers to reach a compromise to the extent necessary to avoid a special session. Speaker Straus and Lieutenant Governor Patrick both held multiple news conferences blaming one another for failing to pass key legislation.

In the days following the adjournment of the regular session, Governor Abbott called a special session and named 20 priority items that he wanted the legislature to pass, along with legislation to continue the functions of certain agencies, including the Texas Medical Board, which fell victim to the end-of-session impasse.

## Overview of Issues

### Higher Education Issues

By all accounts, the 84th Legislature placed high priority on Texas public institutions of higher education. Long-awaited facilities and infrastructure funding projects were approved; the State's research funding programs were simplified and restructured along rational lines; and additional funding was provided for core operations.

However, leading up to the 2017 Legislative Session, the sentiment towards higher education changed. Just as the Legislature was drawn into the national narrative broadly on numerous other statewide issues, certain unfavorable national perceptions of higher education—excessively high tuition, skyrocketing student debt, suppression of free speech on campus, hoarded university endowments and resources, growing numbers of over-paid administrators, etc.—became the underpinning and accepted narrative for much of the higher education discussion during the session, both in the Higher Education Committees and in the Finance and Appropriations Committees. Several key lawmakers were frustrated with the cost and time for a student to receive a baccalaureate degree, as well as concerns over various governance and expansion decisions, which led to calls for structural changes and greater oversight of higher education.

The following summarizes the major higher education-related issues addressed during the 85<sup>th</sup> Legislature, with particular emphasis placed on issues impacting the Texas A&M University System and its institutions.

### Campus Sexual Assault

Last session, the 84<sup>th</sup> Legislature passed **House Bill (HB) 699** by **Representative Alfonso Nevarez**, which required public institutions of higher education to implement detailed sexual assault policies for their campuses. Shortly after the conclusion of the 84<sup>th</sup> Legislature, Regular Session, a number of serious allegations came to light regarding sexual assaults at Baylor University and the insufficient institutional response. In reply, Speaker Straus directed the House Higher Education Committee to study and develop recommendations to address campus sexual assault as an interim charge.

By the start of the 2017 Legislative Session, the growing sexual assault scandal at Baylor University and increased campus sexual assault reports across the country led Texas legislators to take action. Nearly

20 bills were filed that addressed sexual assault policies and reporting requirements at both public and private institutions of higher education.

Several legislators took the lead on the issue and filed key pieces of legislation. **Senate Bill (SB) 576** by **Senator Joan Huffman** (R – Houston) would have required all institutional employees and the leaders of student organizations to report any alleged incidents of sexual assault. The bill also included criminal penalties for administrators who failed to report and a mandatory expulsion for student leaders who failed to report incidents they learned about in their official capacity. Senators expressed concern for both protecting the rights of the accused and a possible “chilling effect” by including severe penalties for failure to report. SB 576 overwhelmingly passed the Senate, but stalled in the House.

**HB 16** by House Higher Education **Chair J.M. Lozano** (R – Kingsville) was an omnibus bill that attempted to codify federal Title IX requirements, called for public and private institutions to develop online reporting requirements, included amnesty provisions against disciplinary action for students reporting incidents of sexual assault, and required sexual assault reporting training for both employees and student organization leaders. The bill would have also provided administrative penalties for public and private institutions found not to be in compliance with the statutory requirements. HB 16 passed the full House, was voted out of the Senate Higher Education Committee, but was never heard on the Senate floor.

**Senator Kirk Watson** (D – Austin) authored several bills to address discrete aspects of the campus sexual assault issue, including online reporting requirements, amnesty provisions, and mandating “affirmative consent” policies. Ultimately Senator Watson passed the only legislation on this topic during the 85<sup>th</sup> Legislature. **SB 968** amends existing statute to require private universities to implement the same sexual assault policies as public institutions of higher education. It also requires both public and private institutions of higher education to provide students and employees an option to electronically report allegations of sexual assault, sexual harassment, dating violence, or stalking regardless of where the alleged incident took place. The online reporting must include an option to report anonymously. SB 968 also requires institutions to develop public awareness campaigns. **SB 969** requires public and private institutions to provide amnesty for student code of conduct violations to students who in good faith report incidents of sexual violence or misconduct. SB 968 and SB 969 received bipartisan support in both chambers and were signed by Governor Abbott in mid-June.

## **Tuition and Student Debt**

Over the past several sessions, there has been increasing concern from legislators about the cost of higher education and the amount of debt students incur in pursuit of a post-secondary degree. In 2015, several bills were filed to limit tuition increases at institutions of higher education, but no legislation passed the 84<sup>th</sup> Legislature.

Going into the 85<sup>th</sup> Legislature, institutions of higher education were facing increasing pressure related to tuition rates, student debt, and the statutorily authorized “tuition set-asides” which use tuition revenue to provide financial assistance to needy students.

## **Tuition Set-asides**

Prior to 2003, the Texas Legislature set allowable tuition rates, mandating that the same statutory tuition rate be charged across the state and setting a maximum rate for designated tuition. In 2003, the 78th Legislature passed **HB 3015** to authorize governing boards of public universities to set different designated tuition rates. The legislation also required institutions to set-aside at least 15 percent of board designated tuition charged above \$46 per semester credit hour for need-based aid, including grants, work-study programs, and student loans.

Since his first election as a state senator, Lieutenant Governor Patrick has consistently argued tuition set-asides amount to an unfair tax on other students. He made repealing them a priority for the 85<sup>th</sup> Legislature. **SB 18** by **Senator Kel Seliger** (R – Amarillo), chair of the Senate Higher Education Committee, would have repealed the statutory requirement to set aside 15 percent of a student’s board designated tuition above \$46 per semester credit hour. However, Institutions would be permitted to continue to carve out the funds from designated tuition and utilize the funds as needed, including for student financial aid. The legislation would have created a new grant program for undergraduate resident students with financial need at eligible institutions that opted to reduce tuition by at least five percent. The bill was amended on the Senate floor to restrict grant eligibility to legal residents. The bill passed along party lines in the Senate, but later died in the House Higher Education Committee.

## **Tuition Reregulation and Performance-based Tuition**

A number of bills were filed, both by Republicans and Democrats, during the regular session of the 85<sup>th</sup> Legislature to address tuition at general academic institutions. Chairman Seliger filed legislation similar to a bill he authored in 2015 which would have tied tuition increases to institutional performance measures. **SB 543** would have allowed institutions to raise tuition by three percent per year, but only if six of eleven performance measures were met. These metrics included administrative cost, graduation rate, and degrees awarded, among others. Chairman Seliger also filed **SB 19**, which would have frozen tuition at Fall 2016 (FY2017) levels for fiscal years 2019 through 2022. Institutions that had already set increased tuition rates for fiscal year 2018 would be required to roll back tuition rates to the fiscal year 2017 rates.

SB 19 was later amended to include the performance requirements of SB 543 and shortened the tuition freeze or roll-back to Fall 16 levels for two years (FY2019 and FY2020). As it left the Senate Higher Education Committee, after 2020 institutions that met performance criteria would be limited to a three percent annual tuition increase. A Senate floor amendment lowered that increase to no more than 1 percent annually. The amended bill passed the Senate with only two votes in opposition.

There was concern in the House about limiting board designated tuition authority while simultaneously decreasing state support. SB19 was heard in the House Higher Education Committee, but it was left pending and never came up for a vote. The 85<sup>th</sup> Legislature, Regular Session, drew to a close without legislation changing tuition-setting practices for institutions of higher education and their governing boards.

## **Student Debt**

There has been growing concern at the state and national level regarding the rising student loan debt burden. The huge debt loads cited in the national media have been largely associated with students in professional programs (medicine, law, etc.) or at proprietary schools, yet increases in tuition have also led to a rise in student borrowing rates at traditional institutions of higher education in Texas and across the country. Changes in student debt loads and the number of students with debt vary among institutions, even within the A&M System. Nonetheless, concern over rising overall student debt is beginning to reverberate in other areas of the economy. In response, the Texas Higher Education Coordinating Board (THECB) included a goal to limit student debt in its long-range strategic plan, 60x30TX.

This session, Chairman Seliger authored **SB 887**, sponsored by **Representative Travis Clardy** (R – Nacogdoches), to provide students with additional information about their student loans. SB 887 requires institutions of higher education annually to provide students with estimates of their total student loan obligations, estimated payoff amounts, and estimated monthly repayment amounts. Governor Abbott signed the bill in the last week of the regular session of the 85<sup>th</sup> Legislature.

## **Transferability**

College students and their parents have long expressed frustration regarding the transfer of course credit from one institution to another, particularly from a public community college to a public four-year university. Often courses taken at one institution actually do “transfer” for credit, yet may not apply to the degree plan a student selects at a subsequent institution, leading to “stranded” credit hours. This distinction is lost on many students and their parents, not to mention legislators, and leads to increased time-to-degree and increased costs for students, their parents, and the state.

To address this problem, institutions around the state have worked to implement articulation agreements, transfer compacts, and online tools to help students better understand degree-specific requirements and the process for making informed course selections. Many of these agreements are tailored to match up with the Independent School Districts (ISDs) and higher education institutions in the region. This more complex approach has led to confusion and allegations by some that the agreements do not work. Over the past several sessions, lawmakers have filed bills to address the issue of course credit transferability, but none of the previous efforts was successful.



During budget hearings at the beginning of the 85<sup>th</sup> Legislature, **Senator Jane Nelson** (R – Flower Mound), chair of the Senate Finance Committee, appointed a workgroup to address the issue of course transferability. The workgroup was led by **Senator Royce West** (D – Dallas) and included senators and representatives from the THECB, community colleges, and universities.

As a result of the transferability workgroup discussions, Senator West filed a package of bills to facilitate the transfer of course credit and to provide authority to the THECB to develop transfer policies across two-year and four-year institutions. In addition to the Senate’s legislation, **Representative Donna Howard** (D – Austin) filed **HB 3768** to create the “Texas Guided Pathways” project. As originally filed, HB 3768 would have established strict requirements on institutions of higher education related to the creation of transfer pathways and course sequencings, and would have required institutions to work with both the THECB and the Texas OnCourse Program at the University of Texas at Austin.

Though supportive of the desired outcomes of the transferability legislation, institutions expressed concern about the prescriptive nature of the bills and believed some of the changes would disrupt successful existing programs and policies. Senator West, Representative Howard, and legislative leadership worked closely with higher education stakeholders to reach a compromise.

In the final days of the 85<sup>th</sup> Legislature, regular session, **SB 2131** by Senator West was amended to include several modified provisions from the “Texas Guided Pathways” project. SB 2131 would have provided recommended course sequencing to help prevent students from unknowingly taking courses that do not count toward their degree. In addition, the bill would have directed the THECB and Texas OnCourse to develop an online tool for students to compare courses and determine course transferability statewide. However, the conference committee report for SB 2131 was not considered before the legislature adjourned *Sine Die*.

One piece of legislation addressing the issue of course transferability at the community college level was successful in 2017. **HB 655** by **Representative Travis Clardy** (R – Nacogdoches) accelerates the timeline for students at a community college to file a degree plan. Currently, the average student graduating with an associate’s degree has completed more than 90 semester credit hours for a 60 semester credit hour degree. HB 655 is meant to help students take courses that will neatly apply to their bachelor’s degree and thus reduce the total number of hours students must complete to attain a degree. HB 655 received bipartisan support in both chambers, and was signed by Governor Abbott in late May of 2017.

## **Community College Baccalaureate Degrees**

Beginning in 2013, there was an effort to expand both the number of community colleges allowed to offer bachelor’s degrees and the types of degrees offered. Currently, only four community colleges are authorized to offer baccalaureate degrees: South Texas College, Brazosport College, and Midland

College are authorized to offer applied technology degrees; Tyler Junior College has a pilot program in dental hygiene.

During the 83<sup>rd</sup> Legislature, **SB 414** was passed to require the Texas Higher Education Coordinating Board (THECB) to assess the potential to expand community college baccalaureate degrees in nursing and applied sciences and to make recommendations to the Legislature. In 2014, the THECB contracted with the RAND Corporation to study the feasibility of allowing community colleges to offer certain bachelor's degrees.

At the time of the THECB report, most universities and health related institutions expressed concerns about faculty shortages, "mission creep," unnecessary competition, and duplication of programs – particularly with regard to permitting baccalaureate nursing programs at community colleges. General academic and health related institutions expressed the need for clear limits on program offerings, and stressed that any additional baccalaureate programs for community colleges should be required to meet the same faculty credential and curriculum rigor requirements that applied to universities.

Prior to the start of the 84<sup>th</sup> Session, the THECB members recommended authorizing community colleges that meet certain criteria to have the opportunity to establish new baccalaureate degrees in applied science, applied technology, and nursing. During the 84<sup>th</sup> Legislature, regular session, several bills were filed to expand community college baccalaureate degrees as recommended by the THECB, but ultimately none were successful. Both the House and Senate Higher Education Committees were charged with examining the issue of community college baccalaureate degrees during the legislative interim.

Although similar measures were unsuccessful during the 84<sup>th</sup> Legislature, the THECB proposal gained momentum in advance of the 85<sup>th</sup> Legislature. By March 2017, nearly 30 bills were filed to authorize numerous community colleges across the state to offer Bachelor's degrees.

Chair Seliger filed an omnibus community college baccalaureate bill. The legislation was sponsored by **Representative Sarah Davis** (R – West University Place), who has long been a champion of the issue. **SB 2118** authorizes the THECB to approve baccalaureate degrees at community colleges in the fields of nursing, applied technology, applied sciences, and early childhood education if certain criteria are met.

SB 2118 requires the THECB to apply the same criteria and standards used to approve baccalaureate degree programs at general academic teaching institutions and both medical and dental units. SB 2118 also expands the factors the THECB is required to consider in determining whether an existing associate degree program has been successful, and clarifies that a community college must have the ability to support a bachelor's degree program with student enrollment and financial resources. SB 2118 prohibits the THECB from authorizing a community college to offer a baccalaureate degree if there are sufficient articulation agreements in place to meet the needs of a given field. The bill also includes additional restrictions for bachelor's degrees in nursing. SB 2218 overwhelmingly passed both chambers, and was signed by the Governor in June of 2017.

## **THECB Authority**

The 83<sup>rd</sup> Legislature reauthorized the Texas Higher Education Coordinating Board in 2013 through the process known as sunset review. The agency underwent a significant restructuring and some of its authority related to degree programs and facilities approval was scaled back. At the time, legislators believed the THECB had exceeded its authority and argued their authority was duplicative to that of the governor-appointed governing boards of institutions of higher education.

Since that time, several university systems and institutions of higher education have expanded or announced plans to expand to other areas across the state. Most notably, in November 2015 the University of Texas System announced it had purchased 300 acres of land in southwest Houston for undefined but to-be-determined major initiatives. The announcement came as a surprise to many and drew harsh criticism from legislators, the THECB, and nearby institutions as being “expansionistic.”

Prior to the start of the 85<sup>th</sup> Legislature, the THECB included as one of its highest-level legislative priorities the restoration of its authority to review and approve any new off-campus academic, technical, or research site. In addition, several lawmakers filed legislation to provide the THECB with additional authority in response to the UT System’s Houston proposal.

**Representative Carol Alvarado** (D – Houston) was one of the most outspoken critics of the UT System land deal due to her concern about the impact any expansion would have on the University of Houston System and its flagship institution. In response, Representative Alvarado filed **HB 1737** to require the governing board of an institution of higher education obtain prior approval from the THECB before making certain land purchases. The legislation would have created “service regions” for each institution, and would require THECB approval for any land acquisition outside an institution’s region. Despite some reservations from members of the House Higher Education Committee, Representative Alvarado was successful in having HB 1737 heard and eventually voted favorably from committee. However, the bill was never placed on a House calendar before a key legislative calendar deadline.

Chair Seliger, who had also been vocal in his concern over the UT System land purchase, filed **SB 828** early in the regular session of the 85<sup>th</sup> Legislature. SB 828 aimed to return the THECB’s pre-2013 authority to review and approve the acquisition of property, including gifts, by an institution of higher education. In addition, SB 828 would have created a new level of authority by directing the THECB to review and approve any new degree programs offered at existing off-campus teaching locations. This included degrees an institution planned to offer at an existing Multi-Institution Teaching Center (MITC) or System Center that had already received THECB approval at an institution’s main campus.

SB 828 was unanimously voted from the Senate Higher Education Committee, and went on to receive unanimous approval from the full Senate as it passed on the local and uncontested calendar. SB 828 was never considered in the House.

As each legislative session draws to a close, it is common practice for lawmakers to attach yet unsuccessful measures to legislation still moving forward through the process. Chair Seliger employed this tactic by amending three separate pieces of legislation to include the key provisions of SB 828. **HB 2432** by **Representative John Raney** (R – Bryan) would have authorized the Texas A&M University System to establish a new system center in Brazos County. The House parliamentarian ruled Chair Seliger’s amendment was not germane to the bill, and it was returned to the Senate where the legislation ultimately died. **HB 2305** by **Representative Ryan Guillen** (D – Rio Grande City) was an omnibus bill dealing with the operations of state agencies. HB 2305 returned to the House with dozens of non-germane Senate amendments, including the language of SB 828, where it was brought down by a point of order. **HB 2937** by **Representative Terry Canales** (D – Edinburg) sought to establish a pilot program for a hospital to offer dual credit courses to certain high school students. When the bill returned to the House with Chair Seliger’s amendment, Representative Canales chose to request a conference committee to resolve the differences between the House and Senate versions of HB 2937. The THECB authority language was stripped from the bill, and HB 2937 was successfully passed and signed by Governor Abbott.

Ultimately, the 85th Legislature’s regular session adjourned without change to the THECB authority.

## **Hazlewood**

The Hazlewood Act was first enacted in the 1920s to provide qualified Texas veterans with a tuition exemption, including most fees, at Texas public institutions of higher education. The program evolved and expanded in ensuing years, most notably with the creation of the Hazlewood Legacy Act in 2009. The Legacy provision allowed veterans to transfer any eligible unused portion of their Hazlewood benefits to their dependents. Between 2012 and 2016, the number of students utilizing the Legacy provision across Texas increased to more than 24,000, a 96 percent jump in just five years.

The Hazlewood Program, and more specifically the Legacy provision of the program, is the State’s largest unfunded mandate on public institutions of higher education, escalating each year. When the Legacy Act passed in 2009, it was estimated by the LBB that institutions would forgo revenue of \$5 million by FY 2014 in addition to the forgone revenue from the original Hazlewood Act. In FY 2016, foregone revenue for the Legacy provision at institutions of higher education was nearly \$143 million. For the last six years, universities have expressed serious concerns about the growing price tag and consequential cost impact of the Legacy provision to other students’ tuition, and have asked legislators for additional help in paying for the mandatory program and crafting policies to constrain its rapid growth.

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. In addition, over the past several legislative sessions, lawmakers have appropriated additional funding for Hazlewood reimbursements to institutions of higher education. For FY 2017, the legislature appropriated a total of approximately \$23 million to partially reimburse all higher education sectors.

During the 84<sup>th</sup> Legislature, **Senator Brian Birdwell** (R – Granbury), a retired Lieutenant Colonel in the U.S. Army and a decorated military veteran, took on the difficult task of carrying legislation to modify eligibility requirements for the popular Hazlewood program. **SB 1735** successfully passed the Senate, but stalled in the House. SB 1735 finally came to the House floor for consideration on Memorial Day weekend, and after hours of emotional debate all of the key provisions were stripped, effectively killing the bill.

The issue was studied extensively over the interim both by the legislature and the Texas Veteran’s Commission (TVC), which was given administrative oversight authority of the Hazlewood program in 2013. The TVC issued a required report on options to address the Hazlewood Legacy cost that only recommended full state funding and choosing not to include any possible policy changes identified by a higher education workgroup convened on the issue.

This session, the chairs of both the Senate and House Higher Education Committees and several veteran legislators came forward with proposed resolutions to mitigate the financial impact of the Legacy provision.

Chair Seliger filed **SB 950**, which would have required beneficiaries of all tuition and fee exemptions and waivers, including Hazlewood, to complete the Free Application for Federal Student Aid (FAFSA) form. In addition, it would have returned administration of the Hazlewood program back to the THECB. Chair Seliger later amended SB 950 to allow institutions of higher education to implement a rolling cap on foregone Legacy program exemptions. The modified bill would have allowed institutions to limit total Legacy program exemptions to no more than five percent of board designated tuition when the legislature did not distribute enough funds to fully cover an institution’s Legacy exemptions. SB 950 was never voted from committee.

**HB 3766** by Chair Lozano attempted to rein in costs by more closely aligning the Hazlewood Legacy eligibility with federal G.I. Bill eligibility requirements. The principal components included raising the required length of active service for a veteran to pass benefits onto a Legacy child from a minimum 181 days to four years and setting an exemption expiration for use of the Legacy benefit at 15 years from the veteran’s date of discharge.

**Representative Rick Miller** (R – Sugar Land), a decorated Naval pilot, offered **HB 4049** as an alternative resolution to the Hazlewood Legacy issue. Representative Miller’s bill would have required completion of the FAFSA, two years of military service (not active service) for a veteran to receive the Hazlewood

benefit and six years of service for that benefit to be passed on to a Legacy recipient, and included a 20 year expiration of the benefit for both veteran and Legacy recipients. **HB 2536** by **Representative Matt Schaefer** (R – Tyler), a Lieutenant Commander in the U.S. Navy Reserve, would have required the Texas Veteran’s Commission to capture length of service as part of their official database.

The House Higher Education Committee held multiple hearings with hours of emotional and at times, contentious testimony. Veterans groups stated their distrust of institutions of higher education, claiming the institutional data on the program were inaccurate. They further testified that the program should be left fully intact and the legislature should find a way to provide full funding for the program. Ultimately, none of the legislation was ever voted from committee. Once again consensus could not be reached on a solution to mitigate the increasing costs of the Hazlewood Legacy program.

Partially in response to the TVC submitting its Legislative Appropriations Request (LAR) for the 2018-19 biennium with all of the required four percent reduction taken from the Hazlewood Legacy reimbursement appropriation, the legislature moved the funding to the stand-alone bill pattern that also includes the distribution from the Permanent Fund Supporting Military and Veterans Exemptions.

## **Major Statewide Issues**

The following summarizes major issues impacting the 85<sup>th</sup> Texas Legislature. Most of these topics have statewide implications, and the debate over each contributed to the increasingly contentious tone of the session.

### **Bathrooms**

In November 2015, the city of Houston voted on the Houston Equal Rights Ordinance, better known as HERO, which would have made it illegal to discriminate against someone based on different characteristics, including sex, race, religion, sexual orientation, and gender identity. The measure failed, with opponents successfully attacking the measure with arguments about men in women’s bathrooms. **Governor Greg Abbott** and **Lieutenant Governor Dan Patrick**, who is from Houston, both campaigned against the ordinance.

In May 2016, Lt. Governor Patrick condemned the Fort Worth Independent School District superintendent for creating a policy that aligned with an Obama administration order requiring equal bathroom and shower access for transgender students. The federal directive specified Title IX federal civil rights laws required schools to treat a student consistent with their self-identified gender. Lt. Governor Patrick said he would be willing to forgo federal funds due to noncompliance, and vowed to make the issue a priority during the 85<sup>th</sup> Legislature. The Trump administration redacted the guidance in February 2017, but the debate had already begun.

Opponents of proposals to require an individual to use bathrooms that match his or her biological sex argued the bills were discriminatory and would be harmful to the Texas economy. The Texas Association of Business released a study citing losses between \$964 million and \$8.5 billion to the economy, and the NCAA, NFL, Dell and other corporations openly opposed the measure. **Speaker Joe Straus** stated a bathroom bill was not a priority for the House, and urged lawmakers to consider the negative economic impact North Carolina experienced when businesses boycotted the state after passage of a similar bill.

Lieutenant Governor Patrick tapped **Senator Lois Kolkhorst** (R—Brenham) to carry **SB 6**, the so called “bathroom bill,” at the beginning of the 2017 Legislative Session. The bill would have required people to use the dressing room, locker room, and bathroom based on the sex shown on their birth certificate in all government buildings, public schools, and institutions of higher education. In addition, SB 6 would have prohibited local governments from adopting ordinances regulating bathrooms and locker rooms of private business. Penalties for crimes committed in bathrooms would be enhanced, and a civil penalty would be imposed for each day a school district or state agency was out of compliance.

In March, the Senate State Affairs Committee took up SB 6. Hundreds of people attended the committee hearing and gave emotional speeches opposing the bill. SB 6 was voted out of committee along party lines. Despite concerns and attempts by Senate Democrats to amend the bill, it quickly passed the full Senate along party lines, with one Democrat joining the Republicans to support the bill.

Weeks after sending SB 6 to the House, the bill had not been referred to committee, but the House considered its own version. **Representative Ron Simmons** (R—Carrollton) authored **HB 2899**, a less expansive version of the Senate’s proposal. The bill would have nullified sections of nondiscrimination ordinances in several Texas cities, but would not have regulated bathroom use in government buildings, public schools, and universities based on biological sex. HB 2899 was considered in the House State Affairs Committee, where members heard hours of emotional public testimony—mostly in opposition to the measure; however, HB 2899 was never voted from committee.

Although the House never voted on SB 6, it did adopt an amendment to another bill in the final days of the legislative session that would require school districts to make accommodations for students to use a single-occupancy facility if the student did not wish to use a facility designated by their biological sex. Despite opposition by House Democrats, the bill including the amendment successfully passed the House and was sent to the Senate. However, Lt. Governor Patrick argued the language was not strong enough, and the Senate failed to concur with the amendment.

With time in the regular session of the 85<sup>th</sup> Legislature running out, Lt. Governor Patrick repeatedly threatened to force a special session if the House did not take action on his bathroom bill, and other priorities. The Lt. Governor and Speaker stated their contrasting views publicly through the media about the importance and the potential impact of the bathroom bill, but ultimately no bill passed before the legislature adjourned *Sine Die*. At the Lt. Governor’s urging, Governor Abbott added “restrictions on school bathroom use for transgender students” to the topics to be considered during the 85<sup>th</sup> Legislature, First Called Session.

## Public Education

### Public School Finance Reform

In May 2016, the Texas Supreme Court issued a ruling in a lengthy court case against the state's public school finance system. More than two-thirds of Texas school districts brought the suit arguing the state's method of funding public education was unconstitutional. While the Court ultimately found the system constitutional, it urged legislators to implement "transformational" reforms rather than continuing the piecemeal approach lawmakers have historically utilized.

Without a court ruling mandating a significant overhaul, and facing a significant statewide budget shortfall, education advocates worried that legislators would not address public school finance reform during the 2017 Legislative Session.

During the regular session of the 85<sup>th</sup> Legislature, there were multiple bills filed to tackle the issue that ranged from simple across-the-board funding increases, to minor funding formula adjustments, to a complete overhaul of the public school finance structure. In addition, Lieutenant Governor Patrick indicated his intention to tie any reform measures to the passage of school choice legislation (often referred to as vouchers).

**Representative Dan Huberty** (R – Humble) was named the new chair of the House Public Education Committee at the beginning of the 2017 Legislative Session and took on the task of reforming the public school finance system and providing school districts with additional funding. **HB 21** would have simplified the complicated funding formulas, provided additional assistance to certain disadvantaged students, and increased overall per-student spending in almost every school district with the inclusion of an additional \$1.5 billion in General Revenue funding, contingent upon the deferral of the August 2019 Foundation School Program payment. Meanwhile, the Senate's FY 2018-2019 budget proposal would have reduced Foundation School Program funding by \$347 million as the \$1.5 billion growth in Other Funds (including Property Tax Relief Fund and recapture) was offset by \$1.8 billion General Revenue savings.

The stark difference between the House and Senate approach in public school funding provided forward momentum for HB 21 in the lower chamber. The bill was approved in committee, and reached the House floor for consideration in mid-April. After hours of long debate, with members offering more than 30 amendments, HB 21 was overwhelmingly approved by the full House.

After the measure was passed, Chair Huberty stated it was the first time in more than 30 years legislators had approved holistic changes to the school finance system without a court mandate. Speaker Straus and other members of the House leadership argued public school finance reform would



help address the issue of rising property taxes, by taking some of the burden of funding public education off of local governments.

As HB 21 moved through the Senate, its funding was reduced from \$1.5 billion to \$530 million, and a school choice provision for students with disabilities was included. Although HB 21 ultimately passed the full Senate, Chair Huberty and many in the House strongly opposed the Senate's voucher amendment. The House refused to accept the Senate's amendments, and the Senate refused to appoint conference committee members to reconcile the two versions of the bill. In the closing days of session, public school finance reform was declared dead for the 85<sup>th</sup> Legislature. Immediately following the adjournment of the regular legislative session, Governor Abbott included a call for legislation to create a commission on public school finance reform to be passed during the special session.

### Vouchers/School Choice

Lt. Governor Patrick has long supported the concept of school choice – the practice of providing state financial support to parents who choose to send their children to private schools. However, Democrats and rural Republicans have historically opposed the concept, arguing it drains money from an already underfunded public school structure and creates an unequal education system.

In his first legislative session leading the Senate Lt. Governor Patrick prioritized school choice legislation, but it stalled in the House. During the interim following the 84<sup>th</sup> Legislative Session, both the House and Senate were tasked with further studying the issue. After an interim hearing of the House Public Education Committee where lawmakers expressed bipartisan skepticism for private school vouchers, Lt. Governor Patrick publicly reiterated his support for the concept, and vowed to push for its passage in 2017.

**Senator Larry Taylor** (R – Friendswood) carried the Senate's signature school choice legislation for the second consecutive session. **SB 3** would have created an "education savings account" program to provide parents with state funding for private school tuition. In addition, the bill would have implemented a tax credit scholarship program to allow businesses to contribute to certain approved scholarship programs in exchange for a credit on their insurance premium tax. SB 3 would have provided the most state support in the education savings account program for students with disabilities and low income students. Supporters of the plan believed the voucher program provides options to parents of students in "failing" public schools.

