78th Texas Legislature

Session Highlights

August 2003
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Introduction

Prior to the 78th Legislative Session, the Texas Association of Community Colleges (TACC) adopted four legislative priorities:

♦ **Formula Funding.** The Legislature should maintain the current level of funding for the formula plus provide an adjustment for enrollment growth and inflation. TACC supports the Texas Higher Education Coordinating Board exceptional item request for *Closing the Gaps*.

♦ **Workforce Development.** As the primary provider of workforce development and training, Texas public community and technical colleges’ efforts to meet this critical need should be enhanced by increasing the appropriation for the Skills Development Fund and funding the High Priority Program Development Fund.

♦ **Annexation.** The Legislature should provide community college boards with an additional method to pursue annexation of their legislatively designated service areas.

♦ **Deregulation.** The Legislature should pass legislation to ease certain regulatory burdens on the colleges in order to enhance the ability of the colleges to function more efficiently in meeting the needs of students and taxpayers.

Each of these legislative priorities is discussed in the first section of *Session Highlights*. The second section of this document provides summaries of several bills that have a direct effect on community colleges. The third section highlights other legislation which will have some affect on community colleges. The fourth section provides a list of bills that passed this session which might be of interest to various segments of the community and technical college community. The final section lists selected bills that did not pass the 78th Legislature in which TACC had an interest.
Formula Funding

- All funds for the entire state budget for the 2004-05 biennium total $117.4 billion from all fund sources, an increase of $1.6 billion (1.3-percent) above the 2002-03 biennium.

- General revenue funds for the entire state budget total $63.5 billion for the 2004-05 biennium, a decrease of $2.2 billion (3.4-percent) compared to the 2002-03 biennium.

- General revenue appropriations (formula, non-formula, enrollment growth, and new campuses) for Texas Public Community Colleges decreased $62.2 million (3.9-percent) from the previous biennium (see chart below).

Summary of Community College Appropriations
General Appropriations Act - HB 1
by Representative Heflin
Senate Sponsor: Senator Bivins

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>FY 02-03</th>
<th>FY 04-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula Funds</td>
<td>1,569,157,590</td>
<td>1,501,275,023</td>
</tr>
<tr>
<td>Non-Formula Items</td>
<td>10,247,404</td>
<td>9,784,584</td>
</tr>
<tr>
<td>Enrollment Growth &amp; New Campuses</td>
<td>11,900,000</td>
<td>18,000,000</td>
</tr>
<tr>
<td>Skills Development Fund</td>
<td>25,000,000</td>
<td>24,725,609</td>
</tr>
<tr>
<td>Self-Sufficiency Fund</td>
<td>5,804,858</td>
<td>5,971,323</td>
</tr>
<tr>
<td>Inmate Education</td>
<td>14,142,946</td>
<td>12,402,675</td>
</tr>
<tr>
<td>STARLINK/VCT</td>
<td>700,000</td>
<td>1,274,430</td>
</tr>
<tr>
<td>TexShare Library Consortium</td>
<td>19,116,506</td>
<td>15,794,190</td>
</tr>
<tr>
<td>Group Insurance</td>
<td>253,365,601</td>
<td>220,772,988</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,909,434,905</strong></td>
<td><strong>1,810,000,822</strong></td>
</tr>
</tbody>
</table>
• The Legislature appropriated $1.59 billion to the community and technical college formula, a decrease of $79.6 million from the previous biennium (4.7-percent decrease).

• The 2004-05 appropriation for community colleges represents 52-percent of the full formula.

• The Legislature funded community colleges, the Texas State Technical System, and the Lamar State Colleges at different formula rates.

• Growth in the base year of community and technical college contact hours for 2004-05 was 13.6-percent. Enrollment growth in the base year for the last biennium was 5.7-percent.

• The appropriation to community colleges for 2004-05 is equivalent to the 1994-95 appropriation community colleges received. The chart below is based on dividing the formula appropriation for a given biennium by the base period contact hours. For 2004-05, $6.43 was appropriated per contact hour, the same amount appropriated in 1994-95.

• In 2002-03, $7.71 was appropriated to community colleges per contact hour. The $6.43 amount for 2004-05 represents a 16.6-percent decrease in state appropriations.
A comparison of the state appropriation per full time student equivalent (FTSE) yields a similar result; the community college appropriation is 16.6-percent less in 2004-05 than 2002-03 (see chart below).