During a hearing that lasted more than seven hours, the Senate Education Committee heard passionate testimony from more than 150 witnesses both for and against SB 3. The bill was voted favorably from committee, with one Democrat supporting the measure and one Republican opposed. Although SB 3 had the support of Lt. Governor Patrick and many Senate Republicans, several conservative senators representing small and rural school districts remained opposed. This caused a delay in the measure reaching the full Senate, since a Senate rule requires three-fifths of members to agree to bring up any bill for consideration.

In late March, SB 3 was finally brought before the full Senate. Chair Taylor offered an amended version of the legislation which limited the scope of both the education savings accounts and the tax credit scholarship program in order to gain the support of wavering Senate Republicans. After hours of debate, the Senate approved SB 3 by a vote of 18-13, with Republican senators **Joan Huffman** (Houston), **Robert Nichols** (Jacksonville), and **Kel Seliger** (Amarillo) opposing the measure, and a single Democrat, **Eddie Lucio, Jr.** (Brownsville) voting in favor.

Just days after the Senate approved SB 3, the full House took up its version of the FY 2018-2019 state budget. In a budget amendment offered early in the budget debate, the Texas House overwhelmingly voted to prohibit state funds from being used to subsidize education costs at a private school. Although the measure was unlikely to remain in the final version of the state's appropriations act, it sent a clear message on the House's position, leading Chair Huberty to declare vouchers dead in the House.

During the regular session, as time began to run out on the 85<sup>th</sup> Legislature, the Senate amended Chair Huberty's public school finance reform bill, HB 21, to include an education savings account program for students with disabilities. During the Senate floor debate, Democrats argued state funds should not be permitted to be used at schools not subject to state or federal regulations. This narrow voucher provision did win the support of previously opposed Republican senators, and passed the Senate on a largely party-line vote.

As previously noted, the House objected to the inclusion of any voucher provisions, and the Senate refused to pass any public education reform legislation without school choice. The regular session of the 85<sup>th</sup> Legislature drew to a close without the passage of either key legislative priority, Prompting Governor Abbott to include providing school choice options for students with disabilities in the call for the 85<sup>th</sup> Legislature, First Called Session.

## **Sanctuary Cities**

Lawmakers have tried to pass a sanctuary city ban since former **Governor Rick Perry** declared the issue an emergency item in 2011. With a renewed focus at the federal level and the Travis County Sheriff announcing a limit on federal detainer requests for potentially illegal immigrants, Governor Abbott made sanctuary cities one of his emergency items at the start of the 85<sup>th</sup> Legislature.

**Senator Charles Perry** (R - Lubbock) carried **SB 4** which would allow law enforcement, including police and law enforcement officers at public institutions of higher education, to ask about a person's immigration status if they were arrested or lawfully detained. In addition, the bill would eliminate state grant funding to local governments that direct officers not to inquire about immigration status or comply with federal immigration detainers. **SB 4** makes sheriffs, constables, police chiefs and other local leaders subject to a Class A misdemeanor if they do not cooperate with federal authorities and honor

requests from immigration agents, and provides civil penalties that begin at \$1,000 for the first offense and climb as high as \$25,500 for each subsequent infraction.

Sanctuary cities proved to be a contentious topic from start to finish. Supporters argued the ban is necessary to ensure criminal undocumented immigrants do not continue to commit crimes. Democrats and many law enforcement agencies believed the measure would make communities less safe if immigrants became distrustful of local law enforcement.

**Representative Charlie Geren** (R - Fort Worth) carried the House version, which was intended to be less restrictive than the Senate version by only allowing peace officers to ask about immigration status if someone is arrested, but not if someone is only detained. During the 16 plus hours of debate on the House floor, an amendment was proposed by **Representative Matt Schaefer** (R - Tyler) to add the detainment language back to the bill. Despite an attempted compromise that halted debate on the floor for over an hour, Representative Schaefer's amendment was successfully added to SB 4. Democrats gave emotional statements about their own experience as immigrants or that of family members who are immigrants. The impassioned testimonials did not change the final outcome, and SB 4 passed along party lines.

Hundreds of people and protesters attended the first committee hearing on SB 4, and the number of protesters opposed to the bill grew as the bill moved through the legislative process. Dozens of protestors were arrested on the grounds of the Texas Capitol after the bill passed the House in late April of 2017.

Governor Abbott signed SB 4 during a Facebook Live video stream, in an effort to "connect directly with [constituents] unfiltered through other media." There was some controversy around the signing because Governor Abbott did so without informing the media and without the presence of the bill's authors.

On the last day of the 85<sup>th</sup> Legislature's regular session, SB 4 protesters erupted in chants in the House gallery and were removed. Protesters gathered in the rotunda and on the State Capitol steps where they continued their chants. The emotions spilled onto the House floor when several Republicans and Democrats clashed over the issue, but they were separated before the discussion turned violent.

The cities of Austin, Dallas, El Paso, Houston, and San Antonio have filed a lawsuit to stop the implementation of SB 4, which is slated to go into effect September 1, 2017. **U.S. District Judge Orlando Garcia** began the hearing in San Antonio in late June of 2017.

## **Child Protective Services Reform**

In December 2015, **U.S. District Judge Janis Jack** ruled on a class-action lawsuit filed by the advocacy group Children's Rights, Inc. that was brought against the state in 2011. Judge Jack ruled that because

Texas had such a drastic shortage of conservatorship caseworkers and foster homes, and was improperly overseeing foster-care vendors, children were at a grave risk of harm, violating the children's 14<sup>th</sup> Amendment rights. The Court directed Texas to stop placing children in unsafe settings while in foster group homes, implement policies allowing children to speak privately to Child Protective Services (CPS) staff, track child-on-child abuse, and improve the organization and consistency of case files.

Texas officials conceded that CPS should be held to a higher standard, but fought the lawsuit. Of about 20 states sued by Children's Rights, Texas was one of only four to go to trial in the foster-care suit. In fact, Texas agencies spent over \$7 million fighting the class-action lawsuit. The State argued Texas must repair its foster-care system, without judicial or federal interference.

In 2016, news outlets began reporting on CPS failures after highly publicized deaths of children showed several cases where CPS failed to follow proper procedures or follow up on abuse cases in a timely manner. Additionally, investigations revealed that a lack of treatment center beds was resulting in children either being placed hundreds of miles from family, or spending two nights or more sleeping in the CPS offices. These reports sparked outrage among the public and elected officials.

Leading up to the 85<sup>th</sup> Legislature, Governor Abbott, Lt. Governor Patrick, and Speaker Straus wrote a letter to Department of Family and Protective Services (DFPS) Commissioner Hank Whitman outlining steps DFPS must take to eliminate a backlog in the CPS system, including developing a plan to hire and train more special investigators, reinforcing accountability, and creating more partnerships with local faith-based communities.

In December 2016, the Legislative Budget Board (LBB) approved \$150 million in emergency funding to allow DFPS to hire more than 800 new caseworkers and raise the salaries of existing employees to improve retention rates. The emergency funding came with reporting requirements on the number of at-risk children seen by investigators within 24 hours, the number of case workers hired, staffer's caseloads, turnover rates, salary information, and training data.

At the start of the 85<sup>th</sup> Legislature, Governor Abbott listed CPS reform as an emergency item, and Lt. Governor Patrick and Speaker Straus both prioritized the issue, making CPS reform a common priority for the State's leaders.

Despite the common ground between both chambers and both political parties, debate over some CPS reform bills became emotional. **HB 4** authored by **Representative Cindy Burkett** (R—Sunnyvale) lowered financial barriers for families to participate in kinship care—the practice of placing foster children with relatives. Currently, only about 12,000 children are in kinship care out of the nearly 30,000 currently in the foster care system. Foster care families receive a monthly stipend of almost \$700 per month, while relatives in the kinship care program who take in displaced children only get \$1,000 for immediate expenses with an annual \$500 per child reimbursement. HB 4 modifies the payment structure to allow kinship care families to receive a monthly stipend for households under 300 percent of the federal poverty level, and creates a second bracket for families between 300 to 500 percent of the federal

poverty level to receive a one-time integration payment but not monthly support. HB 4 was among the first bills heard on the House floor in 2017. A proposed amendment by **Representative Mark Keough** (R—The Woodlands) led to the first heated debate of the session, when he proposed barring undocumented families from receiving kinship care payments. Democrats called the amendment discriminatory, and **Representative Rafael Anchia** (D—Dallas), chair of the Mexican American Legislative Caucus, gave a fiery speech calling the measure racist. After fierce debate for over an hour, the amendment was pulled, and the bill was unanimously voted from the House floor. HB 4 moved quickly to the Senate where it eventually received unanimous support in the upper chamber as well.

In the Senate, **Senator Charles Schwertner** (R—Georgetown) authored **SB 11** requiring CPS to identify eight regions in Texas in which to implement a “community-based care” model. The bill mandates CPS contract with non-profits to oversee children in foster care and adoptive homes in the regions by the end of 2019. The Senate unanimously approved SB 11, but the measure met some resistance in the House. Some legislators and advocacy groups argued that community-based care groups would not have the capacity to take on the scope of work and expressed concern it would lead to state CPS workers losing their jobs. When SB 11 came before the full House for consideration, legislators debated dozens of amendments and adopted several, including prioritizing child placements in homes with the fewest foster children, and helping children obtain birth certificates and Social Security cards. SB 11 was sent to a conference committee to negotiate the differences between the House and Senate. An agreement was reached in the final days of the 85<sup>th</sup> Legislature’s regular session, and the bill was sent to the Governor’s desk.

**Representative James Frank** (R—Wichita Falls) passed **HB 5** which made substantial changes to the structure of DFPS and CPS. The bill makes DFPS a standalone agency outside of the Texas Health and Human Services Commission (HHSC), and grants the department full authority on issues including adoption placements, child abuse or neglect investigations, and parental education programs. Proponents believe these measures will allow DFPS to make decisions faster to help deter future crises.

**HB 7** filed by **Representative Gene Wu** (D—Houston) focuses on how DFPS and the courts work together with families facing abuse allegations. Under new provisions in the bill, CPS is directed to only remove children from homes over allegations of violence or abuse, not for reasons such as a parent’s income level, home schooling, or parental charges for nonviolent misdemeanors. In addition, HB 7 allows a CPS case against a parent to be dropped if the court has not made a ruling within a year, prevents courts from terminating parent-child relationships without evidence, and stops courts from ordering medical or mental health treatment for a child before consulting a health care professional. Both HB 5 and HB 7 received unanimous support in the House and Senate, and were sent to the Governor in the final days of the 2017 Legislature’s regular session.

Governor Abbott signed HB 4, HB 5, HB 7, and SB 11 two days after the regular session ended. During the signing ceremony, Governor Abbott said the State’s CPS system needed reform from top to bottom, and the 85<sup>th</sup> Legislature was successful in its efforts.

## Property Taxes

Property taxes in Texas are determined by local government entities (e.g. cities, counties, community college and school districts), and are based on the appraised value of land and buildings. The State of Texas is constitutionally prohibited from collecting property taxes. Property taxes largely fund local governments, including city and county services, law enforcement, parks, roads, community colleges and public schools. Under current law, if a municipality raises its tax collection by 8 percent or more, voters can petition to have an election to lower the rate, commonly referred to as a rollback tax rate.

In an attempt to bring property tax relief to Texas homeowners, the 84<sup>th</sup> Legislature increased the State's homestead exemption by \$10,000 in 2015. In November 2015, Lt. Governor Patrick announced the appointment of a Select Committee on Property Tax Reform and Relief to look for additional avenues for property tax reduction. The committee held meetings across the state to hear testimony, gather information, and develop recommendations in advance of the 85<sup>th</sup> Legislature.

The Lt. Governor signaled property tax reform as one of his highest legislative priorities in 2017 by assigning the issue to **SB 2**. Only the must-pass biennial State budget was assigned a lower bill number. Changes proposed under SB 2 by **Senator Paul Bettencourt** (R—Houston), chair of the Property Tax Reform and Relief Committee, would require an automatic rollback election if property taxes increased by 5 percent or more over the previous year.

Many local entities argued SB 2 restricted their ability to raise revenue to fund critical services and interferes with local control. SB 2 was brought to the Senate floor in late March. Senate rules require three-fifths of members present to agree to suspend the rules to bring a bill up for consideration. During the lengthy debate on the rules suspension, **Senator Charles Perry** (R—Lubbock) spoke against the bill, and noted nearly all local officials in his district opposed it. Yet ultimately Senator Perry cast the deciding vote to bring SB2 to the floor for a vote. The bill passed the Senate in March of 2017 along party lines with a single Republican voting against the bill.

In the House, **Representative Dennis Bonnen** (R—Angleton), chair of the Ways and Means Committee, also filed legislation to address the issue of property tax reform, though House leadership was not in favor of the Senate's automatic rollback election provision. Speaker Straus publicly stated his belief that limiting local control without providing meaningful public education funding reform would continue to lead to higher property taxes.

SB 2 never made it out of the House Ways and Means committee. As the regular session of the 85<sup>th</sup> Legislature drew to a close, no property tax reform bill had been heard on the House floor, leading the Lt. Governor to call for a special session if no legislation passed. In an attempt to reach a compromise to avoid a special session, Representative Dennis Bonnen amended **SB 669** to require local governments to announce a “no-new-revenue” tax rate each year. The bill would leave the rollback rate at 8 percent, and only trigger an election if constituents petition for a vote. The House passed the bill, and the Senate

appointed conferees to negotiate a compromise. The House never appointed conferees to work with the Senate, and property tax reform was declared dead for the regular session.

Governor Abbott included the issue of a property tax rollback election provision on his call for the 85<sup>th</sup> Legislature, First Called Session.

## **Ethics Reform**

Ethics reform has been one of Governor Abbott's key priorities since he ran for Governor in 2014. During the 84<sup>th</sup> Legislature Governor Abbott declared ethics reform an emergency item, but failed to see a single ethics piece of legislation reach his desk. In his January 2017 State of the State address, Governor Abbott again named ethics reform as an emergency item for the 85<sup>th</sup> Legislature.

**Senator Van Taylor** (R – Plano) wrote an op-ed prior to the start of the 85<sup>th</sup> Legislative Session stating his intentions to push reforms that had previously received support in both chambers, including taking away state pensions from elected officials convicted of corruption charges and requiring lawmakers to reveal contracts they have with governmental entities. Senator Van Taylor successfully passed or sponsored several key pieces of ethics reform legislation. In the House, **Representative Charlie Geren** (R—Fort Worth) and **Representative Giovanni Capriglione** (R—Southlake) took the lead on the issue.

**SB 500** by Senator Van Taylor eliminates pension payments made from public retirement systems to Texas elected officials with a final conviction for serious public corruption offenses such as bribery, abuse of office, and theft of public money. SB 500 also requires state elected officials convicted of a felony to vacate their office upon a final conviction. Representative Capriglione passed **HB 501** requiring state officials who do significant business with cities, counties, and other governmental entities to disclose their contracts to the Texas Ethics Commission. Elected officials are required to report contracts valued at \$10,000 or more during a calendar year, and legislators who serve as bond lawyers for public entities must list that work on their reports. The final bill was weakened from its original version by removing a provision requiring officials to reveal business referral arrangements, including lawyer referrals, and allowing officials to correct errors or omissions in their report without a fine or sanction.

**HB 505** by Representative Geren prevents legislators who retire and become registered lobbyists from making political contributions out of their campaign accounts. Governor Abbott signed all three bills into law in early June of 2017.

Several additional ethics reform bills were filed related to lobbyists, including measures to regulate certain lobbying tactics and who can become a lobbyist. These measures faced opposition by both the Lobby and many legislators. **HB 504** by Representative Geren attempted to solve the “revolving door” problem, where elected officials go from representing constituents to lucrative lobbying positions. Ultimately, the bill failed. **SB 502** by Senator Van Taylor attempted to close a loophole used by lobbyists related to the disclosure of entertainment expenses. Currently, lobbyists can avoid itemizing certain entertainment expenses through a process known as split-reporting. SB 502 would have eliminated split-

reporting so that all expenditures above a certain threshold would be required to be itemized and disclosed. The bill quickly passed the Senate, but stalled in the House.

In addition to the legislation filed to address ethics reform for legislators and lobbyists, **Representative Lyle Larson** (R-San Antonio) authored a bill to address what he referred to as the “pay-to play” system. **HB 3305** would have prevented the governor from appointing an individual to a state agency or higher education governing board or commission if the person made a political contribution exceeding \$2,500 to the governor. Although HB 3305 was unsuccessful, the bill caused tension between Representative Larson and Governor Abbott throughout the regular session of the 85<sup>th</sup> Legislature.

The 85<sup>th</sup> Legislature brought ethics reform bills to Governor Abbott’s desk, but only half the package he sought. Regardless, the Governor did not list ethics reform as an item for consideration special session.

## Looking Ahead

**Governor Greg Abbott’s** agenda for the 1<sup>st</sup> Called Special Session of the 85<sup>th</sup> Legislature contained 20 items. At the onset, it remained to be seen if the House and Senate would reach resolution on the issues before them. While higher education would not likely be directly affected by the outcome of the special session, the ability of the House and Senate to reach—or fail to reach--agreement would greatly impact the legislative environment in 2019.

The negative tone of the national narrative regarding higher education seems unlikely to improve. National story lines frequently portray higher education as too expensive, inaccessible, complicated to complete, administratively bloated, and no longer guaranteed to produce a positive return on investment. Perhaps even more concerning, a recent Pew Research Center survey found that 58% of Republican and Republican-leaning voters believe that colleges and universities have a negative effect on the future of the country.<sup>1</sup>

Unfortunately, many Texas legislators do not seem convinced that Texas public universities are altogether different than the rest of the nation’s. These views suggest that Texas public higher education will continue to be vulnerable on many of the same issues: Tuition setting authority, student debt levels, authority to provide updated programs, etc. Moreover, uncertainty about the value of a public higher education degree will make it difficult to maintain or increase the state’s investment in Texas public universities. As state financial resources continue to be limited, The University of Texas, Texas A&M University, and Prairie View A&M University may face increased threats to their constitutional designation to receive funding from the Permanent University Fund (PUF) for current operations in support of the state’s charge for them to be universities of excellence.

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<sup>1</sup> Doherty, Carroll, Kiley, Jocelyn, and Johnson, Bridget. (2017). *Sharp Partisan Divisions in Views of National Institutions*. Pew Research Center.



Texas' fiscal condition is somewhat improving, but normal 2020-2021 obligations, as well as those deferred by the 85<sup>th</sup> Legislature, are likely to absorb much of any tax revenue growth. This means it is reasonable to expect that higher education funding will be further constrained, even in the best of circumstances.

# Overview of the 85<sup>th</sup> Legislature, 1<sup>st</sup> Called Special Session

**Governor Greg Abbott** called legislators back for the 85<sup>th</sup> Texas Legislature, First Called Session, to begin July 18, 2017. While Governor Abbott had already identified twenty issues he would add to the call, his first proclamation only included the issue of extending the sunset dates for Texas Medical Board, the Texas State Board of Examiners of Psychologists, the Texas State Board of Examiners of Marriage and Family Therapists, the Texas State Board of Examiners of Professional Counselors, and the Texas State Board of Social Worker Examiners. After the Senate sent the House both bills needed to fully address the first called issue, Governor Abbott added the remaining nineteen items to the call.

**Lieutenant Governor Dan Patrick** expressed his intent that the Senate would pass bills addressing all twenty items in a few days. However, Senate Democrats exercised numerous tactics in an effort to slow the progress, including not voting to suspend the Constitutional rule that bills be read on three separate days and each asking multiple questions of bill authors during the floor debate.

On the first day of session **Senator Rodriguez** (D – El Paso) attempted to “tag” **Senate Bill 20 (SB 20)**, the “Sunset Bill,” to require 48 hours’ notice before the bill could be considered in committee. The Lt. Governor ruled that a majority vote allowed the Senate to suspend the “tag” rule, and therefore deemed Senator Rodriguez’ “tag” meaningless.

The Senate worked non-stop for the first week, often late into the night, and then waited for the House to act over the following week and a half. The Senate ultimately passed bills for 18 of the 20 agenda items to the House. The Senate as a whole did not consider bills related to 1) a teacher pay increase of \$1,000 or 2) a prohibition on local political subdivisions from imposing additional or enhanced regulations on private property after the property is acquired. While the Senate passed a bill capping the growth of state spending, they did not pass a similar bill applied to local government spending.

From the beginning, **Speaker Joe Straus** said the House would be deliberative and would remain focused on school finance as the House’s number one priority. The House passed bills related to 11 of the 20 items on the call. The House and Senate reached final agreement on 9 of the 20 items, including the sunset bills, public school finance, tree regulations, municipal annexation reform, pro-life insurance and reporting measures, mail-in ballot reform, and the extension of the maternal mortality task force.

Legislators filed 583 bills on a variety of issues. The House passed bills on several issues not on the call including Medicaid therapy rates, ethics reform, and water regulation. Though the House asked, Governor Abbott did not add any items to the call.

During the course of the session, legislators were given updated revenue estimates for general-purpose spending and the Economic Stabilization Fund – both were slightly positive. **Comptroller Glen Hegar** estimated that through August 2019, there was a total of \$237.2 million available for general-purpose spending (up from \$41.5 million, June 2017) and \$11.3 billion available in the Economic Stabilization Fund (up from \$10.9 billion, June 2017).

Three subjects absorbed most of the legislative and media attention: bathrooms, school finance, and property taxes.

## **Bathrooms**

The Senate conducted an 11 hour hearing to lay out their revised “bathroom bill” **SB 3**. SB 3, as introduced, was much shorter than the language of SB 6 in the regular session. The bill applied to political subdivisions of the state (not state agencies) and limited multiple-occupancy restroom, shower, and changing facilities to be used only by persons of the same sex as stated on a person’s birth certificate. The inclusion of language that extended the issue from just restroom-like facilities to include “participation in athletic activities” raised new questions.

Despite the unlikelihood of changing the outcome, the Democrats used Senate rules to object, including making rarely used motions. **Senator Kirk Watson** (D – Austin) raised a point of order on the Senate floor, arguing that the issue of athletic participation was not part of the Governor’s call. His objection was overruled. Senator Watson then appealed to the entire Senate to challenge the ruling of the Senate Chair. Before the Senate voted to uphold the Lt. Governor’s ruling, **Senator Royce West** (D – Dallas) questioned rules pertaining to how a senator was selected to perform temporarily the duties of the Senate Chair. Ultimately, the Lt. Governor’s temporary appointment retained the chair and the Senate voted to uphold the Lt. Governor’s ruling.

Senate floor amendments were adopted to remove language that prohibited measures “to protect a class of persons from discrimination,” to provide exceptions for those assisting disabled, children or elderly and those maintaining facilities, and, significantly, to allow the sex identified on a DPS form of identification serve as an alternative to a birth certificate.

The business community forcefully pushed back against SB 3, with press conferences, editorials, and media buys. Ultimately, more than 80 significant businesses in Texas signed a letter urging lawmakers to NOT pass SB 3 or similar legislation.

SB 3 never received a committee hearing in the House.

## **School Finance**

In principle, the Senate and House began special session where they left public school finance in May. The House wanted to increase the basic allotment and certain weights and programs, especially for children with autism and dyslexia and proposed paying for it by delaying the August 2018 Foundation School Program payment by one day, thus into the budget of the next biennium. The Senate wanted to create a commission on public school finance to recommend ways to restructure all of school finance, put some additional funding into charter school facilities, and create a tax credit for scholarships to private schools. The Senate proposed to pay for their bills by likewise delaying the August 2018 payment to Medicaid providers into the next biennium.

Both chambers recognized a need to provide some transition funding for certain districts that were impacted by the sunset of “ASATR (Additional State Aid for Tax Reduction) hold harmless” and were facing significant financial hardships.

Both chambers agreed to legislation that created a commission on public school finance and that provided funding for certain ASATR districts, additional funding for facilities at both charter and public school districts, additional funding for certain small districts, and grant money for innovative programs for public school students with autism and dyslexia.

The House and Senate also provided \$212 million to TRS (Teacher Retirement System of Texas) to mitigate cost increases for retired teachers for health insurance premiums and the costs for covering adult disabled dependents. While the House favored using the Economic Stabilization Fund (ESF) to pay for TRS Care, they ultimately agreed to the Senate proposal to pay for all of the public school spending, including TRS Care, with delayed Medicaid payments.

## **Property Taxes**

For the special session, property tax reform legislation was assigned **SB 1**, indicating its importance to the Lt. Governor. The overriding goal of property tax reform in the Senate, led by **Chair Paul Bettencourt**, was to decrease the rollback rate from 108 to 104 percent for all taxing entities that collect more than \$10 million in tax revenues. Representatives from various political subdivisions from across the state testified that the lowered rollback rate would adversely affect their ability to deliver needed services to their constituents. The Senate passed the bill 19-12, with only **Senator Kel Seliger** (R – Amarillo) crossing party lines to vote “no.”

**Chair Dennis Bonnen** (R—Angleton) again carried the House’s primary property tax reform legislation. SB 1 was voted out of Chair Bonnen’s House Ways and Means with a decrease in the rollback rate from 108% to 106% for taxing entities that collect more than \$25 million in tax revenues, except independent school districts and community college districts. On the House floor, Chair Bonnen added a significant amendment to include the “no-new-revenue” tax rate, the creation of the “Property Tax Administration Board,” and revisions to the statutory guidelines for reappraisal of property damaged in a disaster area.

The Senate rejected the House’s amendments and requested a conference committee. The House also appointed a conference committee. However, on the next to last day of the session, Chair Bonnen informed the House floor that they had not been able to reach a compromise, and without enough time to produce a conference committee report within the timelines of the session, he requested that the House discharge their conferees in hopes that the Senate would reconsider their rejection of the House amendments and adopt the House proposal. The House then adjourned *Sine Die*. The Senate chose not to accept the House’s language, and SB 1 failed.

# Appropriations

In January 2017, 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 \$104.9 billion in funds available for general-purpose spending, a 2.7 percent decrease from the corresponding amount of funds available for the 2016-17 biennium, setting the stage for a tough budget session.

During the Regular Session, the Legislature passed two key pieces of appropriation legislation: Senate Bill 1, the General Appropriations Act (GAA) and House Bill 2, the supplemental appropriations bill.

**Senate Bill 1 by Nelson/Zerwas** appropriated \$106.7 billion in General Revenue Funds (GR) for 2018-19, a decrease of \$1.3 billion compared to the 2016-17 biennium, or 1.2 percent decrease. See table on following page. The All Funds budget totaled \$216.8 billion, an increase of \$359.4 million, or 0.2 percent. The Legislature used several tools to help balance the budget, including \$1.8 billion delay of Proposition 7 (transportation constitutional amendment passed by the 84<sup>th</sup> Legislature and subsequently the voters of Texas) transfer for transportation funding in FY19; \$988.9 million from the Economic Stabilization Fund for one-time expenses; \$830 million in Medicaid cost containment measures; and \$580 million in revenue enhancements including \$500 million for accelerating sale of unclaimed securities. Additionally, growth in Other Funds, which includes revenues from the Property Tax Relief Fund and recapture payments, offset the \$1.1 billion decrease in General Revenue support for public education.

**House Bill 2, by Zerwas/Nelson** totaled \$2.6 billion in All Funds and \$1 billion in GR. The vast majority of funding in the supplemental covers the shortfall in Medicaid for the 2016-17 biennium; \$2.4 billion in All Funds and \$0.8 billion in GR are appropriated for Medicaid. For higher education, the **Texas A&M Forest Service** received \$7.5 million for emergency responses reimbursement.

## Constitutional Spending Limits

Texas has four constitutional limits on spending: the pay-as-you-go limit, the limit on growth in state appropriations or “spending limit,” the limit on welfare spending and the limit on tax-supported debt. The 2018-19 biennial appropriations are within all four of these spending limits.

## Economic Stabilization Fund (Rainy Day Fund)

The Comptroller’s *Biennial Revenue Estimate* forecasted that by the end of FY2017, the balance in the Economic Stabilization Fund (ESF) or “Rainy Day Fund” would be \$11.9 billion, prior to any legislative action. SB1 includes \$988.9 million in appropriations from the ESF. That appropriation less an adjustment for loss of interest and investment income results in the balance at the end of the 2018-19 biennium projected by the LBB to be \$10.9 billion as of the end of the regular session.

**OVERVIEW OF THE STATE BUDGET**  
**General Revenue, in millions**  
**2016-17 Compared to 2018-19 Expended/Budgeted Level**

<b>GENERAL REVENUE FUNDS</b>		<b>2016-17</b>	<b>2018-19</b>	<b>Change</b>	<b>Percent Change</b>
Art. I	General Government	\$3,315.6	\$3,277.6	(\$38.0)	(1.1%)
Art. II	Health and Human Services	33,575.3	33,464.3	(111.1)	(0.3%)
Art. III	Education	56,291.6	55,897.8	(396.8)	(0.7%)
	<i>Public Education</i>	41,593.5	40,957.6	(635.9)	(1.5%)
	<i>Higher Education</i>	14,698.1	14,937.2	239.1	1.6%
Art. IV	The Judiciary	503.3	494.6	(8.7)	(1.7%)
Art. V	Public Safety and Corrections	11,606.6	11,416.3	(190.3)	(1.6%)
Art. VI	Natural Resources	818.4	895.2	76.8	9.4%
Art. VII	Business and Economic Development	1,162.6	547.7	(614.9)	(52.9%)
Art. VIII	Regulatory	337.1	344.7	7.5	2.2%
Art. IX	General Provisions	-	4.5	4.5	NA
Art. X	The Legislature	400.8	387.3	(13.4)	(3.4%)
<b>Grand Total</b>		<b>\$108,111.4</b>	<b>\$106,726.9</b>	<b>(\$1,284.4)</b>	<b>(1.2%)</b>

Source: Legislative Budget Board, May 2017.

Notes: Includes supplemental spending adjustments in HB2, 85<sup>th</sup> Legislature, 2017. Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table and figure totals may not sum due to rounding.

# Higher Education Appropriations

**Higher Education**  
**SB1 General Revenue Appropriations for 2018-19**  
**Compared to 2016-17**  
**in millions**

	2016-17	2018-19	Change	%
General Academics/System Offices	\$4,965.4	\$5,011.3	\$45.9	0.9%
Health Related Institutions	2,810.8	2,855.0	44.2	1.6%
A&M System Agencies	365.3	357.1	(8.2)	(2.2%)
Two Year Institutions	1,976.8	1,987.9	11.1	0.6%
Coordinating Board	1,456.8	1,396.7	(60.0)	(4.1%)
Higher Education Group Insurance	1,377.9	1,412.2	34.3	2.5%
Optional Retirement Program	254.1	245.8	(8.3)	(3.3%)
Higher Education Fund	656.3	787.5	131.3	20.0%
Hazlewood Legacy Program	30.0	30.0	0	-
<b>Total, Higher Education</b>	<b>\$13,863.3</b>	<b>\$14,083.5</b>	<b>\$220.3</b>	<b>1.6%</b>

**Notes:**

Table does not include higher education portion of retirement (other than ORP) or social security benefits which are included in the statewide functional table at the beginning of the appropriations section of this report. The table includes supplemental spending adjustments in the 2016-17 base made in House Bill 2, 85<sup>th</sup> Legislature.

For General Revenue funds, higher education specific appropriations total \$14.1 billion, an increase of \$220.3 million or 1.6 percent. The comparable All Funds number is \$19.4 billion or an increase of \$161 million. Highlights of Higher Education funding are below followed by detailed funding decisions for each of the sectors of higher education.

The most significant area of funding in higher education are the funding formulas for the general academics, health related institutions and two year institutions. The higher education formulas total \$7.2 billion in General Revenue Funds and \$1.5 billion in General Revenue–Dedicated Funds, which are primarily statutory tuition and certain fees. For the 2018-19 biennium, the formulas as a whole were held flat in GR. However, although actual semester credit hour enrollments increased 5.3%, the general academic institutions’ formulas were reduced by \$47.7 million. Meanwhile the health related institutions’ formulas increased by \$20.2 million to cover the addition of two new medical schools, and the two year institutions’ formulas increased by \$24.7 million. Funding for special items was a significant

policy discussion throughout the session, particularly in the Senate where the Senate filed base bill eliminated all funding for special items. In FY 2016-17, a total of \$1.12 billion in General Revenue special item funding was appropriated. The final decisions of conference committee resulted in funding \$860 million in GR special items, a reduction of \$261 million (or 23.3% reduction) and renamed special items with the term “non-formula support items.” A rider was added to sunset all special/nonformula support items and study higher education funding, including non-formula support items and the formulas.

Other significant changes in higher education funding include:

- An increase of \$206.2 million to biennialize the debt service for projects that were authorized in the 84<sup>th</sup> Legislature but only one year of debt service was provided in the 2016-17 biennium.
- An increase of \$131.1 million to biennialize the increase to the Higher Education Fund (HEF) that was authorized by the 84<sup>th</sup> Legislature but only one year of the increase was appropriated in the 2016-17 biennium.
- \$180.8 million in hold harmless funds to mitigate losses to institutions from changes in formula funding and non-formula (special item) support.
- A decrease of \$129.6 million in research funds, including a 10 percent reduction in the three academic research funds and a \$103.1 million reduction in the Texas Research Incentive Program (TRIP).
- Funding for Higher Education Group insurance was reduced substantially for 2018-19.
- FTE caps were set based on a standardized methodology and are subject to increased scrutiny.

For the Texas A&M University System, appropriations including HEF allocations and Higher Education Group Insurance (HEGI) total \$2.3 billion in GR. The table below provides detail by system member of SB1 appropriations, including those made outside the direct bill pattern appropriations.



**Texas A&M University System**  
**General Revenue Appropriations in SB 1,**  
**including Direct Bill Pattern Appropriations and Appropriations Made Elsewhere**  
**2018-19 Biennium**

	SB1 Direct Approp.	Higher Ed Group Insurance	Higher Education Fund	Grand Total 2018-19
Texas A&M	\$592,145,227	\$71,530,727		\$663,675,954
Texas A&M @ Galveston	43,804,387	3,849,294		47,653,681
Prairie View A&M	96,751,399	10,930,081		107,681,480
Tarleton State	91,985,973	10,344,709		102,330,682
A&M - Central Texas	32,881,342	2,019,205		34,900,547
A&M - Corpus Christi	96,049,446	10,231,967	22,272,688	128,554,101
A&M - Kingsville	77,265,570	9,279,507	17,932,112	104,477,189
A&M - San Antonio	55,920,268	3,573,942		59,494,210
A&M International	62,697,071	5,714,575	13,419,820	81,831,466
West Texas A&M	66,236,102	9,637,727	14,328,816	90,202,645
A&M - Commerce	83,105,109	12,309,422	21,572,626	116,987,157
A&M - Texarkana	39,865,886	3,394,969	3,647,766	46,908,621
A&M Health Science Center	287,998,153	15,904,304		303,902,457
AgriLife Research	110,091,016	18,113,020		128,204,036
AgriLife Extension Service	88,109,046	27,074,416		115,183,462
Eng. Experiment Station	43,192,272	4,603,143		47,795,415
Transportation Institute	15,134,939	2,316,192		17,451,131
Engineering Extension Service	17,587,968	7,765,685		25,353,653
Forest Service	65,571,181	7,947,937		73,519,118
Vet. Medical Diagnostic Lab	17,386,122	974,050		18,360,172
A&M System Office	1,540,052			1,540,052
<b>Total, A&amp;M System</b>	<b>\$1,985,318,529</b>	<b>\$237,514,87</b>	<b>\$93,173,828</b>	<b>\$2,316,007,229</b>

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

**GENERAL ACADEMIC INSTITUTIONS/SYSTEM OFFICES**

Direct appropriations to the all general academic institutions and system offices total \$7.2 billion in All Funds and \$5.0 billion in General Revenue Funds. Overall General Revenue for the 2018-19 biennium for all general academics and system offices is up \$45.9 million or 0.9 percent from the 2016-17 biennium. The increase in funding is attributable to the additional tuition revenue bond (TRB) debt service required for two years of debt service for bonds passed by the 84<sup>th</sup> Legislature; excluding the TRB debt service, funding for the all academics and system offices is down \$94.8 million. These numbers do not include HEF or HEGI appropriations, which are appropriated separately.

There are several ways to consider the funding changes, and so multiple tables are included to highlight those differences. The table below provides the direct **total** General Revenue appropriations in each institution's bill pattern compared to the previous biennium for each of the Texas A&M University System General Academics and the System Offices.

**Texas A&M University System General Academics and System Offices**  
**SB1 Total Direct General Revenue Appropriations for 2018-19**  
**Compared to 2016-17**  
**(excluding HEF and HEGI)**

	2016-17	2018-19	Change	Percent
Texas A&M	\$572,988,347	\$592,145,227	\$19,156,880	3.3%
Texas A&M @ Galveston	41,099,806	43,804,387	2,704,581	6.6%
Prairie View A&M	96,626,526	96,751,399	124,873	0.1%
Tarleton State	83,449,506	91,985,973	8,536,467	10.2%
A&M - Central Texas	32,528,615	32,881,342	352,727	1.1%
A&M - Corpus Christi	97,811,832	96,049,446	(1,762,386)	(1.8%)
A&M - Kingsville	80,109,878	77,265,570	(2,844,308)	(3.6%)
A&M - San Antonio	55,165,607	55,920,268	754,661	1.4%
A&M International	67,004,837	62,697,071	(4,307,766)	(6.4%)
West Texas A&M	65,804,827	66,236,102	431,275	0.7%
A&M - Commerce	79,797,944	83,105,109	3,307,165	4.1%
A&M - Texarkana	38,563,587	39,865,886	1,302,299	3.4%
<b>Total, A&amp;M System Academics</b>	<b>\$1,310,951,312</b>	<b>\$1,338,707,780</b>	<b>\$27,756,468</b>	<b>2.1%</b>
A&M System Offices	\$1,711,172	\$1,540,052	(\$171,120)	(10.0%)

Once the tuition revenue bond debt service is excluded, the **net** General Revenue funds remaining are the funds available to the institutions for operations. Statewide, the net GR funding level for the General Academic Institutions and System Offices is \$94.8 million below the 2016-17 net GR level. The table on the following page includes the net General Revenue appropriations excluding tuition revenue bond debt service for the A&M System General Academics and the System Offices.

**Formulas and Special Items**

Beginning with the base bills, the House and Senate took different approaches to general academic funding. However, both base bills approached formula funding in the same manner by maintaining the 2016-17 Instruction and Operations rate of \$55.39 per weighted semester credit hour. However, due to the increase in the estimated General Revenue Dedicated funds (which is primarily statutory tuition), the General Revenue for the formulas decreased in the base bills by \$47.4 million.

**Texas A&M University System General Academics and System Offices**  
**SB1 NET General Revenue Appropriations for 2018-19**  
**Compared to 2016-17**  
**(excluding HEF, HEGI and TRB debt service)**

	2016-17	2018-19	Change	Percent
Texas A&M	\$561,735,060	\$575,384,322	\$13,649,262	2.4%
Texas A&M @ Galveston	28,925,382	26,964,168	(1,961,214)	(6.8%)
Prairie View A&M	82,084,483	83,415,591	1,331,108	1.6%
Tarleton State	66,367,915	70,400,561	4,032,646	6.1%
A&M - Central Texas	26,450,070	23,807,824	(2,642,246)	(10.0%)
A&M - Corpus Christi	80,636,616	76,026,640	(4,609,976)	(5.7%)
A&M - Kingsville	70,816,085	64,029,250	(6,786,835)	(9.6%)
A&M - San Antonio	45,022,552	40,539,576	(4,482,976)	(10.0%)
A&M International	49,448,691	45,380,213	(4,068,478)	(8.2%)
West Texas A&M	55,548,059	53,675,163	(1,872,896)	(3.4%)
A&M - Commerce	72,101,923	72,389,873	287,950	0.4%
A&M - Texarkana	24,349,950	24,364,131	14,181	0.1%
<b>Total, A&amp;M System Academics</b>	<b>\$1,163,486,786</b>	<b>\$1,156,377,312</b>	<b>(\$7,109,474)</b>	<b>(0.6%)</b>
A&M System Offices	\$1,711,172	\$1,540,052	(\$171,120)	(10.0%)

For special items, the Senate's base bill zero funded all special items. The House recommended reductions to special items as follows:

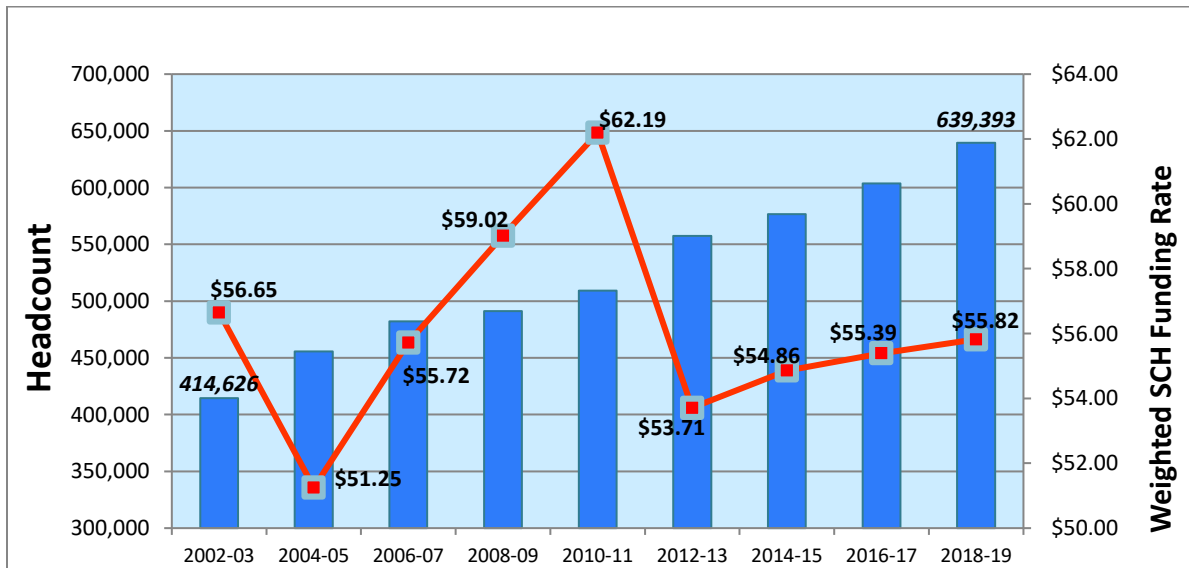
- The Legislative Appropriations Request (LAR) special item requested amounts were the starting point. The LAR instructions directed institutions to take a 4 percent reduction from all non-formula items, including special items. Institutions were allowed to allocate the reduction across their non-formula items based on individual institutional needs. Therefore, some institutions took the four percent across the board on all non-formula items, while others chose to eliminate or reduce some items more than others, resulting in differing reductions by individual special item.
- Then, the House reduced special items categorically by varying amounts from the LAR requested level.
  - Revenue neutral special items, including Small Business Development Centers and similar items, were reduced an additional 10 percent.
  - Items identified as downward expansion or formula funded items were reduced an additional 10 percent.
  - All other items with the exception of Institutional Enhancement were reduced an additional five percent.
  - Institutional Enhancement remained at the requested level.

- Items funded with General Revenue Dedicated funds or Other Funds were funded at the requested levels.

During the session, the House maintained this approach in their bill for both formulas and special items.

The Senate took a combined approach to formula and special item funding in their committee substitute bill. The Senate continued with their recommendation of eliminating all special items but reallocated \$325 million through the formulas for the general academics, Lamar state colleges and TSTC institutions so that all institutions would be appropriated between a 6 percent and 10 percent reduction as compared to the 2016-17 level of formula GR plus special item GR. The amount reallocated just to the academic institutions and system offices totaled \$299.2 million. Institutions with losses in excess of 10 percent were given one time “special item phase out” hold harmless funding. Institutions that because of increased formula funding driven by enrollment growth would not have otherwise been reduced by at least six percent had earned formula funding *taken away* as an “equity adjustment.” The end result was that the formulas were no longer an equitable distribution methodology but rather there were differing funding rates for different institutions, thus funding students at some institutions at a lower rate than similar students at other institutions. **Texas A&M University** was particularly impacted by this funding approach. As the institution with the lowest dollar amount and percentage of special item funding coupled with enrollment growth in the formulas, the Senate bill left A&M with a \$76 million reduction as their “equity adjustment” transfer to other institutions and a formula rate well below others’.

**General Academic Institutions  
Instruction and Operations Rate compared to  
General Academic Headcount\* Enrollments**



\*Headcount numbers are the statewide general academic fall headcounts in the base period used to determine formula funding for that biennium. 2018-19 is adopted rate in SB1.

The Conference Committee ultimately maintained the current formula funding methodology and provided equitable funding through the formulas for all institutions. This was higher education's highest priority. While overall General Revenue into the funding formulas decreased by \$47.7 million, the funding rate increased from \$55.39 to \$55.82 per weighted semester credit hour. (See the previous chart) The increased rate is due to the decision to maintain the level of GR even when accounting for the increase in statutory tuition projected by the LBB and the general contraction of the funding weights in the formula matrix. The funding rate for the Infrastructure formula decreased from \$5.62 to \$5.41 per predicted square foot. Due to the significant enrollment growth at certain institutions, the formula GR for A&M System institutions increased by \$11.7 million. Major increases are \$19.5 million for **Texas A&M University**, \$7.7 million for **Tarleton State University**, \$1.3 million for **A&M – Central Texas University** and \$2.8 million for **A&M – Commerce University**. System-wide, these increases were offset by formula losses at institutions that did not grow.

In the Senate process, increases to the Small Institution Supplement were contemplated, but ultimately the Small Institution Supplement methodology did not change. 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:** \$371,400
- **A&M – Central Texas:** \$1,500,000
- **A&M – Kingsville:** \$216,600
- **A&M – San Antonio:** \$1,357,800
- **A&M International:** \$783,000
- **West Texas A&M:** \$29,700
- **A&M – Texarkana:** \$1,500,000

The Texas Higher Education Coordinating Board's (THECB) formula recommendation to the Legislature included an outcomes funding proposal. Much like the 83<sup>rd</sup> and 84<sup>th</sup> Legislatures, there was little discussion regarding outcomes based funding as part of the appropriations process. However, there was a robust policy discussion in the Senate that linked outcomes based funding to tuition policy in Senate Bill 19 (Seliger), but the bill did not pass in the House.

During the legislative session, the Legislature directed the LBB to update the non-resident tuition rate to the actual authorized FY2018 rate and a revised projection for FY2019. This changed the rate to the THECB promulgated rate (published February 2017) of \$465 for FY2018 and \$478 for FY2019 compared

to LBB projections of \$474 and \$493 for FY18 and FY19 respectively. This reduced the amount of Other E&G in the formulas as compared to the base bill by \$15.2 million.

**Texas A&M University System  
Formula and Special Item Net General Revenue  
2018-19 compared to 2016-17  
(excludes HEF, HEGI, TRB debt service, research formulas, and Workers Compensation  
Insurance/Unemployment Compensation Insurance)**

	2016-17	2018-19	Change	% Change	Change including Hold Harmless	% Change
Texas A&M	\$483,991,072	\$502,402,666	\$18,411,594	3.8%	\$18,411,594	3.8%
Texas A&M @						
Galveston	28,404,059	26,273,680	(2,130,379)	(7.5%)	(2,130,379)	(7.5%)
Prairie View A&M	59,528,123	49,932,021	(9,596,102)	(16.1%)	(0)	0.0%
Tarleton State	65,120,089	69,300,048	4,179,959	6.4%	4,179,959	6.4%
A&M - Central Texas	26,422,454	23,030,964	(3,391,490)	(12.8%)	(2,642,246)	(10.0%)
A&M - Corpus Christi	78,397,889	73,488,169	(4,909,720)	(6.3%)	(4,909,720)	(6.3%)
A&M - Kingsville	68,374,353	48,053,873	(20,320,480)	(29.7%)	(6,837,435)	(10.0%)
A&M - San Antonio	44,975,785	37,176,344	(7,799,441)	(17.3%)	(4,497,579)	(10.0%)
A&M International	48,968,892	45,021,862	(3,947,030)	(8.1%)	(3,947,030)	(8.1%)
West Texas A&M	55,001,028	53,223,204	(1,777,824)	(3.2%)	(1,777,824)	(3.2%)
A&M - Commerce	71,599,998	71,894,673	294,675	0.4%	294,675	0.4%
A&M - Texarkana	24,334,568	18,219,399	(6,115,169)	(25.1%)	0	0.0%
<b>Total, A&amp;M System</b>						
<b>Academics</b>	<b>\$1,055,118,310</b>	<b>\$1,018,016,903</b>	<b>(\$37,101,407)</b>	<b>(3.5%)</b>	<b>(\$3,855,986)</b>	<b>(0.4%)</b>
Texas A&M System Offices	\$1,711,172	\$1,540,055	\$1,140,519	(33.3%)	-\$171,117	(10.0%)
<b>Statewide Total, All Academics/System Offices</b>	<b>\$3,166,141,952</b>	<b>\$3,488,028,389</b>	<b>(\$213,927,604)</b>	<b>(5.3%)</b>	<b>\$281,866,437</b>	<b>8.9%</b>

The bill pattern eliminates the term “special item,” and now refers to these line items as “Non-Formula Support” items. Additionally, these items are more clearly identified by category in the bill pattern by “objective” categories of Instructional Support, Research, Public Service and Institutional Support.

Non-formula items are cut by varied amounts with most reduced from the 2016-17 level by roughly one third. The following steps were taken to determine the reductions:

1. The House base bill served as the starting point for the conference committee decisions with varying reductions to different items depending on how the institution applied the four percent reduction in the LAR. This results in differing amounts of reductions to items as compared to 2016-17.
2. In making further special item reductions, the conference committee identified certain special items, based on work done during the Senate process, that were considered start up or eligible for formula funding and were initially funded prior to FY2010. These items were further reduced by 50 percent from the House level. This action generated approximately \$8 million total in reductions (see below).
3. A second reduction of \$8 million to total the same as the reduction above was made to all other special items, except those identified in #2 above. This reduction was applied across the board to institutions based on their revised special item total (after steps #1 and #2).
4. A final \$150 million across the board reduction was applied to all special items except those in #2.
5. Institutions that had a combined formula GR and special item GR and GRD reduction of greater than 10 percent received a hold harmless to keep their funding to 90 percent of the 2016-17 formula GR and GR/GRD special items total.
6. Some "targeted" special items were added (see below).
7. Finally, additional hold harmless was provided to some institutions. Some amounts restored institutions to 2016-17 levels, and others provided varying levels of hold harmless (see below).

The steps outlined above were applied to the non-formula support items for the general academic institutions, Lamar State Colleges and Texas State Technical College institutions. As a result of this reduction, the Texas A&M general academic institutions' non-formula support items decreased in total by \$48.8 million in General Revenue.

Items identified by the Senate as start up or eligible for formula funding that received a 50 percent reduction to the House Level (step #2 above) include:

- UT Arlington: Science Education Center
- UT Dallas: Science, Engineering, Math
- UT El Paso: Manufacture/Materials Management
- UT Rio Grande Valley: Cooperative Pharmacy Doctorate
- UT Rio Grande Valley: UT System K-12 Collaboration
- UT Tyler: Palestine Campus
- UT Tyler: Longview Campus
- **Prairie View A&M:** Honors Program
- **Tarleton State:** Agriculture Center
- **Tarleton State:** Tarleton Outreach
- **A&M Corpus Christi:** Center for Coastal Studies

- **A&M Kingsville:** King Ranch Institute for Ranch Management
- **A&M Kingsville:** PhD in Engineering
- **A&M Commerce:** Bachelor of Science Degree in Industrial Engineering
- **A&M Texarkana:** Academic Programs
- **A&M Texarkana:** Northeast Texas Partnership
- UH Victoria: Master Degree in Nursing
- UNT: Texas Academy of Math and Sciences
- Stephen F. Austin: Rural Nursing Initiative
- Texas Southern: Accreditation - Business
- Texas Southern: Accreditation - Education
- Texas Southern: Accreditation - Pharmacy
- Texas Southern: Thurgood Marshall School of Law
- Texas Tech: TTU Hill Country Educational Network
- Texas Tech: Junction Annex Operation
- Texas Woman's: Human Nutrition Development Program
- Texas Woman's: Online Nursing Education
- Texas Woman's: Texas Medical Center Library Assessment
- Texas Woman's: Center for Research on Women's Health
- Texas State: Round Rock Higher Education Center

Targeted items (step #6 above) that received funding over the standard reductions are itemized below:

Amounts shown below are amounts over the House level of funding because that is the amount that the conference committee had to add to the bill. Changes from the 2016-17 level are noted in parentheses.

- UT Austin: Marine Science Institute-Port Aransas, \$1,719,391 (\$1.4 million below 2016-17)
- UT Permian Basin: College of Engineering, \$1,165,284 (\$1.1 million over 2016-17)
- UT Rio Grande Valley: Economic Development, \$325,304 (\$271,464 over 2016-17)
- Texas Woman's University: Center for Women in Business, \$5,515,287 (\$5.1 million over 2016-17)

Those items that are newly funded items for the 2018-19 biennium and amounts over the 2016-17 level are listed below.

- **TAMU-Corpus Christi:** Lone Star Unmanned Aircraft System Center, \$7,000,000 (new)
- University of Houston: College of Pharmacy, \$10,000,000 (new)
- Texas Tech University: Veterinary Medicine, \$4,170,268 (new)
- Texas State University: Materials Application Research Center, \$5,700,000 (new)

**Hold Harmless** funding (step #5 above) is provided to institutions and system offices to ensure that no institution received a reduction in formula GR and special item GR and GRD funding of greater than 10 percent. Twenty-one entities receive the hold harmless funding, including three system offices.



Thirteen institutions are held to a ten percent reduction, including four institutions within the A&M System – **A&M System Offices, A&M Central Texas, A&M Kingsville, and A&M San Antonio**. Additional hold harmless is provided to several institutions (step #7 above). Five institutions – UT Austin, **Prairie View A&M, A&M Texarkana**, Texas Southern, and Angelo State University are held harmless to the 2016-17 level of funding. UNT is held to a seven percent reduction. University of Houston and Texas Woman’s University receive hold harmless but had an overall increase in formula and special item funding above the 2016-17 level of 3.5 percent and 8.9 percent respectively.

Finally – and significantly - the bill includes a provision in the Art. III Special Provisions (Sec. 62) directing a comprehensive study of all special items in higher education by a joint interim committee of the Legislature. Lieutenant Governor and Speaker are to name 5 members each by September 15, 2017. The committee “shall prepare recommendations for realignment and/or possible elimination of non-formula support items and improvements of formula funding for institutions of higher education.” The rider lists 11 different items that the committee may consider, but are not limited to, as quoted below:

1. Options to allocate any identified non-formula support item funding reductions into existing funding formulas;
2. Review options to phase out over multiple biennia non-formula support items for items that are determined to generate formula funding and determine a standard time frame when these items will expire;
3. Review start-up and downward expansion funding and determine a standard time frame when these items will expire and parameters for formulaic support;
4. Equity of funding among similar programs, considering the varying needs of the institutions based on size, mission, location, student body, and maturity of the institution or programs;
5. Realignment of existing non-formula support items into categories such as:
  - a. Instructional Support
  - b. Start-up and Downward Expansion
  - c. Institutional Enhancement
  - d. Research Support
  - e. Public Service
  - f. Healthcare Support
  - g. Trusteed Funds
  - h. General Revenue - Dedicated and Fee Funded Items
  - i. Economic Development
6. Funding alternatives based on the different categories of non-formula support items, including existing I&O, Research, and Infrastructure formulas or transfer to other state agencies;
7. The historical use of each item, whether and how to reflect such items in categories or formula, and duration of support;
8. Evaluate potential formula adjustments to institutions that are growing and institutions with static enrollment;
9. The effects of the compression of the General Academic Institutions' Instruction and Operations formula's cost-based weight matrix;

10. The effects of using actual data versus the use of statutory tuition estimates on the General Academic Institutions' formulas; and
11. Review options to allocate any identified non-formula support items for Public Community/Junior Colleges into outcomes-based formula funding.

The report is due on April 15, 2018, and shall be considered by the LBB and Governor's Office in developing the LAR instructions for the 2020-21 biennium.

### **Academic Development Initiative**

The Academic Development Initiative (ADI) funding for **Prairie View A&M** and Texas Southern was maintained at the \$12.5 million per year level of funding throughout the process and was not part of the non-formula support/special item discussion.

### **Research Funds**

The three general academic research funds – Texas Research University Fund (TRUF), Core Research Support (CRS) and Comprehensive Research Fund (CRF) – are reallocated based on updated research expenditure data, and overall funding is reduced by 10 percent for each fund. In addition, the \$8 million appropriated from the Emerging Technology Fund to the TRUF last session is not renewed. These actions result in a total \$34.4 million reduction compared to 2016-17 levels of funding. Funding decisions for these research funds are included in the institutions bill patterns for the three funds and are summarized as informational only in Art. III Special Provisions, Section 58 for the TRUF and CRF, and in Section 60 for the CRS. **Texas A&M University** received \$8.95 million less in the TRUF; however, A&M's share of the TRUF increases from 53.8 percent to 56.1 percent.

Other research funding is appropriated outside the institutions' bill patterns. Texas Research Incentive Program (TRIP) funding is appropriated to the THECB with the allocation detailed in Art. III, Special Provisions, Section 60. Funding for the TRIP decreased by \$103.1 million to \$35 million. 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). Estimated funding totals \$46.3 million, a decrease of \$6.2 million from the 2016-17 level. Funding for the Governor's University Research Initiative (GURI) is funded in the Governor's Office Trusted Programs bill pattern and will be granted based on meeting the criteria set out in the authorizing legislation. Funding for GURI is \$15.6 million, down from \$40 million in the 2016-17 biennium.

### **SYSTEM OFFICES**

General Revenue for system office operations is maintained at the 2016-17 base for those that receive operating funds – UH System, UNT System, Texas Tech System, and Texas State System. The UT and A&M Systems operational funding was zero funded in the 2016-17 biennium, and that policy continued. Special items at system offices are treated in the same manner as special items at the general academic institutions. The UT System received a new item, Stroke Clinical Research, for \$3,290,780.

## **HEALTH RELATED INSTITUTIONS**

Funding for the health related institutions totals \$3.2 billion in All Funds and \$2.9 billion in General Revenue Funds. General Revenue funding for the health related institutions increased by \$44.2 million for the 2018-19 biennium compared to the 2016-17 biennium. The A&M HSC had an overall increase in GR of \$12.2 million or 4.4 percent in *gross* GR. The increase in *net* GR, which adjusts for tuition revenue bond debt service, was a more modest \$2.1 million or 0.9 percent.

Funding is provided for the 10 legacy health related institutions that received formula funding in the 2016-17 biennium and for the new medical schools at UT Austin (Dell Medical School) and UT Rio Grande Valley. Funding for the Baylor College of Medicine is reflected in the Texas Higher Education Coordinating Board appropriations and is not included in the totals below except as noted specifically.