### Appropriation Per FTSE

<table>
<thead>
<tr>
<th></th>
<th>2004-05</th>
<th>2002-03</th>
<th>$ difference</th>
<th>% difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Colleges</td>
<td>$3,882</td>
<td>$4,658</td>
<td>-774</td>
<td>-16.6%</td>
</tr>
<tr>
<td>TSTC</td>
<td>$8,418</td>
<td>$8,546</td>
<td>-128</td>
<td>-1.5%</td>
</tr>
<tr>
<td>Lamar 2-year</td>
<td>$9,521</td>
<td>$10,452</td>
<td>-930</td>
<td>-8.9%</td>
</tr>
<tr>
<td>Universities</td>
<td>$8,975</td>
<td>$9,820</td>
<td>-845</td>
<td>-8.6%</td>
</tr>
</tbody>
</table>

The total state appropriations for 2004-05 to all sectors of higher education is provided in the table below. The third column shows what percent of the higher education funding the sector represents and the fourth column provides the amount the appropriation has changed since 2002-03.

### Higher Education Appropriation, 2004-05

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
<th>% Higher Educ</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Colleges</td>
<td>$1,732</td>
<td>18.8%</td>
<td>-5.5%</td>
</tr>
<tr>
<td>TSTC/Lamar</td>
<td>$171</td>
<td>1.9%</td>
<td>-11.4%</td>
</tr>
<tr>
<td>General Academics</td>
<td>$3,940</td>
<td>42.7%</td>
<td>-2.4%</td>
</tr>
<tr>
<td>TX Excellence/Univ Research</td>
<td>$0</td>
<td>0%</td>
<td>-100%</td>
</tr>
<tr>
<td>Health Related Institutions</td>
<td>$2,080</td>
<td>22.6%</td>
<td>-6.6%</td>
</tr>
<tr>
<td>HEAF/AUF</td>
<td>$350</td>
<td>3.8%</td>
<td>-15.7%</td>
</tr>
<tr>
<td>A&amp;M Service Agencies</td>
<td>$295</td>
<td>3.2%</td>
<td>-11.9%</td>
</tr>
<tr>
<td>Coordinating Board</td>
<td>$611</td>
<td>6.6%</td>
<td>-14.3%</td>
</tr>
<tr>
<td>Tuition Equalization Grant</td>
<td>$141</td>
<td></td>
<td>-14.0%</td>
</tr>
</tbody>
</table>
## Formula Funding by College