### **Health Related Institutions SB1 General Revenue Appropriations for 2018-19 Compared to 2016-17**

	<b>2016-17</b>	<b>2018-19</b>	<b>Change</b>	<b>% Change</b>
UT Southwestern Medical Center at Dallas	\$312,412,061	\$318,598,623	\$6,186,562	2.0%
UT Medical Branch at Galveston	530,386,694	525,799,220	(4,587,474)	(0.9%)
UT Health Science Center at Houston	339,793,209	348,607,147	8,813,938	2.6%
UT Health Science Center at San Antonio	269,119,967	271,530,638	2,410,671	0.9%
UT Rio Grande Valley School of Medicine	61,397,900	53,498,043	(7,899,857)	(12.9%)
UT M.D. Anderson Cancer Center	375,738,804	385,785,977	10,047,173	2.7%
UT Health Science Center at Tyler	92,912,552	86,183,300	(6,729,252)	(7.2%)
Texas A&M Univ Health Science Center	275,843,513	287,998,153	12,154,640	4.4%
Univ of North Texas Health Science Center	172,523,136	176,853,423	4,330,287	2.5%
Texas Tech Univ Health Sciences Center	248,592,456	257,978,316	9,385,860	3.8%
Texas Tech Univ Health Sciences at El Paso	132,024,747	130,767,009	(1,257,738)	(1.0%)
UT Austin Dell Medical School	-	11,382,043	11,382,043	n/a
<b>TOTAL - Health Related Institutions</b>	<b>\$2,810,745,039</b>	<b>\$2,854,981,892</b>	<b>\$44,236,853</b>	<b>1.6%</b>

## Formula

The health related formulas total \$1,828.3 million, an increase of \$22.3 million in General Revenue Funds over the 2016-17 biennium. Funding levels in the House bill were maintained at the 2016-17 GR funding levels, and UT Austin and UTRGV medical schools were funded at the resulting rate. The decisions in conference committee were based off these funding levels but incorporated spring updated data and funded all eligible residency positions as of September 1, 2016. The resulting funding levels are at or higher than the 2016-17 funding levels for the formulas, but the rates are decreased from the 2016-17 levels. General Revenue funding increases to the formula appropriations, excluding Baylor College of Medicine except where noted, include:

- \$1,099.6 million for the Instruction and Operations formulas, an increase of \$8.5 million and funded at a rate of \$9,431 per weighted FTSE.
- \$250.1 million for the Infrastructure formula, an increase of \$3.3 million and funded at a rate of \$6.11 per predicted square foot.
- \$80.6 million for the Research Enhancement formula, an increase of \$6.1 million and funded at a base rate of \$1,412,500 for each institution plus 1.16 percent of reported research expenditures.
- \$90.1 million for the GME formula, an increase of \$4.3 million resulting in a rate of \$5,824 per residency slot. This includes funding for residents at Baylor College of Medicine.
- \$323.2 million for the mission specific formulas for MD Anderson and UT Health Science Center Tyler, which is the same funding level as the 2016-17 biennium.

Three institutions, including UT Southwestern, UT Medical Branch at Galveston and UT Health Science Center at San Antonio, receive a combined \$35.3 million in hold harmless funding.

The **Texas A&M Health Science Center** received \$202.1 million in formula General Revenue; this is a \$11.9 million increase in formula General Revenue, or 6.3 percent increase. This compares to an overall formula GR increase for the health related institutions of 1.2 percent.

## Non-Formula

The starting point for non-formula funding decisions for the health related institutions is similar to that for the general academics. The House base bill contained varying reductions to different items depending on how the institution applied the four percent reduction in the LAR. The conference committee used the House base bill methodology as a starting point for further reducing special items in varying amounts by category of special item. This results in varying levels of reductions as compared to 2016-17. The final conference decisions for the health related institutions reduces all start up and formula funded special items that received funding prior to 2010 by an additional 10 percent. Special item funding for the health related institutions is reduced in total by \$77.5 million or 16.7 percent. For **Texas A&M Health Science Center**, this results in \$9.76 million in reductions to special items, or a 16.8 percent decrease in special item funding.

Like the general academic institutions, the special items for health related institutions are renamed “non-formula support items” and are categorized by LBB objective in the bill pattern. Non-formula items for the health related institutions are also subject to the interim study in Art. III, Special Provisions, Section 62.

Non-formula items that receive the additional ten percent reduction from the House level of funding include:

- UT Southwestern Medical Center: Primary Care Residency Training
- UT Medical Branch – Galveston: Primary Care Physician Services
- UT Health Science Center – Houston: Regional Academic Health Center – Public Health
- UT Health Science Center – San Antonio: Regional Campus – Laredo
- UT Health Science Center – Tyler: Family Practice Residency Training
- **Texas A&M Health Science Center:** College Station, Temple, and Round Rock Medical Education
- **Texas A&M Health Science Center:** Irma Rangel College of Pharmacy
- Texas Tech Health Science Center: Family – Community Medicine Residency
- Texas Tech Health Science Center: Medical Education – Odessa
- Texas Tech Health Science Center: Midland Medical Residency
- Texas Tech Health Science Center: Physician Assistant Program
- Texas Tech Health Science Center – El Paso: Border Health – Resident Support
- Texas Tech Health Science Center – El Paso: South Texas Border Region Health Prof. Education

Two institutions had other reductions to certain items. The UT Rio Grande Valley Medical School is reduced in addition to the standard reductions for other non-formula support items. The item is \$13.3 million below the House level of funding, a 24 percent reduction, and \$19.4 million below the 2016-17 level. The UT Health Science Center – Tyler’s Northeast Texas Initiative item is zero funded in their bill pattern; however, a rider in the THECB directs the THECB to contract with UT HSC-Tyler and Texarkana College for \$2.5 million each for the biennium.

Targeted items that received funding over the standard reductions are itemized below. Amounts shown are the amounts over the House level of funding to show what the conference committee added to the bill. The changes from 2016-17 are shown in parentheses:

- UT Health Science Center San Antonio: Barshop Institute for Aging Studies, \$5,000,000 (\$4.8 million over 2016-17)
- UNT Health Science Center: DNA Laboratory, \$1,649,818 (\$1.3 million over 2016-17)
- Texas Tech Health Science Center: Paul Foster School of Medicine, \$1,539,968 (\$6.1 million below 2016-17)

See the THECB section for actions related to graduate medical education expansion and other programs that impact the health related institutions.

## TEXAS A&M UNIVERSITY SYSTEM AGENCIES

Overall, total General Revenue for the A&M Agencies is down by \$0.7 million or 0.2 percent. In addition, the Texas A&M Forest Service received \$7.5 million in HB2, the supplemental appropriations act, for reimbursement for emergency response to be paid in FY17.

Changes in appropriations to the A&M Agencies include maintaining the In-Brazos County infrastructure funding for all agencies at the general academic rate, an increase of approximately \$1.4 million. The four percent GR reduction that was directed in the LAR process and included in the base bills remains reduced and totals approximately \$10.7 million. The additional changes specific to each agency are detailed below:

- **AgriLife Research:** Eliminate Feedyard Beef funding, (\$797,678)
- **AgriLife Extension**
  - New program: Surplus Agricultural Products Grant program (Brighter Bites), \$1,185,176
  - Maintains the Adult Leadership Development programs that were eliminated in the Senate version plus receive an additional \$320,000 for leadership programs, including 4H.
  - Receives \$900,000 for Feral Hog Abatement program that is transferred from Texas Department of Agriculture
  - The Healthy Texas rider in the A&M Health Science Center included language to name AgriLife Extension as a partner.
- **TFS:** restores \$11.5 million of the \$23 million cut in the base bills for the rural Volunteer Fire Department grant program
- **TVMDL:** Authorization to refinance College Station lab debt service to replace the Amarillo lab
- **TEES**
  - Includes second year of debt service for the Center for Infrastructure Renewal, an increase of \$5 million
  - Receives an additional \$1,888,744 for the Nuclear Power Institute
  - Removes the unexpended balances associated with the 2014-15 Prevention of Wildfires Caused by Powerline project since the project has been completed.
- **TEEX:** Receives an additional \$2 million for Texas Task Force 2
- **TTI:** Eliminates funding for the Policy Research Center, (\$3,168,000)

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** is eliminated from the Texas Department of Agriculture (TDA) bill pattern; 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.

**Texas A&M University System Agencies  
SB1 General Revenue for 2018-19  
Compared to 2016-17**

<b>TAMUS Service Agencies</b>	<b>2016-17</b>	<b>2018-19</b>	<b>Change</b>	<b>% Change</b>
Texas A&M AgriLife Research	\$113,345,358	\$110,091,016	(\$3,254,342)	(2.9%)
Texas A&M AgriLife Extension Service	89,042,817	88,109,046	(933,771)	(1.0%)
Texas A&M Eng. Experiment Station	38,548,088	43,192,272	4,644,184	12.0%
Texas A&M Transportation Institute	18,726,819	15,134,939	(3,591,880)	(19.2%)
Texas A&M Engineering Extension Service	15,795,342	17,587,968	1,792,626	11.3%
Texas A&M Forest Service	64,395,488	65,571,181	1,175,693	1.8%
Texas A&M Vet. Medical Diagnostic Lab	17,948,842	17,386,122	(562,720)	(3.1%)
<b>TOTAL - TAMUS Service Agencies</b>	<b>\$357,802,754</b>	<b>\$357,072,544</b>	<b>(\$730,210)</b>	<b>(0.2%)</b>
Texas A&M Forest Service – HB2 Supplemental	\$7,450,427			

**FTE CAPS**

FTE levels and compliance with Art. IX, Section 6.08, Limitation on State Employment Levels, became an issue during the interim following the 84th Legislative Session. For many years, FTE levels were set in the base bill based on historical FTE levels and caps, and very few adjustments were made during the appropriations process, even when significant new funding was added. This resulted in FTE caps that often were not aligned with actual FTE levels during the biennium but would get reset with the next base bill. During the interims, institutions would request to exceed the caps as required by Art. IX, but no approvals or disapprovals were issued by the Legislature. However, during the interim following the 84th Legislative Session, this process got called into question particularly for institutions of higher education. As required by Section 6.08, institutions submitted letters to exceed the FTE limitations for FY2016 and FY2017. In October prior to the opening of the legislative session, the Lt. Governor sent a letter to institutions of higher education to notify that he would not approve any higher education request to increase FTE authorizations for FY2017 and that institutions would have to work through the legislative process on the issue.

The LBB, in their budget recommendations and subsequently in the base bills, proposed a new methodology for determining the recommended FTE caps for universities and health related institutions. The LBB used the institutions' FY2016 FTE numbers reported in the LARs as the starting point for determining the FTE cap. Then, for every \$100,000 change in recommended formula and special item GR compared to the 2016-17 biennium for the general academics (\$250,000 for the health

related institutions), the cap was adjusted up or down by 1 FTE. Reductions were capped at no more than 40 percent of the 2016 base. This resulted in FTE caps that were generally lower than actual levels in House base bill and significantly lower than actual levels in the Senate base bill. Additionally, in the Senate base bill, the Art. IX section was amended to eliminate both the ability to exceed the cap by the lesser of 50 FTEs or 10 percent and the process to request permission to exceed the FTE cap. The House retained both those provisions in their base bill.

During the session, adjustments to the methodology were made to account for changes in formula GR Dedicated funding levels and special item GR Dedicated funding levels in the FTE caps. This added FTEs to most institutions caps, but many were still below actual FTE levels due to reductions in funding or because the cap reported in the LAR was not a good estimate of the final FTE levels for FY16. This was the methodology adopted for the general academics and health related institutions. In addition, the Art. IX section retained the authority to exceed the cap by the lesser of 50 FTE or 10 percent and the process to request permission to exceed the FTE limitation.

The A&M System succeeded in preserving the System Office cap by excluding changes (reductions) in GR special item funding because the special items are all pass through funds and all System Office FTEs in the cap are paid from AUF. The resulting cap is what was reported in the LAR for FY16 actual FTEs.

For the A&M System Agencies, FTE caps were either based on historical caps or adjusted when the historical caps were significantly different than actual FTE levels. The resulting FTE caps are higher than FY16 actual FTE levels as reported to the SAO for all agencies except for **AgriLife Extension** and **Texas A&M Transportation Institute**.

#### **TEXAS HIGHER EDUCATION COORDINATING BOARD**

The General Revenue budget for the Texas Higher Education Coordinating Board (THECB) totals \$1,396.7 million, a decrease of \$60.0 million. Key changes to programs that directly impact institutions include:

##### **Financial Aid**

Financial aid programs funded through the Texas Higher Education Coordinating Board are increased by \$20.8 million in General Revenue. While the TEXAS Grant program increases substantially, funding is reduced for many other programs, primarily to cover renewal students only. The changes by program include:

- Increase of \$71.5 million in General Revenue for the TEXAS Grant program to fund 92 percent of the anticipated need
- Increase of \$2 million for the Texas Equal Opportunity Grants (TEOG) – Community Colleges
- Decrease of \$20.5 million for the Tuition Equalization Grants
- Decrease of \$11.5 million for the B-on-Time program for private institutions
- Decrease of \$15 million for the Top 10 Percent Scholarship program
- Decrease of \$2.7 million for the Texas Armed Services Scholarship program
- Decrease of \$0.5 million for the Educational Aide Program



- Decrease of \$1.75 million for the Teach for Texas Loan Repayment Program (program eliminated)
- Decrease of \$0.75 million for the Border Faculty Loan Repayment program (program eliminated)

### **Health Programs**

- \$44 million in new funding for Graduate Medical Education Expansion
- \$6.78 million decrease for the Family Practice Residency Program
- \$13.75 million decrease for the Professional Nursing Shortage Reduction Program
- \$8.75 million decrease for the Physician Education Loan Repayment Program
- \$7 million decrease for the Mental Health Professionals Loan Repayment Program
- \$5.7 million decrease for the Joint Admission Medical Program
- \$2.1 million decrease for the Primary Care Innovations Grants (program eliminated)

### **Research**

- \$103.1 million decrease in All Funds for the Texas Research Incentive Program. It is funded at \$35 million for the 2018-19 biennium.

## **CONSTITUTIONAL / PERMANENT FUNDS**

### **Available University Fund**

Estimated earnings distributed to the Available University Fund are anticipated to be \$1,800.5 million, an increase of about \$87.2 million from the 2016-17 base.

### **Higher Education Fund**

The 84<sup>th</sup> 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 85<sup>th</sup> Legislature provides the second year of that increase, or an additional \$131.25 million for the 2018-19 biennium. The A&M System's six HEF-eligible institutions receive \$15.2 million more in HEF funding due to the second year of the HEF increase.

### **Support for Military and Veteran Exemptions**

This appropriation bill pattern includes both the funding from the Permanent Fund Supporting Military and Veterans Exemptions (MVE) and the General Revenue that previously was appropriated to the Texas Veterans Commission for the Hazlewood Legacy Program (HLP).

- For the 2018-19 biennium the amount appropriated to the MVE is estimated to be \$17.3 million, a decrease of \$12.1 million from the 2014-15 biennium in Other Funds. The estimated distribution rate from this fund was 4.5 percent for FY16 and the rate is reduced to 3.5 percent for fiscal years 2017 to 2019 due to lower expected market returns in the coming decade. The reduced rate for the 2018–19 biennium results in a \$2.8 million decrease of estimated appropriations from the MVE as compared to the 2016–17 biennium. The Legislature provides unexpended balance authority both between fiscal years and between biennia for the MVE appropriations.

- The appropriation for the HLP remains at the same level, \$30 million in General Revenue. This is the funding that was appropriated to Texas Veterans Commission for the program last biennium and is now moved to this funding bill pattern.

### **Available National Research University Fund**

Estimated funding totals \$46.3 million, a decrease of \$6.2 million from the 2016-17 level. The NRUF funding is allocated by a formula based on the earnings in the fund and number of eligible institutions. 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) may become eligible to receive NRUF distributions in fiscal year 2019 if it maintains performance levels for the various criteria.

## **BENEFITS**

### **Higher Education Group Insurance**

Higher Education Group Insurance (HEGI) contributions total \$1,412.2 million, an increase of \$34.3 million over 2016-17. The increase is due to an increase of \$46.1 million for community college group insurance which is required by statute to be funded at 50 percent of the full ERS rates. Higher education (non-community college) is down overall by \$11.9 million. Funding for the **Texas A&M University System** totals \$237.5 million, which is a decrease of \$1.5 million over the 2016-17 base.

The Legislature added a rider to the Employees Retirement System that directs ERS to save \$35 million All Funds, and \$21.9 million in GR to the HealthSelect of Texas network administered by ERS, by reducing the contracted provider rates with Health Related Institutions that receive state appropriations. Of the GR savings, \$11.8 million was allocated to the ERS-Higher Education share of the ERS health insurance program, excluding community colleges.

Higher education employees within the Employees Retirement System group health insurance program are funded at 74.7 percent, down from 89.2 percent, of ERS general state employee premium rates; higher education employees within the University of Texas and **Texas A&M University Systems** are funded at 74.3 percent, down from 86.8 percent, of ERS rates. Prior to the 2012-13 reductions, higher education employees' group insurance and the University of Texas and Texas A&M University System employees were funded at 97.5 and 95 percent respectively.

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. 17.03). UT System and **A&M System** institutions are exempt because they fund their own insurance programs.

### **Retirement Benefits**

**Teachers Retirement System:** The state contribution rate for the teacher retirement program remains at 6.8 percent in both years of the biennium. Employee contributions remain at the FY17 level of 7.7 percent.

**Optional Retirement Program:** The state contribution rates are 6.6 percent in both years of the biennium.

## Article III Special Provisions

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

### Amended Sections

Sec. 4. **Transfer Provisions. 1. Intercomponent Transfers.** Expands transfer authority to include schools of medicine due to the addition of medical schools at The University of Texas at Austin and The University of Texas Rio Grande Valley.

Sec. 5. **Salary and Benefit Provisions. 7. Administrative Accountability.** Deletes the section that requires institutions to make copies of their administrative accountability reports available in their libraries.

Sec. 26. **General Academic Funding.** Aligns with formula funding decisions for the General Academic Institutions.

Sec. 27. **Health Related Institutions Funding.** Aligns with formula funding decisions with formula funding decisions for the Health Related Institutions.

Sec. 39. **Appropriations of Funds from the Permanent Health Fund for Higher Education.** Updates the distribution amounts, as well as includes an automatic approval process unless disapproved by the LBB within 30 business days.

Sec. 42. **Limitation on Use of Funds.** Deletes section that contained reporting requirement due to the elimination of the statutory reporting requirement by SB 5, Eighty-fourth Legislature.

Sec. 46. **Report Concerning Designated Tuition.** Removes an outdated reference to the Legislative Oversight Committee on Higher Education.

Sec. 55. **Diversity of Student Body at National Research Universities.** Requires UT and A&M to comply with the US Constitution and the Texas Constitution in determining admissions decisions and in adopting any institutional policy.

Sec. 57. **Texas Collegiate License Plates.** Provides unexpended balance authority from fiscal year 2017 to fiscal year 2018.

Sec. 60. **Emerging Research Universities Research Funding.** Provides unexpended balance authority from fiscal year 2018 to fiscal year 2019 to institutions with funding for Core Research Support.

Sec. 62 **Non-Formula Support Items and Formula Study.** Directs a joint interim committee to prepare recommendation for realignment and /or possible elimination of non-formula support items and improvements of formula funding for institutions of higher education.

#### Deleted Sections

Sec.16. **Compliance with Uniform Recruitment and Retention Strategy.** Rider deleted due to the repeal of the statutory requirement by SB 5, Eighty-second Legislature, Regular Session.

Sec. 45. **Program to Encourage Certification to Teach Bilingual Education, English as a Second Language, or Spanish.** This provision was deleted from Special Provisions and moved to the Texas Higher Education Coordinating Board bill pattern.

Sec. 47. **Contingent Appropriations for Small Business Development Centers.** Rider deleted to align with decision to fund items with General Revenue that had previously been contingent on revenue certification by the Comptroller of Public Accounts.

Sec. 64. **Contingency for House Bill 100.** Rider deleted due to the contingency being met.

Sec. 66. **Contingency for Senate Bill 778.** Rider deleted due to the bill not being enacted by the Eighty-fourth Legislature.

# Article IX – General Provisions

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

**Sec. 2.01 Position Classification Plan.** Adds multiple classified positions, updates existing position titles to better fit the encompassing responsibilities, and eliminates lowest pay group on the Schedule A classification salary schedule.

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

**Sec. 6.08 Benefits Paid Proportional by Fund.** Amends to clarify existing practice that benefits are proportional to fund type not to salaries. Itemizes funds not subject to proportionality, including but not limited to appropriations for capital purposes, appropriations with salary restrictions, deficiency grant appropriations, emergency appropriations, and statutorily restricted funds that restrict or limit the use of funds to certain programs, and gives the Comptroller final determination on the exclusion of funds. For institutions of higher education, the section authorizes the adjustment for the local funds benefits.

**NEW 6.25 Limitation on Abortion Funding.** Restricts use of appropriated funds for abortion procedures under specified circumstances.

**NEW 6.26 Policies for Certain Hospital Stays.** Directs the Health and Human Services Commission to establish policies that do not permit hospital stays to be classified as inpatient or outpatient for the purposes of reimbursement based solely on duration of the stay.

**Sec. 7.04 Contract Notification: Amounts Greater than \$50,000.** Amends existing section to include "revenue generating contract" and "amendment, modification, renewal or extension which increases" the value of the contract to \$50,000 or greater in the definition of "contract" and change contract reporting date. Amends to include requirement that state agencies or institutions of higher education report a contract under this section, including a contract for which only non-appropriated funds will be expended. Authorizes the LBB to conduct reviews of contracts required to be submitted under this section and valued at \$1 million or more. Directs state agencies or institutions of higher education to provide notice when amendments to a contract exceed 10 percent.

**7.10 Reporting Requirement for Deepwater Horizon Oil Spill Funds.** Amends existing section to allow agencies that have completed all activities related to the Deep Water Horizon Oil Spill to cease further reporting.

**7.11 Border Security.** Amends an existing section to require the reporting of certain border security expenditures and other information by the Office of the Attorney General and the Soil and Water Conservation Board in addition to currently reporting entities.

**7.12 Notification of Certain Purchases or Contract Awards, Amendments, and Extensions.** Amends an existing section to be consistent with technical changes made to Section 7.04 and add documents required to be submitted to the LBB.

**7.12 Notification of Certain Purchases or Contract Awards, Amendments, and Extensions.** Changes notification timelines, defines what must be included in the notification, includes requirement that state agencies or institutions of higher education report a contract under this section, including a contract for which only non-appropriated funds will be expended, and authorizes LBB to recommend enhanced monitoring.

**NEW 7.14 Emergency Leave Report.** Adds a new section to require each state agency to adopt a policy governing emergency leave and to report to the CPA instances in which an employee has been granted more than 32 hours of emergency leave during a fiscal year. Additionally, the CPA shall adopt a uniform system for state agencies to track and report emergency leave.

**NEW 7.15 Reporting of Employee Agreements.** Requires agencies to report to LBB after executing an employee severance agreement of \$1,000 or more in value.

**NEW 7.16 Document Production Standards.** New provision that directs state agencies to review document production protocols to not waste paper.

**8.14 Cost Recovery of Application or Testing Fees.** Minor wording changes.

**9.01 Purchase of Information Resources Technologies.** Amends existing section to provide detailed restrictions for QAT oversight of agency contracts and also provide for agencies consideration of cloud computing options.

**9.02 Quality Assurance Review of Major Information Resources Projects.** Amends existing section to require the notification of submission of RFP or similar processes and the notification of award of vendor solicitations of \$10 million or more for QAT review. Also allows QAT to require project demonstration to determine if the project is functioning as intended.

**9.04 Information Technology Replacement.** Amends existing section to expand the coordination of bulk information technology purchases to include cyber security, telecommunications, and network equipment.

**9.07 Payments to the Department of Information Resources.** Amends existing section to revise current fund balance caps to provide revenue-based calculations for the Telecommunications Revolving

Account and Statewide Technology Account and add a cap for the new Statewide Network Applications Account to correspond with recommended appropriation of Texas.gov revenues to DIR for operation of the online portal.

**DELETE 9.11 Cybersecurity Initiatives.** Deletes existing section.

**NEW 9.12 Report of Information Technology (IT) Infrastructure.** Adds new section to require DIR to collect information from each state agency on the status and condition of the agency's IT infrastructure, including: disaster recovery and business continuity plans; servers, mainframes, and other IT equipment; and identification of vendors who operate IT infrastructure.

**10.04 Statewide Behavioral Health Strategic Plan and Coordinated Expenditures.** Provides additional guidance and reporting requirements.

**10.06 Analysis of Certain Healthcare Data.** An update of Section 18.07 from the 84th Legislature to require certain agencies to develop recommendations and a comprehensive plan for an integrated health care information system to be used to compare data related to health care systems funded by appropriations

**NEW 10.07 Cross-Agency Collaboration on Value-based Payment Strategies.** Directs HHSC, ERS, and TRS to develop and implement value-based payment strategies.

**11.08 Information for Joint Oversight Committee on Government Facilities.** An update of Section 18.10 from the 84th Legislature to require state agencies to notify the Joint Committee on Government Facilities of changes in needed space.

**NEW 12.05 Vehicle Fleet Maintenance and Repair.** New provision that allows state agencies and institutions to use the most cost effective means for vehicle repairs including interagency agreements.

**13.02 Report on Additional Funding.** Adds Chair of the House Select Committee on State and Federal Power and Responsibility.

**16.04 Judgments and Settlements.** Amends existing section to limit an agency's liability to an amount not to exceed one percent of the total amount of funds appropriated by the GAA for each judgment or settlement in a fiscal year.

**DELETE 17.03 Interagency Contract to Coordinate Use of PARIS Data to Assist Veterans and Achieve Savings.** Deletes existing section as it has been codified in Section 531.0998 of the Government Code.

**DELETE 17.05 Appropriation for Salary Increases for Certain State Employees in Salary Schedule C.** Deletes existing section as the salary increases have been incorporated into Schedule C.

**17.08 Use of the Sporting Goods Sales Tax Transfer to the General Revenue-Dedicated State Parks Account No. 64.** Formerly Section 18.08.

**NEW 17.09 Reporting Requirement for Funds Held Outside the Treasury.** Adds new section to require the LBB and CPA jointly to prepare a report on funds held outside the treasury. Higher Education is not included in this reporting requirement.

**NEW 17.10 Contract Cost Containment.** New provision directs all state agencies and institutions of higher education to find savings in contracted goods and services. Lists specific strategies and restrictions related to contracting and directs report to the LBB and Governor that details strategies implemented, savings realized and any other information required. Specifies appropriation reductions for certain state agencies, totaling \$34 million.

**NEW 17.11 Tax Amnesty.** New provision states that \$46.1 million of appropriations are contingent upon the Comptroller establishing a limited duration tax amnesty program as provided by statute. This section produces \$46.1 million GR above the Comptroller's January 2017 Biennial Revenue Estimate (BRE).

**NEW 17.12 Accelerated Sale of Unclaimed Securities.** New provision states the \$500 million in appropriations are contingent upon the Comptroller's sale of unclaimed securities in order to increase GR above the Comptroller's January 2017 BRE.

**NEW 17.13 Border Security Report.** Directs LBB and DPS to assess the impact of any enhanced federal border security efforts and develop recommendations to integrate federal and state border security efforts.

**NEW 17.14 Identifies State Agency Deferred Maintenance Needs.** Provides information listing of amounts appropriated for deferred maintenance projects for the 2018-19 biennium. Provide UB authority between years of the biennium.

**NEW 17.15 Informational Listing of Program Funding.** Directs LBB to produce and information report on SB1 appropriations that allocates 2018-19 biennial funding to the program level.

**NEW 17.16 Informational Listing of Certain Appropriations.** Provides informational listing of appropriations made from the Economic Stabilization Fund, totaling \$988.9 million.



# Bill Facts

## Legislation Filed & Passed

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

83 <sup>rd</sup> Legislative Session				85 <sup>th</sup> Legislative Session		
Type	Filed	Passed	%	Filed	Passed	%
HBs	4207	818	19.4%	4333	700	16.2%
HJR	133	2	1.5%	111	3	2.7%
SBs	2069	504	24.3%	2298	511	22.2%
SJR	67	5	7.4%	58	6	10.3%
<b>TOTAL</b>	<b>6476</b>	<b>1329</b>	<b>20.5%</b>	<b>6800</b>	<b>1220</b>	<b>17.9%</b>

## 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 **2,481 bills, or 36.5% of all the bills that were filed.** The Task Force members provided analyses for **612 of these tracked bills.**

Without the support and assistance of all the individuals who serve on 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.

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## 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.

### TAMUS Health Science Center

**HB 62 by Craddick/Zaffirini – Relating to the use of a wireless communication device while operating a motor vehicle.** This bill prohibits the use of a wireless communication device for messaging while operating a motor vehicle in order to address the risks associated with distracted driving. It establishes that an operator of a motor vehicle commits a criminal offense “if the operator uses a portable wireless communication device to read, write, or send an electronic message while operating a motor vehicle unless the vehicle is stopped.” The bill provides for exceptions in cases of use of a wireless device with a “hands-free device,” for use in an emergency situation, to activate a function that plays music, or for navigation with a GPS system. It requires that the exam taken by applicants for a license “include knowledge of the effect of using a wireless communication device” and other possible distractions upon safe driving. The Texas DOT is required to post signage about the prohibition and possible fine at each entrance of an interstate highway or U.S. highway to the state. It prohibits persons under 18 from using a device *in any way* while operating a vehicle, except in cases of emergency. Officers who stop a motor vehicle for a violation are prohibited from “taking possession of or otherwise inspecting” the wireless device of the vehicle operator unless otherwise authorized by law. This newly established violation constitutes a misdemeanor, but drivers cannot have points assigned to their license for conviction.

**HB 280 by Howard/Buckingham – Relating to a grant program for reducing workplace violence against nurses.** This bill seeks to reduce the severity and frequency of workplace violence against nurses and to alleviate the trauma of these events by providing grants to hospitals and other health facilities. Grant recipients must file periodic reports describing the outcomes of the approach or activities funded through the grant, including changes in the severity or frequency of verbal and physical violence against nurses. The bill requires the nursing advisory committee to serve in an advisory capacity for the program and for the Department of State Health Services (DSHS) to provide administrative assistance to the nursing resource section in administering the grants. The executive commissioner of the Health and Human Services Commission (HHSC) will adopt rules to implement the program, including rules concerning the submission and approval of grant requests and reporting procedures for recipients. The bill also requires the nursing resource section to publish an annual report describing the grants awarded and the amount, purpose, and reported outcome of the adopted approach for each grant recipient.

**HB 281 by Howard/Huffman – Relating to establishing a statewide electronic tracking system for evidence collection kits used to collect and preserve evidence of a sex offense.** This bill seeks to address the backlog of untested sexual assault evidence collection kits in the state and to ensure that survivors of sexual violence have access to information about the status and analysis of their evidence kits. It details the implementation of a statewide tracking system of evidence collected following a sexual assault for use by healthcare facilities, crime laboratories, law enforcement, prosecutors, and survivors of a sex offense. Survivors of sexual assault and employees at these entities will be able to track the location and status of a kit from initial collection in a forensic medical setting until its destruction following laboratory analysis. Records entered into the tracking system are confidential except to the survivor and employees of entities participating in the tracking system. DPS employees or employees of participating entities may not release information to parent or guardian of a survivor if that person is known to be a suspect in the offense.

**HB 2561 by S. Thompson/ V. Taylor – Relating to the continuation and functions of the Texas State Board of Pharmacy.** This bill enacted the recommendation of the Sunset Advisory Commission that the Texas State Board of Pharmacy (TSBP) continue for 12 years. There are several changes from current law contained in the legislation. First, the bill amends the law to require pharmacists to search the Prescription Monitoring Program database before dispensing certain controlled and addictive substances. It also requires pharmacists to enter dispensing information in that database within one business day of dispensing controlled substances. The bill also states that “a pharmacist has the exclusive authority to determine whether or not to dispense a drug.” It authorizes the TSBP to use proactive electronic notifications to highlight potentially dangerous prescribing and dispensing patterns. It also allows the TSBP to “develop guidelines identifying patterns that may indicate” a specific patient who is engaged in drug abuse or drug diversion and to send a prescriber or dispenser an electronic notification regarding the potential issue. The bill includes multiple new requirements related to pharmacy technicians, including the development of continuing education standards for pharmacy technicians by the TSBP and a system of graduated penalties for late renewal of pharmacy technician certifications. The bill also includes specific provisions for the creation of guidelines regarding the prescription of opioids, benzodiazepines, barbiturates, and carisoprodol; it requires any “regulatory agency that issues a license, certification, or registration to a prescriber” to disseminate guidelines for the prescription of these substances and to monitor for “potentially harmful prescribing patterns.” The bill also includes provisions for the donation and safe distribution of prescription drugs. Finally, as a result of an amendment added on the Senate floor, the bill clarifies the law relating to the location of the Rangel College of Pharmacy. The Education Code will now require the college to be known as Texas A&M University System Health Science Center Irma Lerma Rangel College of Pharmacy and the primary building where the school is operated to be located in Kleberg County.

**SB 8 by Schwertner/Burkett – Relating to certain prohibited abortions and the treatment and disposition of a human fetus, human fetal tissue, and other tissue resulting from pregnancy.** This bill defines and bans partial-birth abortions, which are banned in federal statute but has not yet been codified in state statute. This does not apply to partial-birth abortions performed to save the life of the

mother. It prohibits the donation of human fetal tissue acquired as a result of an elective abortion. Authorized medical facilities are only allowed to donate fetal tissue from non-elective abortions with the “informed consent of the woman from whose pregnancy the fetal tissue is obtained.” In addition, this tissue may only be donated to accredited public institutions of higher education or teaching hospitals. Authorized facilities must report all instances of fetal tissue donation to the Department of State Health Services (DSHS), keep records of informed consent for at least seven years, and keep records of which universities receive fetal tissue donations. The bill also creates a criminal offense for the receipt of any payment exchanged for human fetal tissue and prohibits the offering of incentives to undergo an abortion procedure or donate fetal tissue. It also requires physicians to certify that nothing was altered in terms of timing, method, or procedure to terminate the pregnancy in order to obtain the tissue. The bill does not relate to fetal tissue obtained for diagnostic or pathological testing, criminal investigation, or for the disposition of human remains. It specifies that the placenta and umbilical cord are considered human tissue, not fetal tissue, and can be donated with restriction along with umbilical cord blood. The bill also defines and prohibits dismemberment abortions unless “necessary in a medical emergency” and creates a criminal offense. In addition, physicians must submit monthly reports on each abortion they perform through an electronic system established by DSHS. The department must publish a monthly report on its website of aggregate data from these reports.

**SB 1066 by Schwertner/Lozano – Relating to meeting the graduate medical education needs of new medical degree programs offered by public institutions of higher education.** This bill requires that all new M.D. and D.O. programs create a residency program with enough first-year positions to accommodate the number of medical graduates it produces per year. The purpose of this requirement is to retain more medical graduates within the state of Texas. It includes a provision to provide limited liability for medical residents employed by a state-sponsored medical residency program, which would confirm that sovereign immunity applies whether a resident is located in hospital or clinic that is public or non-profit.

**SB 1107 by Schwertner/Price – Relating to telemedicine and telehealth services.** This bill allows a face-to-face consultation to no longer be required following a telemedicine service if the physician has never seen that patient before. It defines a valid patient-practitioner relationship for a telemedicine encounter as either (A) a relationship already exists between the provider and patient, (B) there is a call coverage relationship as established by Texas Medical Board rules, or (C) the practitioner uses “audiovisual interaction” or “store and forward technology” (defined in the bill) and complies with provisions for guidance on follow-up care *and*, if the patient consents and has a primary care physician, sends records of the treatment to that provider within 72 hours. Rulemaking authority of the Texas State Board of Medical Examiners would be rescinded and given to the Texas Medical Board (for practice-related rules), the Texas Board of Nursing, the Texas Physician Assistant Board, and the Texas State Board of Pharmacy (for prescription-related rules). The bill establishes that the standard of care for a telemedicine service is the same as that of an in-person service and prohibits “any agency with regulatory authority over a health professional” from raising that standard of care. It also requires that practitioners use all “relevant clinical information” that would be necessary for an in-person consultation. It does not require

insurance coverage, but requires that fully insured plans “publish their policies and payment practices” for telemedicine and telehealth on their websites.

## Texas A&M Forest Service

**HB 2 by Zerwas/Nelson - Relating to making supplemental appropriations and giving direction and adjustment authority regarding appropriations.** This bill makes supplemental appropriations and gives direction and adjustment authority regarding certain appropriations to address revised revenue estimates and supplemental needs. Each legislative session, state agencies project the costs of fulfilling their functions and providing important services for the following two-year budget period. This information, combined with the biennial estimate of revenues submitted to the governor and the legislature before the convening of each regular session, is a key component on the construction of the General Appropriations Act.

**HB 3849 by Zerwas/Nelson - Relating to the creation and re-creation of funds and accounts, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes.** This is the funds consolidation bill. Interested parties note the legislature’s need for flexibility to appropriate funds based on budgetary need and to use fund balances from revenue dedicated for a particular purpose for general governmental purposes. The parties further note legislative efforts to consolidate funds in existence before the end of a fiscal biennium, which provided for the abolition of dedications in existence prior to the end of the next fiscal biennium unless otherwise expressly exempted. HB 3849 seeks to enact a similar consolidation, as it relates to the creation and re-creation of funds and accounts, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes.

## Texas A&M Transportation Institute

**HB 100 by Paddie/Schwertner – Relating to the regulation of transportation network companies.** House Bill 100 amends the Occupations Code by adding new sections preempting local regulations on transportation network companies (TNCs). The legislation defines a TNC as an entity that enables a passenger to prearrange a ride with a driver exclusively through the entity’s digital network and gives the state exclusive authority to establish licensing/regulation procedures via Texas Department of Licensing and Regulation (TDLR).

**HB 1791 by Pickett/Rodríguez – Relating to the use of connected braking systems to maintain distance between vehicles.** House Bill 1791 amends the Transportation Code by authorizing an operator of a

vehicle equipped with a connected braking system that is following another vehicle equipped with that system, to be assisted by the system to maintain the required assured clear distance or sufficient spacing.

**HB 1959 by S. Thompson/L. Taylor – Relating to alternative registration technologies for commercial motor vehicles.** House Bill 1959 amends the Transportation Code by requiring a study to be completed by Texas Department of Motor Vehicles (TxDMV) on alternative registration, licensing and permitting technologies. The bill authorizes TxDMV to collaborate with other state agencies or research divisions of higher education institutions in Texas.

**SB 693 by Garcia/Phelan – Relating to three-point seat belts on buses that transport children.** Senate Bill 693 amends the Transportation Code by requiring each school bus and school activity bus used by a school district to transport schoolchildren, to comply with the three-point seatbelt for each passenger by repealing the condition that a district must comply only if the Legislature had appropriated money for reimbursing the district for the expenses of compliance (HB 323, 2007 Session).

**\*SB 1524 by Nichols/Morrison – Relating to the movement of certain vehicles, including vehicles transportation an intermodal shipping container; authorizing a fee; creating an offense.** Senate Bill 1524 amends the Transportation Code by permitting intermodal shipping containers traveling within 30 miles of a port of entry or an international bridge with Texas Department of Transportation (TxDOT) approval to purchase an annual permit to carry cargo so long as it is sealed with a United States customs seal. An annual permit would allow the state to compete with surrounding states in the import and export of intermodal commodities. During House floor debate, Rep. Anchia offered an amendment requiring a study to be completed by TTI and Center for Transportation Research (CTR) at the University of Texas at Austin (UT) for assessing the cost for such permit purchased after 1/1/2028. The Anchia amendment remained in the bill as passed by the House.

**SB 2205 by Hancock/Geren – Relating to automated motor vehicles.** Senate Bill 2205 amends Transportation Code by establishing requirements for an automated motor vehicle to operate on highways in the state, with or without a human operator. The purpose of the legislation is to create liability on the owner of the automated system for the purpose of assessing compliance with traffic laws, regardless of whether the person was physically in the vehicle. TTI research and resources were provided to during the legislative process.

## Texas A&M Engineering Experiment Station

**HB 2819 by Darby/Estes – Relating to the establishment of an advisory committee for the TexNet seismic monitoring program.** House Bill 2819 amends the Education Code by codifying the existing nine-member TexNet Technical Advisory Committee for The University of Texas Bureau of Economic Geology (BEG). The purpose of this committee is to develop recommendations for a program of work to assist the program and any research efforts specializing in seismology, geomechanical engineering, or reservoir engineering. A report is due not later than 12/1/18 to the governor, lieutenant governor, and speaker of the house.

**SB 1731 by Birdwell/Meyer - Relating to the repeal of laws governing certain state entities, including the functions of those entities, and to certain duties, responsibilities, and functions of the Texas Commission on Environmental Quality on the abolishment of certain of those entities.** Senate Bill 1731 amends the Health and Safety Code, as amended by the Conference Committee, includes the exact language from Senate Bill 26 (Estes) specifically pertaining to continuing the Texas Emission Reduction Program (TERP) with reference to the Energy Systems Laboratory (ESL) at Texas A&M Engineering Experiment Station (TEES). As finally passed, the section of current law remains in effect providing ESL with contract and grant opportunities thru Texas Comptroller of Public Accounts (CPA) and Texas Commission on Environmental Quality (TCEQ).

## Texas A&M Engineering Extension Station

**HB 919 by Kacal/Schwertner – Relating to workers’ compensation insurance coverage for certain intrastate fire mutual aid system team members and regional incident management team members.** House Bill 919 amends the Education Code to provide workers’ compensation coverage for an individual, other than an employee of The Texas A&M University System, who has been officially designated as a member of a regional incident management team that is coordinated by The Texas A&M University System during any period in which they were trained or activated by the Texas Division of Emergency Management (TDEM).

**SB 634 by Estes/Button – Relating to reporting requirements for certain skills development fund workforce training program providers.** Senate Bill 634 amends the Labor Code by adding TEEX to a list of entities that must refund grant monies if failure to submit required workforce training reports.



# Overview of Key Higher Education Legislation

## **Board of Regents/General Council Related Legislation**

**HB 53 by Romero/Huffman - Relating to certain limitations on settlement agreements with a governmental unit.** This bill adds a new chapter to the Civil Practice and Remedies Code making settlements with a governmental unit greater than \$30,000 unenforceable if a condition of the settlement requires confidentiality from the person seeking affirmative relief against the governmental unit.

**HB 501 by Capriglione/V. Taylor - Relating to personal financial statements filed by public officers and candidates, including the disclosure of certain contracts, agreements, services, and compensation in and the amendment of those statements.** This bill expands the personal financial statement reporting requirements for each state officer, including regents and certain university administrators, elected official, or candidate to include the disclosure of written contracts for goods or services with governmental entities if the aggregate value of those contracts exceeds \$10,000 per reporting year. Any specific questions related to this bill should be directed to the Office of General Counsel.

**HB 791 by Lozano/Hinojosa - Relating to allowing individuals appointed to state office to file required financial statements by certified mail.** This bill amends the Government Code to allow an individual who was appointed to office and who is required to file a personal financial statement with the Texas Ethics Commission under state law to file such a statement by certified mail.

**HB 1290 by Roberts/Kolkhorst- Relating to the required repeal of a state agency rule and a government growth impact statement before adoption of a new state agency rule.** This bill restricts a state agency from adopting a proposed rule for which the fiscal note for the notice of the proposed rule states that the rule imposes a cost on any regulated person, including another state agency, a special district and a local government, unless on or before the effective date of the proposed rule the state agency repeals a rule that would decrease total costs on the person in an amount equal to or greater than the cost imposed by the proposed rule, or the agency amends a rule which would decrease the total costs on the person in an amount equal to or greater than the costs from the proposed rule.

HB 1290 applies the restriction to a "state agency" that is a department, board, commission, committee, council, agency, office, or other entity in the executive, legislative, or judicial branch of state government. "State agency" would not include an agency under the authority of an elected officer of the state. The restriction would not apply to certain rules specified in the bill. There are also exemptions listed related to the type of rules that are exempt from this provision.

The bill requires a state agency to prepare a government growth impact statement for a proposed rule. The bill would specify information to be included in the impact statements. The bill requires the Comptroller of Public Accounts to adopt rules relating to the impact statements not later than October 1, 2017. A state agency would be required to incorporate the impact statement into the notice of the

proposed rule required under Section 2001.024. The government growth impact statements would only be required on proposed rules for which the notice required under Section 2001.0221, Government Code is filed on or after November 1, 2017.

**HB 1463 by Smithee/Seliger - Relating to procedures for actions alleging failure to comply with certain standards to accommodate persons with disabilities.** This bill seeks to reduce the negative impact of such lawsuits by requiring a claimant to give notice to such an entity of intent to file a claim under the act and by providing the entity an opportunity to correct the violation before judicial intervention. HB 1463 amends the Human Resource Code to establish procedures governing claims alleging certain violations of the prohibition against discrimination on the basis of disability. The bill requires a claimant to provide written notice of an alleged violation before filing an action to allow a respondent an opportunity to cure the violation.

**HB 2121 by Cyrier/Hughes - Relating to damages in certain contract claims against the state.** This bill revises Section 2260.003, Government Code, to permit an award of damages against a state agency for breach of a written contract for engineering, architectural, or construction services (or materials related to such services) to include the cost of attorney's fees so long as the amount in controversy is less than \$250,000 (excluding penalties, costs, expenses, pre-judgment interest and attorney's fees).

**HB 2783 by Smithee/Watson - Relating to the assessment of litigation costs and attorney fees in certain lawsuits under the public information law.** This bill amends the Government Code to require a court to award costs and attorney's fees to a plaintiff who substantially prevails or may assess costs of litigation and attorney fees incurred by a plaintiff to whom the governmental body voluntarily releases the requested information after the suit is filed. **(See Below for Governors Message.)**

**Vetoed**

*“By threatening the taxpayers with attorneys’ fees, House Bill 2783 creates an incentive for requestors of public information to sue the government as quickly as possible instead of waiting for the statutorily defined public information process to play out. The stated purposes of this bill could have been achieved without giving lawyers the ability to threaten taxpayer-funded attorneys’ fees awards against governmental bodies that are just trying to follow the law.”*

*-Governor Greg Abbott*

**HB 3021 by Phelan/Hughes - Relating to indemnification and duties of engineers and architects under certain governmental contracts.** This bill prohibits agencies from requiring professional service providers to defend agencies from agency's negligent acts. The bill also limits an architect's or engineer's defense obligation to governmental agencies to only reimburse agencies for attorney's fees in the proportionate amount for the A/E's professional liability. HB 3021 imposes a statutory standard of care for architects and engineers that is required to be included in government contracts.

**HB 3047 by Dale/Schwertner - Relating to the meeting of a governmental body held by videoconference call.** This bill amends Section 551.127 of the Government Code to specify that a member of a governmental body who participates in a meeting by videoconference call shall be considered absent from any portion of the meeting during which audio or video communication with the member is lost or disconnected. The governmental body may continue with the meeting only if a quorum of the body remains present at the meeting location or continues to participate in a meeting if held by videoconference call.

**HB 3107 By Ashby/Nichols - Relating to the production of public information under the public information law.** This bill amends the Government Code regarding when open records requests can be

withdrawn, clarifies the establishment of time limits for responding to requests, sets forth that certain requests do not have to be completed until a previous request by the same requestor has paid for costs or withdrawn the request, outlines which entities may be exempt from payment for certain requests, and expands the right of a requester to file a complaint with the Texas attorney general.

**SB 4 by Perry/Geren - Relating to the enforcement by campus police departments and certain local governmental entities of state and federal laws governing immigration and to related duties and liability of certain persons in the criminal justice system; providing a civil penalty; creating a criminal offense.** This bill prohibits "sanctuary city" policies, which prohibit local law enforcement from inquiring about a person's immigration status and complying with detainer requests. These policies also often prohibit the sharing of information regarding a person's immigration status with the federal government. SB 4 amends current law relating to the enforcement by campus police departments and certain local governmental entities of state and federal laws governing immigration and relating to duties and liability of certain persons in the criminal justice system; provides a civil penalty; and creates a criminal offense.

**SB 79 by Nelson/Capriglione - Relating to the production of public information available on a publicly accessible website.** Currently, political subdivisions like cities and counties may direct requestors of public information to a website if the information already exists online. However, state agencies must provide original copies for inspection, make duplications, and/or send the information by first class mail, all of which expend valuable time and resources. SB 79 streamlines access to public information by allowing state agencies to respond to information requests with an Internet address where requested information may already exist.

**SB 256 by V.Taylor/Hunter - Relating to the confidentiality of home address information of certain victims of family violence, sexual assault or abuse, stalking, or trafficking of persons.** This bill amends the Code of Criminal Procedures to expand eligibility and change application requirements for participants in the Address Confidentiality Program to include certain victims of family violence, sexual assault or abuse, stalking, or trafficking of persons. SB 256 specifies that the home address of any person eligible for a protective order for family violence, sexual assault, trafficking, or stalking be classified as confidential within tax appraisal and voter registration records. The bill also clarifies that a person participating in the Address Confidentiality Program (ACP) administered by the Texas attorney general is eligible to have their address kept confidential within these records.

SB 256 also modifies the ACP to broaden eligibility for victims' participation in the program. Currently, a person must meet several eligibility requirements, including meeting with a counselor and filing an application, in order to participate in the ACP. Once enrolled, the ACP provides a confidential mailing address for victims, allowing them to avoid unwanted detection. SB 256 broadens the classes of individuals eligible to participate in the ACP to include persons with a protective order for family violence, sexual assault, human trafficking, or stalking.

**SB 564 by Campbell/Capriglione - Relating to the applicability of open meetings requirements to certain meetings of a governing body relating to information technology security practices.** This bill amends the Government Code to exempt a governmental body, as defined in Chapter 551, from open meeting requirements when deliberating certain security-related topics. The bill would also specify that certain network security information of a governmental entity is confidential.

**SB 705 by Birdwell/Price - Relating to an exception from disclosure under the public information law for certain personal information of an applicant for an appointment by the governor.** This bill makes the following information obtained by the governor confidential and excepted from disclosure under the Texas Public Information Act: the applicant's home address, and the applicant's home telephone number, the applicant's social security number.

**SB 807 by Creighton/Workman - Relating to choice of law and venue for certain construction contracts.** This bill amends the Business and Commerce Code that was recodified in 2009. It specifically voids contract provisions that require the choice of law and venue for construction or repair contracts to be in a state other than Texas. SB 807 modifies the definition of "construction contract" to include not only the general contractor's contract, but also all other agreements pertinent to a construction project. It also expands the application of this section to include, design, construction, alteration, renovation, remodeling, repair or maintenance of or supplying equipment or supplies for such a project. It also makes this Chapter specifically applicable to public and private projects.

SB 807 adds language that says it applies to a "construction contract" which includes all the services described above, but also "an agreement collateral to or affecting the construction contract", which could make this section applicable to the various agreements entered into with P3 projects; however, it would exclude loan and financing documents.

**SB 813 by Hughes/Meyer - Relating to recovery of damages, attorney's fees, and costs related to frivolous regulatory actions by state agencies.** This bill amends the Civil Practice and Remedies Code to expand the scope of an existing cause of action to allow for recovery of damages, reasonable attorney's fees, and court costs for any regulatory action where the private party prevailed in judicial review of the contested regulatory action if the agency fails to demonstrate good cause for that action in certain circumstances.

**Vetoed**

*"State agencies should be held accountable when they abuse their authority. There are many ways to accomplish that goal other than by enticing trial lawyers to sue the taxpayers for damages. Senate Bill 13 is well-intentioned, but it subjects the State to the possibility of extensive financial liability. Under the bill, taxpayer liability would be triggered any time a judge decides the State's action is "unreasonable," a vague and broad standard that varies with the eye of the beholder. This financial liability would be borne by the taxpayers, not by the bureaucrats who caused the problem. The bill was inspired by legitimate concerns about regulatory overreach, but exposing the State fiscal to limitless jury verdicts is not the right solution."*

*-Governor Greg Abbott*

**SB 1440 by Campbell/Larson - Relating to the attendance by a quorum of a governmental body at certain candidate events under the open meetings law.** This bill amends the Government Code by adding an exemption to the definition of "meeting" under the Open Meetings Act to provide that "meeting" does not include attendance by a quorum of a governmental body at certain candidate events.

**SB 1649 by Watson/Moody - Relating to increasing the punishment for certain conduct constituting the offense of criminal trespass.** This bill amends the Penal Code by enhancing the penalty for repeated criminal trespassing on the property of a public institution of higher education. The penalty would be punishable as a Class A misdemeanor.

**SCR 56 by Watson/Lucio - Requesting the Lieutenant Governor and the Speaker of the House of Representatives to create a joint interim committee to examine all state open-government laws.** SCR 56 creates a joint interim committee to examine all state open-government laws, including the Texas Public Information Act, for opportunities to improve transparency and accountability. The report, including findings and recommendations, is to be submitted prior to the convening of the 86<sup>th</sup> Legislature.

## **Academic Affairs Related Legislation**

### **TEA/Dual Credit/Community College Related**

**HB 1553 by Lozano/Hinojosa - Relating to permitting a school district that has failed to satisfy performance standards to partner with an institution of higher education to improve district performance.** This bill permits a public school district to enter into a memorandum of understanding with a public institution of higher education to assist in improving the district's performance. This relationship can be entered in to when a district does not satisfy public school system accountability accreditation criteria, academic performance standards, or any financial accountability standard as determined by commissioner rule.

**HB 1638 by Guillen/West - Relating to statewide goals for dual credit programs provided by school districts.** This bill requires the Texas Education Agency and the Texas Higher Education Coordinating Board jointly to develop statewide goals for dual credit programs, including early college high school programs, career and technical education dual credit programs, and joint high school and college credit programs, and to provide uniform standards for evaluating those programs.

**SB 802 by Seliger/Howard - Relating to a study and report regarding best practices in the provision of dual credit courses by public institutions of higher education and the transfer of course credit.** This bill requires the Texas Higher Education Coordinating Board to conduct a study to identify best practices in ensuring that courses transferred to a public institution of higher education for course credit, including courses offered for dual credit, apply toward a degree program at the institution. The bill requires the study to evaluate existing articulation agreements that govern the transfer of course credit between institutions of higher education and to identify those institutions of higher education that are implementing such identified best practices.

**SB 1091 by Seliger/Howard - Relating to limitations on courses that may be offered for dual credit by school districts and public institutions of higher education.** This bill requires a dual credit course offered under a college credit program to be in the core curriculum of the public institution of higher education providing college credit, a career and technical education course, or a foreign language course. This bill doesn't apply to early college high school programs.

**SB 1839 by Hughes/Koop - Relating to the preparation, certification, and classification of public school educators.** This bill requires the Texas Education Agency (TEA) to provide certain data to educator

preparation programs, create an early childhood certificate to teach students in prekindergarten through grade three, and revise the certification process for teachers from out of state.

SB 2118 by Seliger/S. Davis - Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs. This bill allows The Texas Higher Education Coordinating Board to authorize public junior colleges to offer baccalaureate degree programs in the fields of nursing, applied science and applied technology. The bill specifically directs the coordinating board to authorize baccalaureate degree programs at one or more public junior colleges that offer a degree program in the field of applied science, applied technology, or nursing and have demonstrated a workforce need. The bill decreases the limit on the number of baccalaureate degree programs a public junior college may offer at any time from five to three, with the exception of each public junior college offering that was allowed to authorize a pilot program in specific fields. Further this bill requires the following criteria to be met before a program be offered:

- THECB apply the same criteria and standards used to approve baccalaureate degree programs at general academic teaching institutions and medical and dental units
- Community College Districts must have a taxable property valuation amount of not less than \$6 billion in the preceding year and receive a positive assessment of the overall financial health from THECB
- Community College Districts must have a long-term financial plan for receiving accreditation from the Commission on Colleges of the Southern Association of Colleges and Schools;
- Community College Districts must have a long-term plan for new faculty recruitment, that does not take existing faculty from other institutions, and have detailed information on the manner of program and course delivery
- Community College Districts must have articulation agreements and dual enrollment agreements.

Finally this bill prohibits THECB from authorizing a public junior college to offer a baccalaureate degree in a field if articulation agreements with general academic teaching institutions or medical and dental units are sufficient to meet the needs of that field.

### General Bills

**HB 1508 by Giddings/West - Relating to notice to applicants to and enrollees in certain educational programs regarding the consequences of a criminal conviction on eligibility for an occupational license.** This bill requires that institutions that prepare students for an occupation or vocation that requires a Texas occupational license, to inform students that their eligibility for an occupational license

could be impacted by the student's criminal history. Further this bill requires that institutions notify students that the applicable state licensing agency is responsible for any guidelines regarding an applicant's criminal history. The student also must be given information on other state or local restrictions that would limit their eligibility for an occupational license issued by the agency. This bill requires the institution to inform a student of their right to request a criminal history evaluation letter from the applicable licensing agency. Institutions must provide all students with notice of these guidelines whether they have a criminal history or not. If it is determined the education institution did not provide the required notice, the institution shall be required to refund any tuition, fees, application fees and examination fees.

**\*HB 2223 by Giddings/Zaffirini - Relating to developmental coursework offered by public institutions of higher education under the Texas Success Initiative.** This bill requires each institution of higher education to develop and implement for developmental coursework, other than adult basic education or basic academic skills education, developmental education using a co-requisite model under which a student concurrently enrolls in a developmental education course and a freshman-level course in the same subject area for each subject area for which the student is referred to developmental coursework and to ensure the institution's developmental coursework complies with this requirement according to the following schedule:

- for the 2018-2019 academic year, at least 25 percent of the institution's students enrolled in developmental coursework other than adult basic education or basic academic skills education must be enrolled in coursework that complies;
- for the 2019-2020 academic year, at least 50 percent of such students must be enrolled in coursework that complies; and
- for the 2020-2021 academic year and each subsequent academic year, at least 75 percent of such students must be enrolled in coursework that complies.

The bill requires the institution, if a student fails to satisfactorily complete a freshman-level course taken concurrently with a developmental course in the same subject area, to review the individualized plan developed for the student to assist the student with regard to readiness and, if necessary, to work with the student to revise the plan and to offer to the student a range of competency-based education programs to assist the student in becoming ready to perform freshman-level coursework in the applicable subject area.

**\*HB 2895 by Price/Seliger - Relating to the requirement that certain public institutions of higher education post mental health resources on the institution's Internet website.** This bill requires institutions to create a web page dedicated to information regarding the mental health resources available to students at the institution applies regardless of whether those resources are provided by the institution. The bill requires such an institution to maintain a conspicuous link to the web page on the institution's website home page.

**\*SB 537 by Hinojosa/Lozano - Relating to requiring the disclosure of special course fees at public institutions of high education.** This bill requires each public institution of higher education to include in the institution's online course catalog, a description and the amount of any special course fee, including an online access fee or lab fee, to be charged specifically for the course.

**\*SB 810 by Kolkhorst/Howard - Relating to the use of open educational resources.** This bill requires the Texas Higher Education Coordinating Board to establish and administer a temporary grant program to encourage faculty at public institutions of higher education to adopt, modify, redesign, or develop courses that use only open educational resources. SB 810 defines open educational resources as a teaching, learning, or research resource that is in the public domain or has been released under an intellectual property license that permits the free use, adaptation, and redistribution of the resource by any person. This bill further requires a faculty member who receives a grant to ensure that any open educational resource used in each applicable course is provided to a student enrolled in the course at no cost other than the cost of printing and to submit to the coordinating board for each of the four semesters immediately following the implementation of each applicable course a report that includes certain information on the course and the use of open educational resources in the course. The bill authorizes a faculty member who receives a grant to continue to submit such a report for a semester that occurs after the faculty member's duty to submit the report has expired and authorizes the coordinating board to consider a faculty member's failure to submit additional reports in evaluating a subsequent grant application submitted by the faculty member.