<table>
<thead>
<tr>
<th>College</th>
<th>% change in Contact Hours</th>
<th>Formula FY 2002-03</th>
<th>Formula FY 2004-05</th>
<th>% difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alamo</td>
<td>16.5%</td>
<td>120,417,290</td>
<td>115,564,930</td>
<td>-4.0%</td>
</tr>
<tr>
<td>Alvin</td>
<td>17.3%</td>
<td>16,457,560</td>
<td>16,127,910</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Amarillo</td>
<td>8.1%</td>
<td>34,957,452</td>
<td>31,546,891</td>
<td>-9.8%</td>
</tr>
<tr>
<td>Angelina</td>
<td>17.9%</td>
<td>16,389,002</td>
<td>16,122,891</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Austin</td>
<td>11.8%</td>
<td>77,249,588</td>
<td>71,633,214</td>
<td>-7.3%</td>
</tr>
<tr>
<td>Blinn</td>
<td>10.0%</td>
<td>40,125,484</td>
<td>36,796,274</td>
<td>-8.3%</td>
</tr>
<tr>
<td>Brazosport</td>
<td>3.4%</td>
<td>12,433,726</td>
<td>11,220,652</td>
<td>-9.8%</td>
</tr>
<tr>
<td>Central Texas</td>
<td>20.0%</td>
<td>36,021,570</td>
<td>35,886,775</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Cisco</td>
<td>14.2%</td>
<td>8,837,660</td>
<td>8,501,577</td>
<td>-3.8%</td>
</tr>
<tr>
<td>Clarendon</td>
<td>-0.8%</td>
<td>4,636,750</td>
<td>4,184,374</td>
<td>-9.8%</td>
</tr>
<tr>
<td>Coastal Bend</td>
<td>15.0%</td>
<td>14,067,142</td>
<td>13,650,878</td>
<td>-3.0%</td>
</tr>
<tr>
<td>College of the Mainland</td>
<td>15.5%</td>
<td>12,817,060</td>
<td>12,179,999</td>
<td>-5.0%</td>
</tr>
<tr>
<td>Collin</td>
<td>22.9%</td>
<td>43,675,428</td>
<td>44,175,664</td>
<td>1.1%</td>
</tr>
<tr>
<td>Dallas</td>
<td>16.8%</td>
<td>171,987,494</td>
<td>166,437,110</td>
<td>-3.2%</td>
</tr>
<tr>
<td>Del Mar</td>
<td>17.3%</td>
<td>38,154,026</td>
<td>37,427,595</td>
<td>-1.9%</td>
</tr>
<tr>
<td>El Paso</td>
<td>5.7%</td>
<td>64,446,098</td>
<td>58,158,531</td>
<td>-9.8%</td>
</tr>
<tr>
<td>Frank Phillips</td>
<td>21.7%</td>
<td>4,902,784</td>
<td>4,988,618</td>
<td>1.8%</td>
</tr>
<tr>
<td>Galveston</td>
<td>-10.9%</td>
<td>10,517,080</td>
<td>9,491,000</td>
<td>-9.8%</td>
</tr>
<tr>
<td>Grayson</td>
<td>13.3%</td>
<td>12,786,162</td>
<td>12,032,097</td>
<td>-5.9%</td>
</tr>
<tr>
<td>Hill</td>
<td>28.1%</td>
<td>10,003,754</td>
<td>10,715,664</td>
<td>7.1%</td>
</tr>
<tr>
<td>Houston</td>
<td>7.8%</td>
<td>131,220,777</td>
<td>118,418,458</td>
<td>-9.8%</td>
</tr>
<tr>
<td>Howard</td>
<td>9.2%</td>
<td>15,984,866</td>
<td>14,127,786</td>
<td>-11.6%</td>
</tr>
<tr>
<td>Kilgore</td>
<td>4.0%</td>
<td>22,629,816</td>
<td>20,421,978</td>
<td>-9.8%</td>
</tr>
<tr>
<td>Laredo</td>
<td>7.0%</td>
<td>25,488,726</td>
<td>22,975,576</td>
<td>-9.9%</td>
</tr>
<tr>
<td>Lee</td>
<td>8.1%</td>
<td>22,278,828</td>
<td>20,105,235</td>
<td>-9.8%</td>
</tr>
<tr>
<td>McLennan</td>
<td>25.4%</td>
<td>23,155,306</td>
<td>23,793,868</td>
<td>2.8%</td>
</tr>
<tr>
<td>Midland</td>
<td>11.4%</td>
<td>17,013,952</td>
<td>16,106,082</td>
<td>-5.3%</td>
</tr>
<tr>
<td>Navarro</td>
<td>21.8%</td>
<td>17,859,804</td>
<td>17,798,840</td>
<td>-0.3%</td>
</tr>
<tr>
<td>North Central</td>
<td>20.4%</td>
<td>14,740,490</td>
<td>14,740,043</td>
<td>0.0%</td>
</tr>
<tr>
<td>North Harris Montgomery</td>
<td>25.8%</td>
<td>78,363,762</td>
<td>81,483,602</td>
<td>4.0%</td>
</tr>
<tr>
<td>Northeast Texas</td>
<td>26.4%</td>
<td>7,111,602</td>
<td>7,454,511</td>
<td>4.8%</td>
</tr>
<tr>
<td>Odessa</td>
<td>13.1%</td>
<td>17,448,350</td>
<td>16,733,307</td>
<td>-4.1%</td>
</tr>
<tr>
<td>Panola</td>
<td>5.0%</td>
<td>7,147,710</td>
<td>6,450,357</td>
<td>-9.8%</td>
</tr>
<tr>
<td>Paris</td>
<td>27.3%</td>
<td>12,954,874</td>
<td>13,761,788</td>
<td>6.2%</td>
</tr>
<tr>
<td>Ranger</td>
<td>1.2%</td>
<td>4,636,750</td>
<td>4,184,374</td>
<td>-9.8%</td>
</tr>
<tr>
<td>San Jacinto</td>
<td>9.4%</td>
<td>73,521,754</td>
<td>66,348,737</td>
<td>-9.8%</td>
</tr>
<tr>
<td>South Plains</td>
<td>18.8%</td>
<td>26,779,668</td>
<td>26,250,044</td>
<td>-2.0%</td>
</tr>
<tr>
<td>South Texas</td>
<td>21.5%</td>
<td>39,114,482</td>
<td>39,870,167</td>
<td>1.9%</td>
</tr>
<tr>
<td>College</td>
<td>% change in Contact Hours</td>
<td>Formula FY 2002-03</td>
<td>Formula FY 2004-05</td>
<td>% difference</td>
</tr>
<tr>
<td>----------------------</td>
<td>---------------------------</td>
<td>--------------------</td>
<td>--------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Southwest Texas</td>
<td>23.9%</td>
<td>12,478,080</td>
<td>12,717,902</td>
<td>1.9%</td>
</tr>
<tr>
<td>Tarrant</td>
<td>19.4%</td>
<td>80,542,054</td>
<td>80,089,124</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Temple</td>
<td>16.3%</td>
<td>12,612,026</td>
<td>12,165,215</td>
<td>-3.5%</td>
</tr>
<tr>
<td>Texarkana</td>
<td>3.8%</td>
<td>18,138,782</td>
<td>16,369,105</td>
<td>-9.8%</td>
</tr>
<tr>
<td>Texas Southmost</td>
<td>9.9%</td>
<td>23,311,538</td>
<td>21,745,556</td>
<td>-6.7%</td>
</tr>
<tr>
<td>Trinity Valley</td>
<td>16.4%</td>
<td>21,052,086</td>
<td>20,574,427</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Tyler</td>
<td>13.1%</td>
<td>32,524,104</td>
<td>30,294,730</td>
<td>-6.9%</td>
</tr>
<tr>
<td>Vernon</td>
<td>8.1%</td>
<td>11,235,586</td>
<td>10,139,406</td>
<td>-9.8%</td>
</tr>
<tr>
<td>Victoria</td>
<td>-1.9%</td>
<td>15,170,750</td>
<td>13,690,643</td>
<td>-9.8%</td>
</tr>
<tr>
<td>Weatherford</td>
<td>59.1%</td>
<td>10,754,428</td>
<td>14,554,433</td>
<td>35.3%</td>
</tr>
<tr>
<td>Western Texas</td>
<td>28.3%</td>
<td>5,542,930</td>
<td>5,279,929</td>
<td>-4.7%</td>
</tr>
<tr>
<td>Wharton</td>
<td>17.5%</td>
<td>16,188,902</td>
<td>15,787,156</td>
<td>-2.5%</td>
</tr>
<tr>
<td>CC Total</td>
<td>14.7%</td>
<td>1,567,885,893</td>
<td>1,501,275,023</td>
<td>-4.2%</td>
</tr>
<tr>
<td>TSTC System</td>
<td>-6.9%</td>
<td>84,695,484</td>
<td>74,425,532</td>
<td>-12.1%</td>
</tr>
<tr>
<td>Lamar State Colleges</td>
<td>6.6%</td>
<td>26,832,442</td>
<td>24,090,518</td>
<td>-10.2%</td>
</tr>
<tr>
<td>All 2-year Institutions</td>
<td>13.6%</td>
<td>1,679,413,819</td>
<td>1,599,791,073</td>
<td>-4.7%</td>
</tr>
</tbody>
</table>