**SB 1367 by Menéndez/Howard - Relating to policies and training regarding the use of epinephrine auto-injectors by public institutions of higher education.** This bill allows each public institution of higher education to adopt and implement a policy regarding the maintenance, storage, administration, and disposal of epinephrine auto-injectors on the institution's campus. The bill requires such a policy to provide that personnel or volunteers who are authorized and trained may administer an epinephrine auto-injector to a person who is reasonably believed to be experiencing anaphylaxis on the institution's campus.

Should an institution choose to create such a policy, this bill requires the institution to have volunteers authorized and trained to administer an epinephrine auto-injector present. The bill requires the supply of epinephrine auto-injectors at a campus to be stored in a secure location and be easily accessible to personnel or volunteers authorized and trained to administer an epinephrine auto-injector. The bill requires an institution of higher education, not later than the 10th business day after the date a personnel member or volunteer administers an epinephrine auto-injector in accordance with the institution's policy, to report specified information regarding the incident to the physician who prescribed the epinephrine auto-injector and the commissioner of state health services. The bill establishes reporting requirements on trainings.

**SB 1533 by Rodríguez/Moody - Relating to mental health first aid training for university employees.** This bill allows a university employee, eligible for training provided through Department of State Health Services grants for certain mental health first aid training provided by local mental health authorities. The bill expands the authorization for a local mental health authority to contract with a regional



education service center to provide a mental health first aid training program to educators, and to include the provision of such a program to university employees, school district employees, and school resource officers.

**SB 1782 by West/Clardy - Relating to the elimination of certain formula funding and dropped course restrictions for returning adult students at public institutions of higher education and to the tuition rate that may be charged to those students.** This bill requires the Texas Higher Education Coordinating Board to adopt rules in connection with institutions that require institutions to permit a student to drop one additional course under beyond the maximum number of courses permitted to be dropped under state law or institution policy, if a student has reenrolled at the institution following a break in enrollment covering the 24-month period preceding the first class day of the initial semester or other academic term of the student's reenrollment and successfully completed at least 50 semester credit hours of course work at the institution before that break in enrollment.

For returning adult students meeting certain criteria, this bill requires THECB to include funding for the first 15 additional semester credit hours earned by the student who has reenrolled at the institution following a break in enrollment in the coordinating board's funding formulas without consideration of certain restrictions, beginning with funding recommendations for the 2020-2021 state fiscal biennium. SB 1782 prohibits an institution of higher education from charging tuition to a resident undergraduate student at a higher rate based on repeated or excessive undergraduate hours for courses taken by the student that are required to be included by the coordinating board in its funding formulas under the bill's provisions.

**SB 1813 by Buckingham/Turner - Relating to common admission application forms for institutions of higher education.** This bill allows THECB to include representatives of private or independent institutions of higher education among the members of the advisory committee with whose assistance the Texas Higher Education Coordinating Board adopts specified common admission application forms and to include high school counselors as a party with whose assistance the coordinating board adopts the forms.

## **Student Affairs Related Legislation**

**HB 355 by Raney/Buckingham - Relating to prohibiting certain sex offenders from residing on the campus of a public or private institution of higher education.** This bill prohibits certain registered sex offenders from residing on the campus of a public or private institution of higher education. This bill protects college students by prohibiting certain registered sex offenders from residing on the campus of a public or private institution of higher education.

**SB 968 by Watson/Alvarado – Relating to requiring certain public and private institutions of higher education to provide students and employees an option to electronically report certain offenses to the institution.** This bill, amends current law to apply to all “postsecondary educational institutions,” including private or independent institutions of higher education. It amends the definition of Sec. 51.9363 from “Campus Sexual Assault Policy” to “Sexual Assault Policy,” requiring each institution to

adopt a policy on sexual assault (rather than a campus policy) applicable to each enrolled student and employee of the institution. Institutions are required to develop and implement a public awareness campaign to inform enrolled students and employees of the institution's sexual assault policy. Part of the campaign includes providing students information regarding the protocol for reporting incidents of sexual assault, including contact information for the Title IX coordinator. The campaign would also provide separate counselors (to the greatest extent practicable based on the number of counselors employed by the institution) for each alleged victim or alleged perpetrator, or any other person who reports such an incident. It also allows an alleged victim or alleged perpetrator to drop a course in which both parties are enrolled without academic penalty.

SB 968 requires institutions to review their sexual assault policy every biennium and revise as necessary, with approval of the institution's governing board.

SB 968 also includes a new electronic reporting option for certain offenses and defines "dating violence," "sexual assault," "sexual harassment," and "stalking," requiring each institution to provide an easily accessible electronic option for anonymous reporting, regardless of the location where the alleged offense occurred. The bill includes language allowing the Texas Higher Education Coordinating Board (THECB) to adopt rules to administer this section and the commissioner of higher education to establish an advisory committee to recommend rules for adoption under Subsection (e) to the THECB. This Act applies beginning with the 2017-18 academic year and requires each public or private institution to provide electronic reporting no later than January 1, 2018.

**SB 969 by Watson/Leach – Relating to requiring certain public and private institutions of higher education to provide amnesty to students who report incidents of sexual assault.** SB 969 amends current law relating to requiring certain public and private institutions of higher education to provide amnesty to students who report certain incidents, including sexual harassment, sexual assault, dating violence, or stalking. Section 1 of the bill amends Subchapter Z, Chapter 51, Education Code, by adding 51.9366 "Amnesty for Students Reporting Certain Incidents" and defines "coordinating board," "dating violence," "postsecondary educational institution," "sexual assault," "sexual harassment," and "stalking." Subsections (b-h) of the bill prohibit institutions from taking any disciplinary action against an enrolled student, who in good faith reports being the victim or witness to one of the aforementioned incidents, for a violation by the student of the institution's code of conduct occurring at or near the time of the incident, regardless of the location at which the incident occurred or the outcome of the institution's disciplinary process regarding the incident, if any. It authorizes the institution to investigate to determine if the report of one of the aforementioned incidents was made in good faith. It also provides that a determination that a student is entitled to amnesty under Subsection (b) is final and prohibits the determination from being revoked. Amnesty doesn't apply to a student who reports their own commission or assistance in the commission of one of the aforementioned incidents and Subsection (f) prohibits the section from being construed to limit an institution's ability to provide amnesty from application of the institution's policies in circumstances not described by Subsection (b).

SB 969 authorizes the Texas Higher Education Coordinating Board (THECB) to adopt rules as necessary to implement and enforce the amended section and requires the commissioner of higher education to establish an advisory committee to recommend THECB rules for adoption. The advisory committee

would have nine members appointed by the commissioner and each member is required to be a Chief Executive Officer (CEO) of the institution, or a designee of the CEO. The committee is required to submit recommendations to the THECB by December 1, 2017. The Act applies beginning with the 2018 spring semester.

## **Financial Aid Related Legislation**

**HB 66 by Guillen/Zaffirini - Relating to the appointment by certain elected officials of students to receive a Texas Armed Services Scholarship.** This bill allows for the elected official who appointed a student to receive a Texas Armed Services Scholarship to appoint another scholarship recipient should the original student fail to maintain eligibility or otherwise meet the requirements to continue receiving the scholarship. This bill allows for the elected official, beginning with the academic year following the determination, to appoint another eligible student to receive any available funds designated for the student who no longer meets the requirements for the scholarship.

**\*HB 493 by Perez/Campbell - Relating to reporting requirements for the College Credit for Heroes program.** This bill establishes a reporting requirement for the College Credit for Heroes program. This bill requires the Texas Workforce Commission to submit to the legislature and governor concerning the college credit for heroes program the number of academic or workforce education semester credit hours awarded under the program and applied toward a degree or certification program at a public institution of higher education during the most recent academic year.

**HB 846 by Raney/Menéendez - Relating to the implementation of student financial assistance programs for veterans and their families.** This bill prohibits a public institution of higher education from imposing additional fees, obligations, or burdens concerning payment or registration on a student eligible for state or federal military related student financial assistance programs for military veterans or their family members that are not otherwise required by those programs to be imposed for the purpose of receiving that assistance. The bill requires an institution to provide for such a student to defer payment of tuition and fees if the receipt of military related financial assistance awarded to the student is delayed and requires the Texas Veterans Commission, in cooperation with institutions of higher education, to prescribe a standard deferment request form for such purpose. The bill does not prohibit an institution of higher education from requiring an applicable student to submit a free application for federal student aid (FAFSA).

**HB 1117 by Wray/Zaffirini - Relating to eligibility for the Texas Armed Services Scholarship Program.** This bill gives a student the option to enroll in or be a member in good standing of an undergraduate officer commissioning program such as the U.S. Marine Corps Platoon Leaders Class while enrolled in that institution as an alternative to being enrolled in and being a member in good standing of a Reserve Officers' Training Corps (ROTC) program while enrolled in that institution.

**SB 887 by Seliger/Clardy - Relating to a requirement that certain participating institutions under the student loan program administered by the Texas Higher Education Coordinating Board provide loan debt information to students.** This bill requires institutions receiving state financial aid administered by

the Texas Higher Education Coordinating Board and that receives education loan information for a student provide to that student at least annually estimates regarding the student's education loan obligations in an electronic form. The bill limits this required disclosure to education loan debt information regarding the student 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.

**SB 1123 by Zaffirini/Clardy - Relating to conditions on the receipt of tuition and fee exemptions at public institutions of higher education for adopted students formerly in foster or other residential care.** This bill exempts, the tuition and fee exemption at public institutions of higher education for adopted students formerly in foster or other residential care, from statutory provisions that ensure satisfactory academic progress. Essentially students receiving this exemption, are exempt from having any restriction on continued receipt of tuition and fee exemptions or waivers at institutions of higher education.

**SB 2082 by V. Taylor/Clardy - Relating to the work-study student mentorship program administered by the Texas Higher Education Coordinating Board.** This bill authorizes role for a student employed under the work-study student mentorship program as part of the Texas college work-study program supporting student interventions at participating eligible institutions that are focused on increasing completion of degrees or certificates, such as interventions occurring through advising or supplemental instruction. The bill replaces the requirement that the Texas Higher Education Coordinating Board partner with participating nonprofit organizations to establish additional GO Centers or similar high school-based recruiting centers with an authorization for the coordinating board to do so and includes improving student success in higher education as an additional objective of such centers. The bill includes an advisor employed under the work-study student mentorship program as a person with whom an eligible institution participating in the program may require students who are on academic probation to be matched, as an alternative to a student mentor employed under the program.

**\*SB 1119 by Zaffirini/Howard - Relating to an annual report on employment positions provided through the Texas college work-study program.** This bill requires THECB to annually report and post on their website a report on the Texas college work-study program. This bill further requires that the report include the total number of students employed through the program, disaggregated by race, ethnicity, and gender, major and certificate or degree program, classification, enrollment in a full course load or less than a full course load, as determined by THECB.

**\*SB 1799 by West/Clardy - Relating to the student loan default prevention and financial aid literacy pilot program.** This bill requires the Texas Guaranteed Student Loan Corporation to administer the student loan default prevention and financial aid literacy pilot program in accordance with an agreement with the Texas Higher Education Coordinating Board. Further this bill authorizes the coordinating board to contract with one or more entities to administer the pilot program according to

criteria established by coordinating board rule, and requiring the coordinating board and each institution participating in the pilot program to submit annual reports regarding the outcomes of the pilot program, as reflected in the federal student loan default rates reported for the participating institutions.

## **General Operations Related Legislation**

### **Contracting**

**HB 89 by P. King/Creighton - Relating to state contracts with and investments in companies that boycott Israel.** This bill amends the Government Code to require a governmental entity contracting for goods or services to include in its contract a written verification from the contracting company stating the company does not boycott Israel and will not boycott Israel during the term of the contract. The bill requires the Comptroller of Public Accounts (CPA) to prepare and maintain a list of all companies that boycott Israel. Under certain circumstances, HB 89 requires state pension systems, and the Permanent School Fund to sell, redeem, divest, or withdraw publicly traded securities of a company that boycotts Israel. Pursuant to the bill's reporting and notification provisions, the Attorney General would receive both CPA's list of companies that boycott Israel and reports from state governmental entities regarding their divestment from listed companies. The bill grants the Attorney General civil enforcement authority with regards to the bill's provisions relating to prohibition on investment in companies that boycott Israel.

**\*SB 255 by Zaffirini/Simmons - Relating to contracts with and training for governmental entities and vendors, including purchasing and contract management training; authorizing fees.** This bill requires state agencies that spend more than \$5,000 per fiscal year for a training or education program to an individual employee to submit certain agency training information to the Legislative Budget Board. The bill requires the Comptroller of Public Accounts to develop and provide a purchasing and contract management training program to meet the needs of state agencies. SB 255 authorizes the Comptroller to assess a fee for training in an amount not to exceed the costs incurred to provide the training. The bill would authorize state agencies, in consultation with the Comptroller, to develop agency-specific purchasing and contract management training programs to be administered by the agency to the agency's employees instead of or as a supplement to training programs developed by the Comptroller under the bill's provisions.

SB 255 requires state agency personnel directly involved in contract negotiations for the purchase of information resources technologies to complete the training developed by the Department of Information Resources. The bill adds to the items to be included in this training, information on how to use cooperative contracts entered into by the Department of Information Resources.

Section 5 of SB 255 adds three new exemptions to the list of those that do not have to file the disclosure of interested parties form as required by HB 1295 (84<sup>th</sup> Session); (1) a publicly traded business entity,

including a wholly owned subsidiary of the business entity; (2) an electric utility; and (3) a gas utility are now exempt from having to file the 1295 form. SB 255 specifies that the disclosure of interested parties, submitted on a form prescribed by the Texas Ethics Commission, is: (1) required to include, among other things, a written and sworn declaration that is substantially similar to a form specified by the bill's provisions, and (2) to be subscribed as true by the authorized agent of the contracting business entity, under the penalty of perjury. SB 255 requires the declaration to be made in lieu of the signature of the authorized agent acknowledging that the disclosure is made under oath and under the penalty of perjury.

**SB 252 by V. Taylor/S.Davis - Relating to prohibiting governmental contracts with a company doing business with Iran, Sudan, or a foreign terrorist organization.** This bill amends Chapter 2252 of the Government Code, regarding contracts with governmental entities, including institutions of higher education, to prohibit such entities from entering into a contract with companies engaged in active business operations with Sudan, Iran, or a foreign terrorist organization. The bill requires the Texas Comptroller of Public Accounts to prepare, maintain, and make available to each governmental entity, a list of companies known to have contracts with or provide supplies or services to a foreign terrorist organization.

**SB 533 by Nelson/Geren - Relating to governmental entity contracting and procurement.** This was the omnibus contracting bill that addressed issues from SB 20 from last session. One of the major issues addressed in the bill dealt with the clarification for Board of Regents; Section 9 of bill states that the provisions in Education Code 51.923 govern conflict of issues for BORs. If a regent has a substantial interest in a business entity, the regent is now allowed to disclose the interest and abstain from voting on any contracts involving the entity.

SB 533 requires a state agency employee or official to disclose any potential conflict of interest during the procurement process or the term of a contract with a private vendor. The requirement would apply only to a contract for the purchase of goods and services solicited through a purchase order where the amount of the purchase order exceeds \$25,000.

SB 533 also addresses contract reporting; a state agency would not have to post certain contract information on the agency's website if: (1) the contract has been posted on LBB's major contracts database; or (2) the contract is entered into by an institution of higher education other than a public junior college, valued at less than \$15,000, and paid with money other than funds appropriated to the institution by the State of Texas. The bill would require a state agency that posts a contract on its website to redact certain information. The bill would specify that this requirement does not exempt the information from certain requirements included in Government Code provisions pertaining to the right of access to public information.

The bill amends Chapter 572 of the Government Code, regarding personal financial disclosure, standards of conduct, and conflict of interest. SB 533 prohibits a former state officer or employee of a state

agency who during the period of state service or employment participated on behalf of the state agency in a procurement or contract negotiation involving a person from accepting employment from that person before the second anniversary of the date the contract is signed or the procurement is terminated or withdrawn (current law prohibits the officer or employee from accepting employment from that person before the second anniversary of the date the officer or employee's service or employment with the state agency ceased).

SB 533 amends Chapter 2054 of the Government Code, regarding information resources. The bill transfers the authority to recommend Department of Information Resources (DIR) oversight of major information projects from the Quality Assurance Team (QAT) in coordination with the Governor, to the Governor, Lieutenant Governor, or Speaker of the House. DIR would be allowed to contract with a vendor to provide those services. Currently, the State Auditor, Legislative Budget Board, and DIR have certain duties related to QAT. The bill would add the Comptroller to those agencies; require those agencies with the Comptroller to create an automated project review system; require QAT to provide certain annual training for state agency procurement and contract management staff; and specify that the State Auditor serves on QAT as an advisor. SB 533 requires that state agencies prepare, in consultation with DIR, a technical architectural assessment for each major information resources project or major contract. The bill imposes certain additional requirements on state agency project plans for major information resources projects or major contracts.

SB 533 amends Chapter 2155 of the Government Code, which deals with general rules and procedures for purchasing. It requires state agencies to adopt a policy on the interaction between their employees and vendors. The bill clarifies that the provisions of Subtitle D (state purchasing and general services) of Title 10 (general government) of the Government Code do not prohibit the exchange of information between a state agency and a vendor related to future solicitations or to monitor an existing contract.

The bill requires the Comptroller to employ a chief procurement officer to serve as the chief procurement officer for this state. The chief procurement officer would have authority over state agency procurement, as governed by Chapter 2155 of the Government Code. The chief procurement officer would coordinate with DIR and QAT to conduct contract solicitation reviews for certain information technology projects and with the Contract Advisory Team (CAT) to conduct reviews of certain solicitation and contract documents for contracts that have a value of \$5 million or more.

## *Information Technology*

**HB 8 by Capriglione/Nelson - Relating to cybersecurity for state agency information resources.** This bill was an omnibus IT related bill, focusing on cybersecurity. Some of the major sections include: Section 4 of the bill addresses PIA issues relating to contract reporting. Section 6 deals with required guidelines for cybersecurity training; the department will consult with the Information Technology Council of Higher Education. A cybersecurity council is to be created; members of the Information Technology Council of Higher Education are to be considered. Section 11 of the bill requires institutions

of higher education to adopt and implement a policy for internet website and mobile application security procedures. The bill requires the institutions to subject the websites or applications which would process confidential information to a vulnerability and penetration test prior to the deployments.

**HB 9 by Capriglione/V. Taylor - Relating to cybercrime; creating criminal offenses.** This bill creates an offense for intentionally interrupting or suspending access to a computer system or network without the effective consent of the owner with an exception for law enforcement purpose. For example, this change would criminalize "Denial of Service" attacks. The bill defines "ransomware" for prosecution purposes in a way that captures wrongdoers without preventing service providers from employing security measures on their networks. HB 9 also creates an offense for intentionally altering data as it transmits between two computers through deception and without a legitimate business purpose. Allowing network interference for legitimate business purposes allows organizations to regulate and conduct maintenance on networks without violating the provisions of the bill. Offenses in the bill start at a Class A misdemeanor and scale upwards depending on the amount defrauded.

**HB 1861 by Elkins/Watson - Relating to the confidentiality of certain information related to a computer security incident.** The Public Information Act (PIA) contains a confidentiality provision for computer and IT security information, but it only covers (1) computer network vulnerability reports, (2) other computer vulnerability assessments, and (3) copies of government employee ID badges. Because this provision does not cover routine IT security reports and logs, when a governmental body receives a PIA request covering these reports or logs, government employees and the Office of the Attorney General have to spend an inordinate amount of time to complete the redactions in these voluminous records.

HB 1861 addresses this issue by adding a fourth category to the existing IT security provision in the PIA to protect information directly arising from a governmental body's routine efforts to prevent, detect, investigate, or mitigate a computer security incident, including security logs. HB 1861 also requires a governmental body to redact this information from contracts with private entities before posting the contracts online. Finally, HB 1861 specifies that the new PIA provision does not affect the IT security breach notification requirements in current law. Taken together, these provisions create a more efficient mechanism to protect information relating to a governmental body's routine efforts to prevent, detect, investigate, or mitigate IT security incidents.

**HB 3275 by Capriglione/Campbell - Relating to the monitoring of major information resources projects by the Department of Information Resources.** This bill amends Chapter 2054 of the Government Code to require the Quality Assurance Team (QAT) to monitor and report on performance indicators for each major information resource project, for the entire life cycle of each project. The Department of Information Resources (DIR), by rule, is required to develop the performance indicators. The QAT would place a project on a list for more intense monitoring if the QAT determines that a project is not likely to achieve the performance objectives for the project. The QAT is required to closely monitor monthly reports for each project identified on the list for intense monitoring and, based on criteria developed by DIR, determine whether to recommend to the executive director of the affected agency the need to initiate corrective action for the project. HB 3275 requires DIR to create and maintain on their internet



website a user-friendly data visualization tool that provides information on the performance indicators for each major information resources project.

**SB 261 by Zaffirini/Guillen - Relating to the bulk purchase of information technology commodity items by the Department of Information Resources.** Concerns had been raised that recent legislation pertaining to state agency contracting contained a provision that could be construed to override the ability of the Department of Information Resources (DIR) to engage in bulk purchasing of information technology commodity items intended for use by more than one state agency. SB 261 seeks to address these concerns by clearly exempting DIR bulk purchases of such items from certain state contracting requirements.

**\*SB 532 by Nelson/Capriglione - Relating to reports on and purchase of information technology by state agencies.** This bill amends the Government Code to require the Department of Information Resources (DIR) to collect from each state agency, other than public institutions of higher education and public university systems, certain specified information on the status and condition of the agency's information technology infrastructure and to require each applicable state agency to provide such information to DIR according to a schedule determined by DIR.

SB 532 also requires DIR to submit a report not later than November 15 of each even-numbered year to legislative leadership on the use of cloud computing service options by state agencies, including use cases that provide cost savings and other benefits. State agencies would be required to cooperate with DIR in the creation of the report.

**SB 1004 by Hancock/Geren - Relating to the deployment of network nodes in public rights-of-way.** This bill updates state law and provides a uniform framework for the deployment of network nodes in a public right-of-way; this bill only amends the Local Government Code.

**SB 1193 by V. Taylor/Parker – Relating to the adoption of the Texas Revised Uniform Fiduciary Access to Digital Assets Act.** This bill adds a chapter to the Estates Code to adopt the Revised Uniform Fiduciary Access to Digital Assets Act, which would govern the management of digital assets and electronic communication by an estate administrator or other fiduciary agent. The bill clarifies the authority of various types of fiduciaries already recognized by Texas law, including administrators of decedents' estates, court-appointed guardians or conservators, agents established by power of attorney, and certain trustees.

**\*SB 1910 by Zaffirini/Capriglione - Relating to state agency information security plans, information technology employees, and online and mobile applications.** This bill requires DIR to submit to legislative leadership and committees of the Legislature a biennial report identifying preventive and recovery efforts the state can undertake to improve cybersecurity in this state. If a cybersecurity event creates the need for emergency funding, the bill would authorize DIR to request that the Governor or Legislative Budget Board make a proposal under Chapter 317, related to state budget execution, to provide funding to manage the impacts from the cybersecurity event.

Section 2 of SB 1910 requires agencies to assess their capability to execute major information resource projects before spending funds on such projects. Assessments of an agency's strengths and weaknesses in executing such projects would be submitted to the Department of Information Resources, the Quality Assurance Team, and the Legislative Budget Board.

Section 3 of the bill authorizes the Department of Information Resources (DIR) to select a portion of the security plans submitted to DIR under Section 2054.133 to be assessed by DIR, subject to available resources.

SB 1910 requires each state agency to designate an information security officer within the agency; this officer must report to executive level management, have authority over information security for the entire agency, possess the training and experience required to perform the duties required by DIR rules, and to the extent feasible, have information security as the officer's primary duties.

Section 5 of SB 1910 requires institutions of higher education to adopt and implement a policy for internet website and mobile application security procedures. The bill requires the institutions to subject the websites or applications which would process confidential information to a vulnerability and penetration test prior to the deployments. This is the same language as is in HB 8.

## **Facilities, Planning, and Construction Related Legislation**

**HB 1571 by Paddie/Hughes - Relating to energy savings performance contracts.** This bill modifies provisions related to energy savings performance contracts (ESPCs), including amending the definition of ESPCs for school districts, institutions of higher education and state agencies to the meaning assigned in Section 302.001 of the Local Government Code. HB 1571 amends the Local Government Code to include in the definition of energy savings the anticipated equipment replacement and repair costs. The bill would authorize applicable entities to use any available money to pay the provider of an energy or water conservation measure, as opposed to current law which requires payment to be made solely from project savings realized under the ESPC.

**SB 59 by Zaffirini/Kuempel - Relating to energy and water management planning and reporting requirements for state agencies and institutions of higher education.** This bill amends current law relating to energy and water management planning and reporting requirements for state agencies and institutions of higher education. SB 59 changes the due date of the State Energy Conservation Office's (SECO) biennial report on the status and effectiveness of the utility management and conservation efforts of state agencies and higher education institutions. This would ensure that SECO has additional time to collect the necessary information for the report. SB59 also broadens the language concerning the percentage goals for reducing a state agency's or institution's energy use in its comprehensive energy and water management plan so as to account for other types of alternative fuels such as natural gas or electricity that agencies or higher education institutions may use.

**SB 1289 by Creighton/Paddie - Relating to the purchase of iron and steel products made in the United States for certain governmental entity projects.** This bill amends Chapter 2252 of the Government Code, which deals with contracts with governmental entities, to require state entities with projects relating to the construction, remodeling, or altering of a building, a structure, or infrastructure, including a road or highway, or who supply a material for such projects, to source iron or steel products used in such projects from the United States. The bill would permit exceptions to the requirement if these products are not produced in sufficient quantities in the United States, if the use of products produced in the United States will increase the total cost of the project by more than 20 percent, or if complying with the requirement is inconsistent with the public interest.

**HB 1930 by Frullo/Perry - Relating to financial accounting and reporting requirements for this state and political subdivisions of this state.** This bill repeals Government Code Chapter 2266 which allows for a statutory modified accrual basis of accounting by the State and political subdivisions. Chapter 2266 also allows accounting for post-employment benefits (OPEB) other than pension benefits on a pay-as-you-go basis as an alternative standard to the Governmental Accounting Standards Board (GASB) related to OPEB.

**SB 312 by Nichols/Gonzales - Relating to the continuation and functions of the Texas Department of Transportation; authorizing an increase in rates charged for the use of state aircraft to provide for the acquisition of replacement aircraft; creating a criminal offense.** This bill was the Texas Department of Transportation sunset bill (TxDOT); SB 312 continues TxDOT for 12 years, until September 1, 2029.

SB 312 amends Chapter 2205 of the Government Code; this sections deals with state aircraft. No statutory changes were adopted that directly impacts the A&M System's aircraft fleet operation. The bill requires TxDOT to include in its long-range aircraft fleet plan an analysis of the impact of including capital recovery costs in the rates TxDOT charges for interagency services. The bill authorizes TxDOT to adopt rates for interagency aircraft services that include capital recovery costs in addition to the direct cost of services if TxDOT's long-range plan analysis finds that including capital recovery costs is a practicable fleet replacement strategy. SB 312 requires the capital recovery portion of the rates to be deposited to a separate account in the State Highway Fund, which could be used only for acquisition of aircraft for the pool operated by TxDOT.

**\*SB 736 by Hancock/Clardy - Relating to a report on the sale of retail electric power by the General Land Office.** This bill requires the General Land Office (GLO) to submit a report by September 1, 2018, to the Legislature regarding its sale of electric power. The report shall collect information as it relates to the number of participants, aggregate rates, general contract terms, and the extent of any fiscal impact on state resources of administering the program.

**SB 1501 by Zaffirini/Kuempel - Relating to the regulation of motor vehicle towing, booting, and storage and to the elimination of required state licensing for vehicle booting companies and operators; creating a criminal offense.** This bill repeals state licensing and regulation requirements for boot operators and booting companies effective September 1, 2018. The bill authorizes local authorities

to regulate booting activities in areas where the authorities regulate parking or traffic, including the authority to incorporate requirements for booting companies and operators, establish procedures for vehicle owners and operators to file complaints, provide for the imposition of penalties on a booting company or operator, and provide for the revocation of the authority to boot vehicles. SB 1501 also repeals the tow training license.

Section 18 of the bill addresses towing at universities. An individual designated by a university may request that a vehicle parked at a university parking facility be towed to another location on the university campus to facilitate a special event. The bill prohibits a vehicle from being towed from a university to facilitate a special event unless signs meeting specified criteria are installed on the parking facility for the 72 hours preceding towing enforcement for the special event and for 48 hours after the conclusion of the special event. There is language that requires personnel to be available if a vehicle is towed from a university to facilitate a special event to release the vehicle within two hours after a request for release of the vehicle and to accept any payment required for the release of the vehicle. The bill prohibits a university from charging a fee for such a tow that exceeds 75 percent of the private property tow fee established by rule of the Texas Commission of Licensing and Regulation. Language specifies that a vehicle towed from a university to facilitate a special event that is not claimed by the vehicle owner or operator within 48 hours after the conclusion of the special event may only be towed without further expense to the vehicle owner or operator and to another location on the university campus. The bill requires the university to notify the owner or operator of a vehicle towed to facilitate a special event of the right of the vehicle owner or operator to a hearing. This section also exempts a vehicle towed from a university to facilitate a special event from a provision requiring a towing company making a non-consent tow to tow the vehicle to a vehicle storage facility operated by a person licensed to operate the facility.

**SB 1731 by Birdwell/Meyer - Relating to the repeal of laws governing certain state entities, including the functions of those entities, and to certain duties, responsibilities, and functions of the Texas Commission on Environmental Quality on the abolishment of certain of those entities.** Senate Bill 1731 amends the Health and Safety Code, as amended by the Conference Committee, includes the exact language from Senate Bill 26 (Estes) specifically pertaining to continuing the Texas Emission Reduction Program (TERP) with reference to the Energy Systems Laboratory (ESL) at Texas A&M Engineering Experiment Station (TEES). As finally passed, the section of current law remains in effect providing ESL with contract and grant opportunities thru Texas Comptroller of Public Accounts (CPA) and Texas Commission on Environmental Quality (TCEQ).

**\*SB 1831 by Buckingham/Capriglione - Relating to an annual report on state programs and functions not funded by appropriations.** This bill amends the Government Code to require the Comptroller of Public Accounts, not later than December 31 of each year, to submit a report to the legislature that identifies the following for each state agency, including institutions of higher education: each program the state agency is statutorily required to implement for which no appropriation was made for the preceding state fiscal year, along with a citation to the law imposing the requirement, and the amount

and source of money the state agency spent, if any, to implement any portion of the program during the preceding state fiscal year.

SB 1831 requires a state agency to provide to the Comptroller not later than September 30 of each year information necessary for the Comptroller to prepare the report and authorizes the comptroller to prescribe the form and content of the information a state agency must provide. The bill requires the Comptroller to submit the initial report not later than December 31, 2017.

## **Employment/Benefit/Retirement Related Legislation**

### **Human Resources**

HB 88 by Martinez/Hinojosa - Relating to an unlawful employment practice by an employer whose leave policy does not permit an employee to use leave to care for the employee's foster child. Under current law, if an employer administers a leave policy for their employee to care for their sick child, there is no requirement that the leave policy treat foster children in the same manner as biological or adopted minor children. HB 88 addresses this issue by making it an unlawful practice for employers to administer leave policies that do not permit employees to use leave to care for the employee's foster child.

HB 3066 by Guillen/Menédez – Relating to certain benefits and protections for military service members. This bill provides that a service member of the Texas military forces who is ordered to state active duty or to state training and other duty by the governor, the adjutant general, or another proper authority under the law of this state is entitled to the same benefits and protections as provided by federal law.

\*SB 73 by Nelson/Geren - Relating to leave policy and procedures for state employees. This bill deals with various types of leave; it requires that state agencies, including institutions of higher education, to adopt leave policies for employees. Section 2 of the bill addresses emergency leave; it authorizes the administrative head of an agency to determine when emergency leave can be used. It requires the administrative head of an agency to grant emergency leave to an employee if the employee requests the leave and the administrative head determines that the employee has shown good cause for taking emergency leave. The bill prohibits the administrative head from granting an emergency leave to an employee unless the administrative head believes in good faith that the employee being granted the emergency leave intends to return to the employee's position with the agency on expiration of the period of emergency leave.

Section 3 of the bill authorizes the administrative head of an agency to grant leave without a deduction in salary to a state employee who is the subject of an investigation being conducted by the agency or a victim of, or witness to, an act or event that is the subject of an investigation being conducted by the agency. A state employee who is the subject of an investigation being conducted by the employing agency is ineligible to receive leave for that reason under any other provision of this subchapter. An agency that grants this type of leave must report not later than the last day of each quarter of a state fiscal year, a report to the state auditor's office and the Legislative Budget Board that includes the name

of each agency employee described by Subsection (a)(1) (relating to an employee who is the subject of an investigation being conducted by the agency) who has been granted 168 hours or more of leave under this section during that fiscal quarter. The report must include a brief statement for each employee as to the reason the employee remains on leave.

Section 4 of the bills allows state employees who are veterans and are eligible for Veterans Affairs health benefits to be granted leave without a deduction in salary or loss in vacation, sick leave, compensatory time, or overtime, so that they can obtain medical or mental care provided by the VA.

Section 5 of the bill requires those agencies that utilize the CAPPS program at the Comptroller's office to report leave information as required by the Comptroller.

### *Benefits/Risk Management*

**HB 10 by Price/Zaffirini - Relating to access to and benefits for mental health conditions and substance use disorders.** This bill requires HHSC to establish and implement a mental health condition and substance use disorder parity work group at the Office of Mental Health Coordination as a part of or a subcommittee of the Behavioral Health Advisory Committee. The legislation also requires the Texas Department of Insurance (TDI) to conduct a study and prepare a report on benefits for medical or surgical expenses and for mental health conditions and substance use disorders provided by health benefit plans, and would require HHSC to conduct a similar study due no later than September 1, 2018.

HB 10 amends current law relating to access to and benefits for mental health conditions and substance use disorders.

**HB 490 by C. Anderson/Kolkhorst - Relating to health benefit plan coverage of hearing aids and cochlear implants for certain individuals.** This bill amends the Insurance Code to require a health benefit plan to cover hearing aids and cochlear implants for individuals who are 18 years of age or younger. The bill provides that coverage (1) is required to include certain treatments and services related to hearing aids or cochlear implants; and (2) is limited to one hearing aid in each ear every three years and one cochlear implant in each ear with internal replacement as medically or audiotically necessary.

**HB 919 by Kacal/Schwertner - Relating to workers' compensation insurance coverage for certain intrastate fire mutual aid system team members and regional incident management team members.** This bill amends the Education Code to provide workers' compensation coverage under certain circumstances for an individual, other than an employee of The Texas A&M University System, who has been officially designated as a member of an intrastate fire mutual aid system team, or a regional incident management team, that is coordinated by the Texas A&M University System. The bill requires the Texas A&M Forest Service to perform all the duties of an employer in relation to an intrastate fire mutual aid system team member or a regional incident management team member who is injured and receives benefits under the provisions of the bill.

**HB 1036 by S. Thompson/Whitmire - Relating to coverage for certain breast cancer screening procedures under certain health benefit plans.** This bill amends the Insurance Code to include digital mammography and breast tomosynthesis as forms of low-dose mammography for which a health benefit plan that provides coverage to a female who is 35 years of age or older must provide coverage in an annual screening for the presence of occult breast cancer. The bill defines "breast tomosynthesis" as a radiologic mammography procedure that involves the acquisition of projection images over a stationary breast to produce cross-sectional digital three-dimensional images of the breast from which applicable breast cancer screening diagnoses may be determined.

**HB 1296 by Frullo/Buckingham - Relating to health benefit coverage for prescription drug synchronization.** This bill allows physicians, working in conjunction with a patient's health plan and the pharmacy, to determine which medications should be aligned in order to properly treat chronic diseases. It also eliminates barriers to medication synchronization by requiring health plans to prorate any cost-sharing amount charged for a prescription drug dispensed in a quantity that is less than the full amount as part of a recommended medication synchronization program, resulting in reduced upfront costs for patients.

**HB 4035 by Flynn/Huffman - Relating to eligibility and contributions for coverage under the state employee group benefits program and health benefit plans offered by certain university systems.** Chapter 1601 of the Texas Insurance Code authorizes the Texas A&M University System and the University of Texas System to provide group insurance benefits to their respective eligible individuals. These two systems and their employees are not a part of the Employees Retirement System benefit plan for state employees. The bill provides procedures that will help streamline the administrative process for the two university systems.

The bill addresses the following issues:

- **Section 1** of the bill amends the Government Code to allow a retiree who is receiving an annuity from the Teacher Retirement System to have their insurance premium deducted from their annuity. This language was reviewed and approved by TRS.
- **Sections 2 and 4** of the bill amend the Insurance Code to recognize if a person has split service amongst state agencies that they be able to return to the state employer where they had the most service and be eligible for retiree benefits, assuming the combined service is equal to 10 or more years of service and age requirements are met. This language was reviewed and approved by ERS.
- **Section 3** of the bill amends the Insurance Code to allow for consistent administration with state and federal law; this includes issues such age requirements of coverage for dependents and full-time vs. part-time status benefit coverage.
- **Sections 5 and 6** of the bill make technical corrections to Section 1601.102 Insurance Code, by eliminating the duplicate lettering of two subsections.
- **Section 7** of the bill amends the Insurance Code to clarify the authority for a system to design and offer separate optional basic coverage plans for employees who are graduate students.
- **Section 8** of the bill amends the Insurance Code to allow a university system to terminate coverage if the monthly compensation of a participant from which the participant's contribution is deducted is insufficient to pay the participant's contribution for coverage. It also amends the

Insurance Code to allow a university system to collect owed out of pocket premiums prior to enrollment in plans offered under Chapter 1601, Insurance Code.

- **Section 9 and 10** of the bill address implementation of the changes set forth by HB 4035.

Please contact the Office of Benefits Administrations if further information is needed.

**SB 301 by Watson/Flynn - Relating to the operations and functions of the Employees Retirement System of Texas and the sunset review date for, financial management of, and programs administered by the agency.** This bill is the Sunset bill for the Employees Retirement System of Texas (ERS). As a constitutionally created agency, ERS is not subject to abolishment under the Sunset Act. SB 301 amends current law relating to the operations and functions of the Employees Retirement System of Texas and the sunset review date for, financial management of, and programs administered by the agency. SB 301 sets the next Sunset review for ERS at 2029.

**SB 1663 and SB 1664 by Huffman/Flynn - Relating to contributions to, benefits from, late fees imposed by, and the administration of systems and programs administered by the Teacher Retirement System of Texas.** These bills amend the Government Code to make numerous changes related to retirement contributions, benefits, late fees, reporting requirements, and administration of systems and programs administered by TRS. The legislation pushes the sunset date for TRS to 2025. The bill addresses interest and late fees assessed against employers late TRS contributions and stipulates time limits on purchases of TRS service credit.

**SB 1954 by Hughes/Lozano - Relating to participation in and contributions to the optional retirement program for certain employees of institutions of higher education.** This bill amends the Government Code relating to participation in and contributions to the Optional Retirement Program (ORP) for certain employees of institutions of higher education. The provisions of the bill would clarify statute regarding selection of and enrollment in ORP, would allow additional time for selection of ORP in the event eligible employees are not properly notified, and would implement measures to correct errors related to enrollment in ORP and TRS.

## **Health Science Center Related Legislation**

**HB 13 by Price/Schwertner – Relating to the creation of a matching grant program to support community mental health programs for individuals experiencing mental illness.** To the extent money is appropriated to the Health and Human Services Commission for this purpose, the commission shall establish a matching grant program to support community mental health programs providing services and treatment to individuals experiencing mental illness. Matching funds may include in-kind contributions but many not include money from state and federal funds. The commission shall select grant recipients based on applications by nonprofit and governmental entities based on criteria developed by the executive commissioner as outlined in the bill. Input from the local mental health authority must be sought and considered before awarding a grant.



**HB 1697 by Price/Nelson – Relating to the establishment of a pediatric health electronic access in rural Texas grant program.** This bill seeks to improve access to pediatric subspecialty care, connect rural hospitals to advanced pediatric specialists in the state, and reduce the number of fragile infants needing to be transferred to metropolitan areas for specialty care by establishing a grant program. It requires the Health and Human Services Commission (HHSC) to assist with the establishment of a pediatric tele-connectivity resource program for rural Texas. Grants will be awarded to nonurban health care facilities to connect institutions with pediatric specialists and subspecialists who provide telemedicine services. In order to be eligible for a grant, a health care facility must have several qualifications, including a quality assurance program and a designated neonatal ICU or an emergency department. The bill also authorizes the HHSC to solicit and accept grants and donations from public or private sources for the grant program. It authorizes HHSC to establish a work group to assist with the development, implementation, and evaluation of the program and preparation of a report on the outcomes of the awarded grants. HHSC must also submit a report detailing the grant recipients and program activities to the legislature and governor annually.

**HB 1913 by Geren/Nelson – Relating to the required qualifications for serving as president of the University of North Texas Health Science Center at Fort Worth and to the prohibition against the award of certain degrees by the center's governing board.** This bill seeks to repeal the statutory provisions that require of UNTHSC at Fort Worth that the board-appointed president of the institution must be a licensed physician possessing a doctor of osteopathy (D.O.) degree who has been licensed to practice medicine in a state in the United States for at least five years. It also repeals the provision in the Education Code that restricts the type of degree that can be awarded by UNTHSC to only doctor of osteopathy degrees, allowing UNTHSC to offer both D.O. and M.D. degrees.

**HB 2848 by Burkett/Perry – Relating to requiring the Department of Family and Protective Services to create a physician multidisciplinary team to assist in certain investigations of child abuse and neglect.** This bill requires an agreement between DFPS and certain entities to help connect abuse and neglect investigations conducted by DFPS with consulting physicians who specialize in certain disorders. The purpose of this bill is to prevent inaccurate allegations of abuse or neglect, as medical conditions can produce symptoms that mimic those of abuse and neglect. These include rickets, osteogenesis imperfecta, vitamin D deficiency, and other connective tissue or metabolic bone diseases. The bill also requires certain organizations providing assessments to DFPS to use a peer review process to resolve cases where physicians disagree about the cause of a child's state or injury.

**HB 2950 by Burkett/Hinojosa – Relating to the continuation and functions of the Texas Board of Nursing and to the regulation of the practice of nursing.** This bill extended the Texas Board of Nursing (BON) for 12 years based on the recommendation of the Sunset Advisory Commission. It also established requirements for clinical competency programs to continue to operate in Texas and continued the exception to licensure standards for graduates of certain out-of-state nursing programs, specifically Excelsior College. For programs whose national exam passage rate falls below the BON's standard for consecutive years, the bill created a new process for improvement of the program. In an instance where that program fails to meet these standards, its graduates will have to meet additional

requirements to become licensed in Texas. The bill limits the use of subjective standards in the case of licensure judgements by requiring the BON to demonstrate a connection between a nurse's conduct and the practice of nursing. It also allows advanced practice nurses to complete the medical certification for a death certificate in some cases. It makes some changes to the peer assistance program for impaired nurses, such as increasing flexibility and oversight. The bill requires the BON to create a formal process allowing students the opportunity for re-evaluation of participation in peer assistance upon initial licensure and requires the BON to measure the effectiveness of the peer assistance program. It also adopts the new Nurse Licensure Compact to ensure continued mobility for nurses. The bill requires the BON to remove a nurse's disciplinary action from the BON's website in certain circumstances and prohibits the BON from charging a nurse for the administrative costs of conducting an administrative hearing.

**HB 2995 by Ashby/Nichols – Relating to the creation and operations of health care provider participation programs in certain counties.** This bill seeks to control health care costs and indigent care costs in Angelina County. It amends the Health and Safety Code to provide for a county health care provider participation program in a county with a population of more than 75,000 or more that is not served by a hospital district or public hospital *and* that borders or includes a portion of the Sam Rayburn Reservoir. The bill authorizes a participating county to collect a mandatory payment from each institutional health care provider to be deposited in a local provider participation fund established by the county. Money in the fund is to be used by county to fund certain indigent care programs and intergovernmental transfers. The commissioner's court may adopt an order authorizing a county to participate in the program. The bill provides for an annual public hearing on the required mandatory payment amounts for the upcoming year.

**HB 3296 by Klick/Perry – Relating to persons required to establish nursing peer review committees.** This bill seeks to protect and improve the quality of the nursing care environment by providing for increased establishment of peer review committees. It amends the Occupations Code to decrease the minimum number of nurses employed, hired, or contracted for services by a person that prompts the requirement to establish a nursing peer review committee for vocational nurses from ten to eight. In the case of professional nurses, the bill decreases the necessary number requiring a peer review committee from ten (at least five of whom are registered nurses) to eight (at least four of whom are registered nurses).

**HCR 102 by Lozano/Schwertner – Expressing support for prioritizing a substantial increase in funding for graduate medical education before authorizing the creation and support of additional medical schools.** This resolution expresses the support of the 85<sup>th</sup> Texas Legislature for graduate medical education and charges the Higher Education Coordination Board "to work with institutions of higher education and the medical community to achieve the 1.1 to 1 goal" for residency positions for each medical school graduate. It recognizes the rapidly growing population of Texas, our state's critical shortage of primary care professionals, and the importance of investments made by the Legislature in graduate medical education.

**SB 7 by Bettencourt/K. King – Relating to improper relationships between educators and students.**

This bill aims to reduce the risks to students and school systems involved with inappropriate educator-student relationships by closing loopholes and providing penalties. Educators who receive deferred adjudication or must be in the sex offender registry for any crime will lose their license. If an administrator assists someone in obtaining employment at a school when they knew or should have been aware that that person had been engaged in sexual misconduct, an educator’s certificate can be revoked. Current law encompasses intra-district relationships, and this bill expands the statute to include inter-district relationships. It expands the types of students against whom an educator can commit an offense to include a student the employee knows is enrolled in a public or private primary or secondary school other than just the school at which the employee works. While reporting of misconduct is currently required of the school superintendent, this bill would expand this obligation to principals in order to benefit larger school districts. The bill includes requirements for continuing education including preventing, recognizing, and reporting inappropriate sexual conduct between students and teachers. It would also require that school districts adopt, implement, and enforce local policies regarding electronic communications between teachers and students. Parents or guardians of “a student with whom an educator is alleged to have engaged in misconduct” must be notified. The bill also requires a “pre-employment affidavit disclosing whether the applicant has ever been charged with, adjudicated for, or convicted of having an inappropriate relationship with a minor” for all applicants to educator positions. In addition, an employee or former employee who is “a member of an annuitant of the retirement system” is ineligible to receive a retirement annuity from the system if that person is convicted of a “qualifying felony.” Qualifying felonies include continuous sexual abuse of a child who is a student, improper relationship between educator and student, and sexual assault or aggravated sexual assault where the victim is a student.

**SB 27 by Campbell/Blanco – Relating to the mental health program for veterans.** This bill seeks to increase access to mental health support for veterans, decrease costs related to military trauma, and increase the number of dedicated staff with the knowledge to provide mental health services to veterans in communities where there is a deficiency. It defines “peer service coordinator” and requires that the Texas Veterans Commission “identify, “train, and communicate with” community-based licensed mental health professionals. All references to “community based therapists” are replaced with “community-based mental health professionals” in the law. The bill requires that the mental health intervention program include training approved by the Department of State Health Services (DSHS) for peer service coordinators, licensed mental health professionals, and peers. It also requires veteran jail diversion services and removes the provision that the program include grants to regional and local organizations to provide these services. The bill also establishes the National Center for Warrior Resiliency at the University of Texas Health Science Center at San Antonio. The center shall research “issues relating to the detection, prevention, diagnosis, and treatment of combat-related” post-traumatic stress disorder and comorbid conditions. It will also provide clinical care to military personnel and veterans. The Board of Regents of the University of Texas System shall select a site for the center and provide for the employment of staff and a budget for the center.

**SB 313 by Schwertner/Burkett – Relating to the continuation and functions of the State Board of Dental Examiners.** This bill extends the existence of the State Board of Dental Examiners for the next 12 years. It reduces the number of board members from 15 to 11 and revises the composition of the board. It also revises training requirements and prohibitions on conflicts of interest for board members. The bill authorizes the board to enforce certain disciplinary actions and to require applications for or holders of dental licenses to submit to mental or physical evaluations. It also includes specific procedures for the monitoring of compliance and for complaints filed against license holders. The bill sets the term of validity for licenses at one or two years and removes a limitation on which license fees are required to be prorated monthly under certain circumstances. It also expands the authority of the board regarding anesthesia administration, requires the board to establish the qualifications for procuring each level of permit, and clarifies the board’s authority to conduct inspections related to anesthesia administration. The bill also requires that the board establish an advisory committee to analyze and report on trends and data surrounding anesthesia-related incidents and deaths. It repeals previous provisions establishing the Dental Hygiene Advisory Committee and the Dental Laboratory Certification Council. In addition, the bill establishes a dental review committee appointed by the governor and details provisions for this committee, such as training and length of member terms. It also includes new provisions for pit and fissure sealant certificates, coronal polishing certificates, and dental x-rays.

**SB 491 by Watson/Howard – Relating to the statewide preceptorship program in family medicine.** This bill adds family medicine to the existing statewide preceptorship program for medical students interested in primary care. This does not represent a major change as family medicine has been included in the program in the past, but simply formalizes its inclusion in the program. The bill also includes “the school of osteopathic medicine at the University of the Incarnate Word” in the definition of the term “medical school” for the purposes of the Texas Education Code.

**SB 507 by Hancock/Frullo - Relating to mediation of the settlement of certain out-of-network health benefit claims involving balance billing.** This bill seeks to address concerns with eligibility restrictions on the use of mandatory mediation as a means of resolving billing disputes for certain health benefit claims. Specifically, emergency care providers have expressed major concerns with their ability to resolve claims disputes. The bill amends the Insurance Code to apply statutory provisions regarding out-of-network health dispute resolution to an administrator of a health plan (other than a health maintenance organization, or HMO). It replaces all references to a “facility-based physician” with “facility-based provider,” which is defined by the bill as a physician, health care practitioner, or other health care provider who provides health care or medical services to patients of a facility. It outlines specific requirements for bills sent to enrollees by facility-based providers or emergency care providers. For instance, bills sent to enrollees must contain a conspicuous, plain-language explanation of the mediation process in 10-point or larger boldface type. The bill also prohibits those acting as a mediator for a claim settlement dispute any person who has been employed by, consulted for, or had a business relationship with a health care practitioner or provider during the three years preceding the mediation request.

**SB 578 by Lucio/Blanco – Relating to the creation by the Texas Veterans Commission of a veteran suicide prevention action plan.** The bill establishes the National Center for Warrior Resiliency at the University of Texas Health Science Center at San Antonio. The center shall research “issues relating to the detection, prevention, diagnosis, and treatment of combat-related” PTSD and comorbid conditions. It will also provide clinical care to military personnel and veterans. The Board of Regents of the University of Texas System shall select a site for the center and provide for the employment of staff and a budget for the center. The bill also requires the coordination of several different agencies (including the Health and Human Services Commission, the Department of Veterans Affairs, and the Texas Coordinating Council for Veterans Services) in the creation of a comprehensive action plan for prevention of veteran suicides and increasing access to professional veteran health services. Among the requirements for this plan are the identification of funding resources to provide accessible and affordable veteran mental health services, provision of peer-to-peer service coordination, and provision of measures to expand public-private partnerships. The bill also requires that the Health and Human Services Commission make statutory, administrative, and budget-related recommendations to the legislature and governor in order to properly implement the new action plan.

**SB 1148 by Buckingham/G. Bonnen – Relating to maintenance of certification by a physician or an applicant for a license to practice medicine in this state.** Due to the inconsistencies among recertification requirements and high costs associated with recertification for physicians, some have expressed concern that certain entities, such as hospitals, have created a ghost mandate for physicians by basing employment on their maintenance of certification. This bill seeks to prohibit certain medical entities from differentiating between physicians upon employment based on a physician’s maintenance of certification. It defines the prohibited entities as any licensed health facility or mental hospital licensed under the Health and Safety Code or any hospital, institution, or program that is owned, operated, or licensed by the state with “an organized medical staff or a process for credentialing physicians.” It also denotes similar prohibitions for managed care plans. The bill creates a joint interim committee composed of five senators and five House members “to study and assess maintenance of certification of physicians in this state.” The committee shall include representatives from the insurance industry, hospitals, and the American Board of Medical Specialties, among others. By January 2019, this committee will report on their study of the maintenance of certification and its relevance to practice, as detailed in the bill.

**SB 1633 by Perry/Oliverson – Relating to the provision of pharmacy services through a telepharmacy system.** This bill allows provider pharmacies that dispense drugs through a telepharmacy system at (a) location(s) separate from that pharmacy to be located at a remote dispensing site. Previously, these pharmacies were only able to be located at a health care facility. The bill defines a remote dispensing site as a location licensed as a telepharmacy authorized by a provider pharmacy that stores and dispenses prescription drugs and devices. According to the bill, the locations eligible for licensure for as a remote dispensing site “must include medically underserved areas” and populations with a health professional shortage. In addition, if a pharmacy with the same classification already exists in that area or within 10 miles, “a provider pharmacy may not provide remote pharmacy services” in that same

community, as defined by census tracts. Remote sites staffed by pharmacy technicians must be under the constant supervision of a pharmacist employed by the provider pharmacy. The pharmacist must be physically present for services such as immunizations and must make visits to the remote site at least once monthly, or more frequently if required by the Texas State Board of Pharmacy (TSBP). The bill requires that pharmacy technicians at remote sites “be counted for the purpose of establishing the pharmacist-pharmacy technician ratio of the provider pharmacy.” It also requires that the TSBP develop a process for remote sites to use if they dispense more than an average of 125 prescriptions per day.

**SB 1806 by Huffman/Miller – Relating to requiring the use of multidisciplinary teams appointed by children's advocacy centers in certain child abuse investigations.** This bill seeks to capitalize on the benefits of partnerships with children’s advocacy centers (CACs) by requiring DFPS to refer certain child abuse cases to a CAC for a multidisciplinary approach to joint investigations. In cases of child fatality where there are surviving children remaining in the household under the supervision of the caregiver involved in the child fatality (or a report of abuse is made by a certain professional that alleges sexual abuse), the CAC is required to initiate a response from their multidisciplinary team. These requirements apply only to investigations occurring in counties served by a CAC that has executed an interagency memorandum of understanding. If in a county not served by a center that has executed this memorandum, DFPS is authorized to directly refer a case to a center in an adjacent. The bill requires interviews of children conducted as part of the investigation in a case referred to a CAC to be a forensic interview conducted according to the center’s working protocol, with some exceptions.

## **Agriculture and Natural Resources Related Legislation**

**HB 919 by Kacal/Schwertner - Relating to workers' compensation insurance coverage for certain intrastate fire mutual aid system team members and regional incident management team members.** This bill amends the Education Code to provide workers' compensation coverage under certain circumstances for an individual, other than an employee of The Texas A&M University System, who has been officially designated as a member of an intrastate fire mutual aid system team, or a regional incident management team, that is coordinated by the Texas A&M University System. The bill requires the Texas A&M Forest Service to perform all the duties of an employer in relation to an intrastate fire mutual aid system team member or a regional incident management team member who is injured and receives benefits under the provisions of the bill.

**HB 1299 by Springer/Creighton - Relating to the procedure for the approval of rules adopted by the comptroller relating to the appraisal of qualified open-space land and qualified timber land for ad valorem tax purposes.** This bill amends the Tax Code to replace the requirements that, before taking effect, rules relating to the development and distribution of appraisal manuals setting forth the methods of appraising qualified open-space land and qualified timber land and the development and enforcement of procedures for verifying that land as qualified be approved by a majority vote of a committee comprised of the governor, the comptroller of public accounts, the attorney general, the agriculture commissioner, and the commissioner of the General Land Office, or the designees of those

officials, with requirements that the rules regarding qualified open-space land be approved by the comptroller with the review and counsel of the Department of Agriculture before taking effect and the rules regarding qualified timber land be approved by the comptroller with the review and counsel of the Texas A&M Forest Service before taking effect.

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## Bills with Reporting or Posting Requirement

SB 73 by Nelson/Geren - Relating to leave policy and procedures for state employees. **(Report due October 1<sup>st</sup> to the State Comptroller)**

SB 255 by Zaffirini/Simmons - Relating to training for governmental entities and vendors, including purchasing and contract management training. **(Report due to LBB at date TBD.)**

SB 532 by Nelson/Capriglione - Relating to reports on and purchase of information technology by state agencies. **(Effective Date September 1, 2017. Report due November 1st of every even numbered year to The Governor, Lieutenant Governor, and the Speaker of The House.)**

SB 537 by Hinojosa/Lozano - Relating to requiring the disclosure of special course fees at public institutions of high education. **(Effective Date September 1, 2017. Course catalogs must be updated by 2018-2019 School Year.)**

SB 736 by Hancock/Clardy - Relating to the authority of the General Land Office to sell retail electric power. **(General Land Office must provide report to the Legislature September 1, 2018)**

SB 810 by Kolkhorst/Howard - Relating to the use of open educational resources. **(Effective immediately. Report due to The Governor, Lieutenant Governor, and The Speaker of The House.)**

SB 1119 by Zaffirini/Howard - Relating to an annual report on employment positions provided through the Texas college work-study program. **(Effective immediately. Report due by THECB, to Governor, Lieutenant Governor, and The Speaker of The House, January 1<sup>st</sup> of each year)**

SB 1524 by Nichols/Morrison - Relating to the movement of certain vehicles transporting an intermodal shipping container. **(Effective January 1, 2018)**

SB 1799 by West/Clardy - Relating to the student loan default prevention and financial aid literacy pilot program. **(Effective immediately. Report due to Governor, Lieutenant Governor, and The Speaker of The House annually by THECB.)**

SB 1831 by Buckingham/Capriglione - Relating to an annual report on state programs and functions not funded by appropriations. **(Effective Immediately. Report due to The Comptroller no later than September 30<sup>th</sup> of every year.)**

SB 1910 by Zaffirini/Capriglione - Relating to state agency information security plans, information technology employees, and online and mobile applications. **(Report Due November 15<sup>th</sup> of ever even numbered year to Governor, Lieutenant Governor, and The Speaker of The House)**

HB 493 by Perez/Campbell - Relating to reporting requirements for the College Credit for Heroes program. **(Report due to the Governor and the Legislature November 1<sup>st</sup> of each year by THECB)**

HB 2223 by Giddings/Zaffirini - Relating to developmental coursework offered by public institutions of higher education under the Texas Success Initiative. **(Effective immediately. Report due by the end of November of each even number year to the Governor, Lieutenant Governor, The Speaker of The House, and to Higher Education Committees.)**

HB 2895 by Price/Seliger - Relating to the requirement that certain public institutions of higher education post mental health resources on the institution's Internet website. **(Effective September 1, 2017. Each institution must have link in conspicuous location on their website, and prove compliance to THECB by August 1<sup>st</sup> of each year.)**

## **Other Bills of Interest That Passed**

HB 2 by Zerwas/Nelson - Relating to making supplemental appropriations and giving direction and adjustment authority regarding appropriations.