- All appropriated amounts above subject to additional reductions mandated by Rider 56 (page III-273). Reductions not announced at time of printing.

**Other Appropriations**

**Reduction of FY 2003 Appropriation - HB 1 (Heflin)**

Relating to making supplemental appropriations and making reductions in current appropriations.

- A 7-percent reduction was made to the FY 2003 appropriation of each community and technical college.
- The total formula reduction for community colleges was $55.2 million.
- The Coordinating Board withheld the final formula payment for FY 2003.
- Effective Date: Immediately

**Enrollment Growth and New Campus**

$18.0 million was appropriated for new campuses at Cisco Junior College, Houston Community College System, Laredo Community College, and North Harris Community College District and for all two-year colleges that experience dramatic enrollment growth during the biennium. These funds will be allocated in the following manner:
• $8.2 million for new campus funding
• Nursing programs will receive the first cut of the remaining funds (for FY 2004, greater than 8-percent growth from Fall 2002 to Fall 2003; for FY 2005, greater than 15-percent growth from Fall 2002 to Fall 2004).
• Two year institutions that experience 15-percent growth from Fall 2002 to Fall 2003 or 30-percent growth from Fall 2002 to Fall 2004 will receive the next cut of the remaining funds.
• Any remaining funds would be distributed to two-year institutions that experience an 8-percent growth from Fall 2002 to Fall 2003 or 16-percent growth from Fall 2002 to Fall 2004.

★ Inmate Education: The Inmate Education appropriation decreased 2.3-percent to $12.4 million for the biennium.

★ STARLINK/VCT: The appropriation for STARLINK/VCT increased 82-percent to $1.27 million for the biennium.

★ Group Insurance/ERS Reform - SB 1370 (Duncan)

- The group insurance appropriation for community colleges is $253.4 million, a 12.9-percent reduction from FY 2002-03.
- Group Insurance Funding for physical plant employees was eliminated.
- ERS established new program rates for the uniform group insurance program.
- SB 1370 by Sen. Robert Duncan modified the group insurance program in several ways:
  - New employees are not eligible for health insurance until after 90 days of employment. Colleges have the option of picking up the cost for the first 90 days.
  - The definition of full-time employees is now a person who works 40 or more hours a week. Part-time is defined as an employee who works 20-40 hours per week. Part-time employees will receive 50-percent of the state’s contribution. Colleges can supplement to 100-percent.
  - In order to qualify for health insurance upon retirement, retirees must be either 65 years of age and have at least 10 years of service or the combination of age and service must exceed 80.
  - Current and former community college trustees may remain on the group insurance plan as long as no state funds are used to pay the
premiums. At press time, it was unclear whether local funds could be used for this payment.

- SB 1370 provides an option for providing health insurance for adjunct faculty. This provision goes into effect in September, 2004.

**Selected Riders from HB 1**

★ **Reporting Requirement**

Public Community/Junior colleges shall file with the Comptroller of public Accounts and the State Auditor, a Benefits Proportional by Fund Report by November 20th for the preceding year ending August 31. The report shall be in a format prescribed by the Comptroller.

★ **Financial Reporting Requirement**

In addition to the financial information required to be reported in accordance with § 2101.011, Government code, each university system, general academic institution, community, technical or state college, and health related institution shall continue to provide to the Higher Education Coordinating Board, financial data related to the operation of each system office and institution as was reported in the 2001 annual financial report. Each system office and institution of higher education shall provide the report no later than January 1st of each year using the specific content and format prescribed by the Coordinating Board.

★ **Select Committee on Higher Education**

- SB 1652 (Shapiro) establishes an interim legislative committee to study the organization, operations, and funding of higher education.
- The select committee will have six representative appointed by the Speaker of the House, six senators appointed by Lieutenant Governor, and four public members appointed by the Governor.
Additional Riders from HB 1

★ Limitation on Formula Funding Contact and Semester Credit Hours

It is the intent of the Legislature to control costs and limit General Revenue formula appropriations by excluding contact hours or semester credit hours related to a course for which a student is generating formula funding for the third time from being counted in the hours reported by the Higher Education Coordinating Board to the Legislative Budget Board for formula funding.

★ Funding for Physical Education Courses

No funds appropriated under this act shall be used for contact hours or semester credit hours for students who are registered solely for physical education, weight lifting, group exercises, aerobics, or related courses; have registered for the same such course more than once; and are not seeking a degree plan or certificate of completion of a course of study.
Workforce Development

★ Skills Development Fund

- $24.7 million was appropriated to the Skills Development Fund for the next biennium. The FY 2004-05 appropriation represents a slight decline from the FY 2002-03 biennium of $25.0 million. (TACC's request: $50 million/biennium)

★ High Priority Program Development Fund

- No appropriation was made for the High Priority Program Development Fund. (TACC's request: $20 million/biennium)

★ Texas Enterprise Fund

- SB 1771 (Brimer) established the Texas Enterprise Fund.
- $295.0 million was appropriated to the fund.
- The fund is to be used for economic development, infrastructure development, community development, job training programs, and business incentives.
- The Governor is authorized to grant money from the Texas Enterprise Fund.
Annexation

★ Statewide Effort

- Senator Bill Ratliff filed a bill (SB 1292) on behalf of TACC to provide community college districts with an additional method to pursue annexation of the district’s service area.
- SB 1292 passed the Senate Higher Education Committee.
- SB 1292 did not pass the Senate Education Committee.
- HB 2574 by Rep. Vilma Luna was heard in the House Higher Education Committee, but no vote was taken.