HB 8 by Capriglione/Nelson - Relating to cybersecurity for state agency information resources.

HB 9 by Capriglione/Taylor, Van - Relating to cybercrime.

HB 10 by Price/Zaffirini - Relating to access to and benefits for mental health conditions and substance use disorders.

HB 53 by Romero/Huffman - Relating to settlement of claims and actions against a governmental unit.

HB 89 by King, Phil/Creighton - Relating to state contracts with and investments in companies that boycott Israel.

HB 355 by Raney/Buckingham - Relating to prohibiting certain sex offenders from residing on the campus of a public or private institution of higher education.

HB 919 by Kacal/Schwertner - Relating to workers' compensation insurance coverage for certain intrastate fire mutual aid system team members and regional incident management team members.

HB 928 by White/Uresti - Relating to assisting certain children who are in foster care or who have been adopted in the process of applying to institutions of higher education.

HB 1003 by Capriglione/West - Relating to investment of public funds.

HB 1571 by Paddie/Hughes - Relating to the use of local government energy savings performance contracts for measures that avoid expected future operating or maintenance costs.

HB 2121 by Cyrier/Hughes - Relating to damages in certain contract claims against the state.

HB 2223 by Giddings/Zaffirini - Relating to developmental coursework offered by public institutions of higher education under the Texas Success Initiative.

HB 2783 by Smithee/Watson - Relating to the assessment of litigation costs and attorney fees in certain lawsuits under the public information law. (See below for **Governor's Message**)

**Vetoed**

*“By threatening the taxpayers with attorneys’ fees, House Bill 2783 creates an incentive for requestors of public information to sue the government as quickly as possible instead of waiting for the statutorily defined public information process to play out. The stated purposes of this bill could have been achieved without giving lawyers the ability to threaten taxpayer-funded attorneys’ fees awards against governmental bodies that are just trying to follow the law.” -- Governor Greg Abbott*

HB 2895 by Price/Seliger - Relating to the requirement that certain public institutions of higher education post mental health resources on the institution's Internet website.

HB 3107 by Ashby/Nichols - Relating to the production of public information under the public information law.

HB 3275 by Capriglione/Campbell - Relating to the monitoring of major information resources projects by the Department of Information Resources.

HB 3849 by Zerwas/Nelson - Relating to the creation and re-creation of funds and accounts, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes.

HB 4035 by Flynn/Huffman - Relating to eligibility and contributions for coverage under the state employee group benefits program and health benefit plans offered by certain university systems.

HCR 102 by Lozano/Schwertner - Expressing support for prioritizing a substantial increase in funding for graduate medical education before authorizing the creation and support of additional medical schools.

SB 1 by Nelson/Zerwas - General Appropriations Bill.

SB 73 by Nelson/Geren - Relating to leave policy and procedures for state employees.

SB 81 by Nelson/S. Davis - Relating to the operations of the Cancer Prevention and Research Institute of Texas.

SB 252 by V. Taylor/S. Davis - Relating to prohibiting governmental contracts with a company doing business with Iran, Sudan, or a foreign terrorist organization.

SB 253 by V. Taylor /S. Davis - Relating to investment prohibitions and divestment requirements for certain investments of public money.

SB 255 by Zaffirini/Simmons - Relating to training for governmental entities and vendors, including purchasing and contract management training.

SB 312 by Nichols/Gonzales - Relating to the continuation and functions of the Texas Department of Transportation.

SB 532 by Nelson/Capriglione - Relating to reports on and purchase of information technology by state agencies.

SB 533 by Nelson/Geren - Relating to state agency contracting.

SB 537 by Hinojosa/Lozano - Relating to requiring the disclosure of special course fees at public institutions of high education.

SB 802 by Seliger/Howard - Relating to a study and report regarding best practices in the provision of dual credit courses by public institutions of higher education and the transfer of course credit.

SB 810 by Kolkhorst/Howard - Relating to the use of open educational resources.

SB 813 by Hughes/Meyer - Relating to recovery of damages, attorney's fees, and costs related to frivolous regulatory actions by state agencies. (See below for **Governor's Message**)

**Vetoed**

*"State agencies should be held accountable when they abuse their authority. There are many ways to accomplish that goal other than by enticing trial lawyers to sue the taxpayers for damages. Senate Bill 813 is well-intentioned, but it subjects the State to the possibility of extensive financial liability. Under the bill, taxpayer liability would be triggered any time a judge decides the State's action is "unreasonable," a vague and broad standard that varies with the eye of the beholder. This financial liability would be borne by the taxpayers, not by the bureaucrats who caused the problem. The bill was inspired by legitimate concerns about regulatory overreach, but exposing the State fisc to limitless jury verdicts is not the right solution."*

*-- Governor Greg Abbott*

SB 887 by Seliger/Clardy - Relating to a requirement that certain participating institutions under the student loan program administered by the Texas Higher Education Coordinating Board provide loan debt information to students.

SB 966 by Watson/Neave - Relating to criminal offenses regarding the consumption or possession of alcoholic beverages by a minor.

SB 968 by Watson/Alvarado - Relating to requiring certain public and private institutions of higher education to provide students and employees an option to electronically report certain offenses to the institution.

SB 969 by Watson/Leach - Relating to requiring certain public and private institutions of higher education to provide amnesty to students who report incidents of sexual assault.

SB 1066 by Schwertner/Lozano - Relating to meeting the graduate medical education needs of new medical degree programs offered by public institutions of higher education.

SB 1091 by Seliger/Howard - Relating to limitations on courses that may be offered for dual credit by school districts and public institutions of higher education.

SB 1289 by Creighton/Paddie - Relating to the purchase of iron and steel products made in the United States for certain governmental entity projects.

SB 1501 by Zaffirini/Kuempel - Relating to the regulation of motor vehicle towing, booting, and storage and to the elimination of required state licensing for vehicle booting companies and operators.

SB 1663 by Huffman/Flynn - Relating to contributions to, benefits from, late fees imposed by, and the administration of systems and programs administered by the Teacher Retirement System of Texas.

SB 1664 by Huffman/Flynn - Relating to contributions to, benefits from, membership in, and the administration of systems and programs administered by the Teacher Retirement System of Texas.

SB 1731 by Birdwell/Meyer - Relating to the repeal of laws governing certain state entities and a state compact, including the functions of those entities.

SB 1781 by West/Gonzalez - Relating to the regulation of certain degree-granting postsecondary educational institutions by the Texas Higher Education Coordinating Board.

SB 1782 by West/Clardy - Relating to the elimination of certain formula funding and dropped course restrictions for returning adult students at public institutions of higher education and to the tuition rate that may be charged to those students.

SB 1813 by Buckingham/Turner - Relating to common admission application forms for institutions of higher education.

SB 1954 by Hughes/Lozano - Relating to participation in and contributions to the optional retirement program for certain employees of institutions of higher education.

SB 1963 by Creighton/Phelan - Relating to requirements for educator preparation program support for certain candidates for certification.

SB 1969 by Kolkhorst/Cyrer - Relating to the nonsubstantive revision of the Texas Racing Act, including conforming amendments.

SB 2082 by Taylor, Larry/Clardy - Relating to the work-study student mentorship program administered by the Texas Higher Education Coordinating Board.

SB 2118 by Seliger/S. Davis - Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs.

SCR 56 by Watson/Lucio III - Requesting the lieutenant governor and the speaker of the house of representatives to create a joint interim committee to examine all state open-government laws.

## Other Bills of Interest That Did Not Pass

HB 16 by Lozano/Watson - Relating to sexual assault, family violence, and stalking at public and private postsecondary educational institutions.

HB 17 by Lozano - Relating to the establishment of the Texas Higher Education Innovation Accelerator for public institutions of higher education.

HB 18 by Capriglione - Relating to contract procurement, management, auditing, oversight, and evaluation of state agencies.

HB 20 by Capriglione - Relating to the review, oversight, and reporting of certain state agency contracts.

HB 254 by Hernandez - Relating to a single common course numbering system for public institutions of higher education in this state.

HB 282 by Anchia - Relating to the carrying of handguns on the campuses of and certain other locations associated with institutions of higher education.

HB 313 by J. Johnson - Relating to the higher education fund, the management of investments of the permanent university fund, and the allocation and distribution of certain constitutional revenues to the University of Houston.

HB 360 by Geren - Relating to leave policy and procedures for state employees.

HB 385 by Murphy - Relating to the elimination of certain formula funding and dropped course restrictions for students enrolled in accelerated, affordable baccalaureate programs at public institutions of higher education.

HB 391 by Howard - Relating to the carrying of handguns on the campuses of and certain other locations associated with institutions of higher education.

HB 428 by P.King - Relating to certain requirements of public institutions of higher education regarding student organization membership.

HB 430 by J. Johnson - Relating to outcomes-based funding for general academic teaching institutions.

HB 579 by Turner - Relating to notice of certain state agency contract cost that exceeds the amount of the contract.

HB 654 by Clardy - Relating to the elimination of certain formula funding and dropped course restrictions for returning adult students at public institutions of higher education and to the tuition rate that may be charged to those students.

HB 709 by Wu - Relating to a study conducted by Texas A&M University on services for children and families available in rural counties for children in the managing conservatorship of the Department of Family and Protective Services.

HB 711 by Wu - Relating to a limitation on the number of certain non-tenured or non-tenure track faculty employed at public universities.

HB 712 by Wu - Relating to a single common course numbering system for public institutions of higher education in this state.

HB 792 by Wu - Relating to the exception from disclosure under the public information law for information related to competition or bidding.

HB 793 by Capriglione - Relating to the definition of a governmental body for the purposes of the public information law.

HB 796 by Clardy - Relating to the work-study student mentorship program administered by the Texas Higher Education Coordinating Board.

HB 832 by Clardy - Relating to state funding for baccalaureate degree programs offered at certain public junior colleges.

HB 836 by Clardy - Relating to a requirement that certain participating institutions under the student loan program administered by the Texas Higher Education Coordinating Board provide loan debt information to students.

HB 906 by Elkins - Relating to the creation of research technology corporations for the development and commercialization of technologies owned by institutions of higher education or by certain medical centers with members.

HB 940 by Howard - Relating to health benefit plan coverage of prescription contraceptive drugs.

HB 971 by Giddings - Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer early childhood education baccalaureate degree programs.

HB 1142 by S. Davis - Relating to prohibiting governmental contracts with a company doing business with Iran, Sudan, or a foreign terrorist organization.

HB 1143 by S. Davis - Relating to investment prohibitions and divestment requirements for certain investments of public money.

HB 1161 by S. Davis - Relating to health benefit plan coverage of prescription contraceptive drugs.



HB 1241 by Giddings - Relating to outcomes-based funding for general academic teaching institutions.

HB 1283 by Geren - Relating to the ethics of public officers and related requirements.

HB 1295 by Capriglione - Relating to the disclosure of interested parties by business entities contracting with governmental entities and state agencies.

HB 1477 by Walle - Relating to required workers' compensation insurance coverage for building and construction contractors.

HB 1546 by Oliveira - Relating to the operations of the Department of Public Safety, Parks and Wildlife Department, and state military forces in the border region.

HB 1563 by Guillen - Relating to the authority of the Texas State Technical College System to offer technical-vocational courses or programs.

HB 1580 by Howard - Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs.

HB 1737 by Alvarado - Relating to a requirement that the governing board of a public institution of higher education obtain prior approval from the Texas Higher Education Coordinating Board before making certain land purchases.

HB 1828 by Howard - Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs.

HB 1882 by T. King - Relating to the management of university land by The University of Texas System.

HB 1885 by Price - Relating to certain required reports prepared by state agencies and other governmental entities.

HB 1911 by White - Relating to granting authority to carry a firearm to an unlicensed person who otherwise meets certain requirements for a handgun license and to related criminal offenses.

HB 1967 by Moody - Relating to the creation of an innocence project grant program.

HB 2002 by Lozano/Seliger - Relating to the location of the Irma Rangel College of Pharmacy.

HB 2105 by Holland - Relating to the transportation and storage of firearms and ammunition in private vehicles on the campuses of institutions of higher education.

HB 2229 by Leach - Relating to requiring certain public and private institutions of higher education to provide students and employees an option to electronically report certain offenses to the institution.

HB 2230 by Leach - Relating to requiring certain public and private institutions of higher education to provide amnesty to students who report incidents of sexual assault.

HB 2241 by Lozano - Relating to the treatment of a replacement structure for a structure that was rendered uninhabitable or unusable by a casualty or by wind or water damage as a new improvement for ad valorem tax purposes.

HB 2242 by Lozano - Relating to the establishment of a college of veterinary medicine at Texas A&M University--Kingsville.

HB 2290 by Lozano - Relating to the establishment of the Texas Returning Adult Student Grant Program for certain students enrolled in baccalaureate degree programs at certain postsecondary educational institutions.

HB 2305 by Guillen/Estes - Relating to the operations, communications, and notice procedures of state agencies.

HB 2328 by Lucio III/Watson - Relating to an expedited response by a governmental body to a request for public information.

HB 2404 by Alvarado - Relating to reports of sexual assault made to public or private institutions of higher education.

HB 2432 by Raney/Seliger - Relating to the establishment of a university system center located in Brazos County as part of The Texas A&M University System.

HB 2686 by Guillen - Relating to a study by the Texas A&M Transportation Institute on vehicle fleet management.

HB 2742 by G. Bonnen - Relating to the right of members of the legislature, the lieutenant governor, committees of the legislature, and legislative agencies to access certain governmental information for legislative purposes.

HB 2757 by Turner/Creighton - Relating to the donation of sick leave by state employees.

HB 2775 by Phelan - Relating to requirements for educator preparation program support for certain candidates for certification.

HB 2780 by Paddie - Relating to the purchase of iron and steel products made in the United States for certain governmental entity projects.

HB 3142 by Turner - Relating to a requirement that a public institution of higher education include a disciplinary notation on a student's transcript under certain circumstances.

HB 3143 by Turner - Relating to mental health professional staffing requirements at certain public institutions of higher education.

HB 3179 by Lozano - Relating to the Texas college work-study program and to establishing a program for the off-campus employment of certain students at public or private institutions of higher education.

HB 3187 by Alvarado - Relating to the campus sexual assault policy at a public institution of higher education.

HB 3195 by Alvarado - Relating to a requirement that each public institution of higher education develop and implement a strategic plan for the prevention of sexual assault and unplanned pregnancy.

HB 3207 by Gonzales - Relating to the continuation and functions of the Texas Department of Transportation.

HB 3245 by Button - Relating to the definition of distinguished researcher for purposes of the governor's university research initiative.

HB 3260 by Button - Relating to use of the governor's university research initiative fund to support the commercialization of property derived from research at or through public institutions of higher education.

HB 3267 by Lozano - Relating to participation in and contributions to the optional retirement program for certain employees of institutions of higher education.

HB 3271 by Shaheen - Relating to the right of certain public officers to access public information, documents, records, and property.

HB 3305 by Larson - Relating to the eligibility for appointment to public office by the governor of persons who make certain contributions.

HB 3306 by Kuempel - Relating to the regulation of motor vehicle towing, booting, and storage and to the elimination of required state licensing for vehicle booting companies and operators.

HB 3531 by Ashby - Relating to state fiscal matters related to public education.

HB 3581 by Capriglione - Relating to the availability of certain electronic information under the public information law.

HB 3585 by Turner - Relating to common admission application forms for institutions of higher education.

HB 3598 by Capriglione - Relating to the contract management guide for state agencies.

HB 3610 by Lozano - Relating to the establishment of the Texas Higher Education Innovation Accelerator for public institutions of higher education.

HB 3659 by Geren - Relating to state agency contracting.

HB 3704 by S. Davis - Relating to the allocation of certain fees on the sale of cigarettes and cigarette tobacco products manufactured by certain companies to the permanent health fund for higher education and to the use of money in that fund.

HB 3766 by Lozano - Relating to tuition and fee exemptions at public institutions of higher education for legacy students who are eligible for tuition and fee exemptions under the Hazlewood Legacy Program.

HB 3768 by Howard - Relating to a program to assist students in completing undergraduate certificates and degrees at certain institutions of higher education.

HB 3818 by Howard - Relating to a sexual assault policy at public and private institutions of higher education.

HB 3837 by Blanco - Relating to an appropriation of money from the economic stabilization fund to the permanent fund supporting military and veterans exemptions to fund tuition and fee exemptions for children of veterans.

HB 3848 by Hunter - Relating to the public information law.

HB 3850 by Zerwas - Relating to state fiscal matters.

HB 3951 by Gonzales - Relating to the functions of the Texas Department of Transportation relating to aircraft owned or leased by the state.

HB 4075 by Flynn - Relating to contributions to, benefits from, membership in, and the administration of systems and programs administered by the Teacher Retirement System of Texas.

HB 4078 by Flynn - Relating to contributions to, benefits from, late fees imposed by, and the administration of systems and programs administered by the Teacher Retirement System of Texas.

HB 4089 by Miller - Relating to tuition and fee exemptions at public institutions of higher education for certain military personnel and their dependents.

HB 4092 by S. Davis - Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs.

HB 4106 by Morrison - Relating to eligibility for a TEXAS Grant and to administration of the TEXAS grant program.

HB 4220 by Gonzalez - Relating to the regulation of certain degree-granting postsecondary educational institutions by the Texas Higher Education Coordinating Board.

HCR 108 by Zerwas - Directing the comptroller of public accounts to reduce the amounts of certain revenue that would otherwise be deposited to the state highway fund for the 2018 and 2019 state fiscal years.

HJR 54 by Elkins - Proposing a constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of certain property owned by or leased to or by a university research technology corporation.

HJR 110 by Alvarado - Proposing a constitutional amendment to establish permanent funds for the support of state institutions and agencies of higher education that do not participate in funding from the permanent university fund.

HJR 114 by Burrows - Proposing a constitutional amendment to divert any net income attributable to newly discovered oil and gas or other mineral interests on permanent university fund land from the permanent university fund to fund capital.

SB 6 by Kolkhorst - Relating to regulations and policies for entering or using a bathroom or changing facility.

SB 14 by V. Taylor - Relating to the ethics of public officers and related requirements; creating criminal offenses.

SB 18 by Seliger - Relating to eliminating provisions requiring public institutions of higher education to set aside portions of designated tuition for student financial assistance.

SB 19 by Seliger - Relating to temporary limitations on the amount of tuition and fees charged by certain public institutions of higher education.

SB 23 by Schwertner/Kuempel - Relating to requiring state contractors to participate in the federal electronic verification of employment authorization program, or E-verify.

SB 29 by Creighton - Relating to state contracts with and investments in companies that boycott Israel.

SB 34 by Zaffirini - Relating to outcomes-based funding for general academic teaching institutions.

SB 80 by Nelson/Price - Relating to certain required reports prepared by state agencies and other governmental entities.

SB 134 by Creighton - Relating to state contracts with and investments in companies that boycott Israel.

SB 168 by Rodriguez - Relating to the operations of the Department of Public Safety, Parks and Wildlife Department, and state military forces in the border region.

SB 249 by Schwertner/Oliverson - Relating to the submission of an affordability and access report by public institutions of higher education.

SB 250 by Schwertner - Relating to limitations on increases in fees and designated tuition charged by certain public institutions of higher education.

SB 254 by Schwertner - Relating to requiring state contractors to participate in the federal electronic verification of employment authorization program, or E-verify.

SB 352 by Watson - Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs.

SB 407 by Watson - Relating to the exception from disclosure under the public information law for information related to competition and bidding.

SB 408 by Watson - Relating to the definition of a governmental body for the purposes of the public information law.

SB 411 by Watson - Relating to the participation of campus-based mental health professionals in certain health benefit plans.

SB 445 by Burton - Relating to the authorization and reporting of expenditures for lobbying activities by certain political subdivisions and other public entities.

SB 456 by V. Taylor- Relating to the right of members of the legislature, the lieutenant governor, committees of the legislature, and legislative agencies to access certain governmental information for legislative purposes.

SB 515 by V. Taylor - Relating to the right of certain public officers to access public information, documents, records, and property.

SB 516 by Kolkhorst - Relating to a study and report concerning faculty productivity at general academic teaching institutions.

SB 534 by West - Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer early childhood education baccalaureate degree programs.

SB 543 by Seliger - Relating to performance-based tuition limitations for certain public institutions of higher education and a temporary tuition limitation for those institutions.

SB 576 by Huffman - Relating to a reporting requirement for certain incidents of sexual harassment, sexual assault, family violence, or stalking at public institutions of higher education.

SB 644 by Watson - Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs

SB 645 by Watson - Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs.

SB 803 by Seliger/Martinez - Relating to a study on the feasibility of requiring certain researchers to make research papers available to public.

SB 828 by Seliger - Relating to certain academic programs and projects undertaken by public institutions of higher education at an off-campus academic or research site or a similar location.

SB 837 by Seliger - Relating to requirements for student elections to authorize or increase certain fees at public institutions of higher education.

SB 860 by Zaffirini - Relating to access to and benefits for mental health conditions and substance use disorders.

SB 885 by Seliger - Relating to eligibility for a TEXAS grant and to administration of the TEXAS grant program.

SB 909 by Hughes - Relating to the elimination of certain formula funding and dropped course restrictions for students enrolled in accelerated, affordable baccalaureate programs at public institutions of higher education.

SB 936 by Huffman/Flynn - Relating to the creation of a joint interim committee to undertake a study of the public retirement systems of this state.

SB 950 by Seliger - Relating to tuition and fee exemptions or waivers at public institutions of higher education.

SB 970 by Watson/Howard - Relating to a sexual assault policy at public and private institutions of higher education.

SB 1020 by V. Taylor - Relating to cybercrime.

SB 1041 by Buckingham - Relating to prohibiting certain sex offenders from residing on the campus of a public or private institution of higher education.

SB 1103 by Watson - Relating to the establishment of the Texas Returning Adult Student Grant Program for certain students enrolled in baccalaureate degree programs at certain post-secondary educational institutions.

SB 1139 by Hinojosa - Relating to the allocation of certain fees on the sale of cigarettes and cigarette tobacco products manufactured by certain companies to the permanent health fund for higher education and to the use of money in that fund.

SB 1216 by Schwertner - Relating to the Teacher Retirement System of Texas.

SB 1266 by Nelson - Relating to making supplemental appropriations and giving direction and adjustment authority regarding appropriations.

SB 1347 by Watson - Relating to an expedited response by a governmental body to a request for public information.

SB 1419 by Creighton - Relating to eliminating the automatic admission of students to certain public institutions of higher education and scholarships for certain students who qualify for automatic admission.

SB 1463 by Huffman - Relating to settlement of claims and actions against a governmental unit.

SB 1467 by West/Lozano - Relating to the Texas college work-study program and to establishing a program for the off-campus employment of certain students at public or private institutions of higher education.

SB 1646 by Watson - Relating to the Texas college work-study program and to establishing a program for the off-campus employment of certain students at public or private institutions of higher education.

SB 1673 by Lucio II/S. Thompson-- Relating to natural disaster housing recovery.

SB 1729 by Birdwell - Relating to the reporting and disposition of certain state-owned real property.

SB 1751 by Bettencourt - Relating to authorizing the Employees Retirement System of Texas and the Teacher Retirement System of Texas to establish defined contribution plans or hybrid retirement plans to provide retirement benefits.

SB 1815 by Hinojosa - Relating to the eligibility of certain health-related institutions for certain state funds.

SB 1888 by Bettencourt - Relating to limitations on the automatic admission of students to general academic teaching institutions and on the admission of nonresident students to The University of Texas at Austin.

SB 1892 by Bettencourt - Relating to student success-based funding for certain public institutions of higher education.

SB 1899 by West - Relating to common admission application forms for institutions of higher education.

SB 1964 by Creighton - Relating to the use of land in Jones State Forest for academic and economic purposes.

SB 1971 by Kolkhorst - Relating to the set aside, collection, and transfer of certain money for the Texas-bred program.

SB 1982 by Schwertner - Relating to the establishment of a university system center located in Brazos County as part of The Texas A&M University System.

SB 2018 by Creighton - Relating to the donation of sick leave by state employees.

SB 2032 by Bettencourt/Clardy - Relating to the authority of the Texas State Technical College System to offer technical-vocational courses or programs.

SB 2033 by Bettencourt - Relating to the fixed tuition price plan offered by certain general academic teaching institutions.

SB 2086 by West - Relating to measures to facilitate the transfer of students and course credit within the public higher education system.



SB 2109 by Menendez - Relating to a requirement that each public institution of higher education develop and implement a strategic plan for the prevention of sexual assault and unplanned pregnancy.

SB 2119 by Seliger - Relating to eliminating the automatic admission of students to certain public institutions of higher education and scholarships for certain students who qualify for automatic admission.

SB 2122 by West - Relating to authorization by the Texas Higher Education Coordinating Board to develop and implement transfer policy for lower division courses among Texas public institutions of higher education.

SB 2183 by Menendez - Relating to the creation of an innocence project grant program.

SB 2213 by Huffman - Relating to state fiscal matters related to general government.

SB 2217 by Kolkhorst -- Relating to state fiscal matters.

SJR 24 by Taylor, Van -- Proposing a constitutional amendment providing for certain excess revenue to be dedicated toward contributions to state retirement systems, the health benefit plan for retired education employees and their dependents.

SJR 56 by Menendez -- Proposing a constitutional amendment regarding a transfer of money from the economic stabilization fund to the permanent fund supporting military and veterans exemptions to fund tuition and fee exemptions for children.

SJR 57 by Schwertner -- Proposing a constitutional amendment relating to the maximum amount of the annual distribution made from the permanent university fund to the available university fund.

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# Appendix

## Bill Analysis Task Force

The following is a listing of those individuals that served as analysts on the BATF during the 85<sup>th</sup> 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

Brandon Griggs

### Treasury/Investment Related Issues

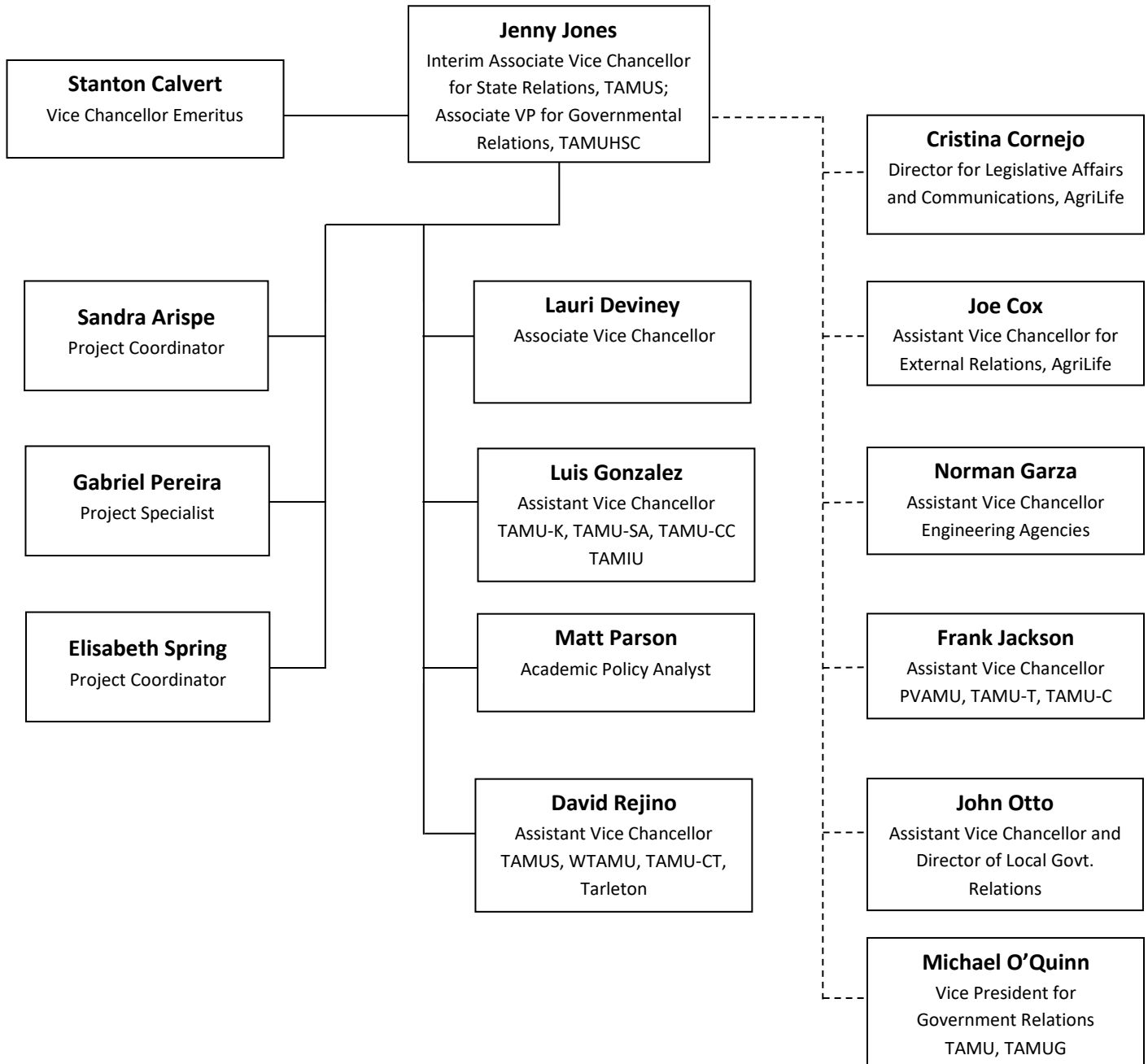
Maria Robinson

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# Texas A&M University System

## State Relations Team

### 2017 – 2018\*



\*Tommy Williams served as Vice Chancellor for Federal and State Relations until September 30, 2017;

\*Sarah Hicks served as Assistant Vice Chancellor and Director for State Relations until September 30, 2017