★ Del Mar College

- SB 315 (by Hinojosa) provided a means for Del Mar College to annex contiguous portions of the district’s service area.
- SB 315 passed both the Senate and the House.
- The Governor vetoed SB 315.

★ Interim Study

- One of the proposed interim charges for the Senate is to study, at minimum, the ability of community colleges to expand their boundaries so that their taxing districts are consistent with their service area boundaries.
- The charge could be expanded to study the role, scope, and mission of community colleges with an emphasis on community college funding issues.
Deregulation

★ Concurrent Enrollment

- HB 415 by Rep. Kino Flores clarifies the funding of concurrent courses between community colleges and the public schools.
- Effective Date: September 1, 2003

★ Tuition

- HB 1621 by Rep. Kino Flores allows colleges to waive all or part of the tuition and fees for a high school student enrolled in a concurrent course. Contact hours generated from enrollment in the course are not affected even if the community college waives all or part of the tuition or fees.
- HB 1621 increases the amount of tuition that can be pledged to revenue bonds from $15 to 25-percent of tuition collected from each student.
- HB 1621 clarifies that any out-of-district charge is a fee, not tuition. Thus, colleges will not have to set aside a percentage of out-of-district charges for the purposes of supporting the Texas Public Education Grant Program.
- Effective Date: Immediately

★ Baccalaureate Degree Pilot Program

- A section of SB 286 (by Sen. Shapleigh) requires the Coordinating Board to establish a pilot project for two-year institutions to offer technical baccalaureate degree programs.
- This legislation was originally filed as HB 1544 by Rep. Bonnen and SB 1500 by Sen. Janek.
- Three community colleges will be selected by the Coordinating Board for the pilot project. At the July 2003 meeting, the Coordinating Board selected Brazosport College, Midland College, and South Texas Community College.
- No community college participating in the pilot project may offer more than five baccalaureate degree programs.
- Effective Date: September 1, 2003
★ TASP Reform/Success Initiative

- Another section of SB 286 (by Sen. Shapleigh) repeals the TASP program and creates the Success Initiative regarding student assessment and developmental education.
- The Success Initiative requires mandatory advising and assessment for all students. The bill authorizes the Coordinating Board to prescribe the assessment instruments with a statewide passing standard.
- The initiative requires an institution to develop an individualized plan for each student who needs to attain college readiness.
- The initiative allows an institution to determine when a student is ready to perform freshman-level academic coursework. The institution must make its determination on an individual basis according to the needs of the student.
- SB 286 requires each institution to report annually to the Coordinating Board on the success of its students and the effectiveness of its Success Initiative.
- The Success Initiative maintains the exemptions of the TASP program. Students on active duty in the armed forces or the Texas national Guard or in the reserves are also exempted.
- Effective Date: September 1, 2003

★ Laboratory Fees

- SB 1546 by Sen. Kyle Janek amends the laboratory fee statute for community and technical colleges.
- SB 1546 authorizes institutions to charge laboratory fees up to $24 per semester credit hour or the actual cost of materials and supplies.
- SB 1546 also authorizes an additional fee of no more than $4 per contact hour for a student enrolled in an aerospace mechanic certification program.
- Effective Date: Immediately
Community and Technical College Legislation

Each of the following community and technical college bills was passed by the 78th Legislature and signed into law by the governor. The effective date for each bill is noted in the summary.

★ Travel Services - HB 898 (Hamilton)
Relating to the use of state travel services by public junior colleges and school districts.
- Allows public community colleges (and school districts) to participate in the state’s travel services contract for airline fares and reduced travel agent fees.
- Limits expenditures for travel services paid for with state funds. Travel paid from institutional funds is not affected.
- Effective Date: September 1, 2003

★ Texarkana Downward Expansion - HB 1566 (Telford)
Relating to lower-division and upper-division courses at Texas A&M University-Texarkana.
- Authorizes Texas A&M University-Texarkana to offer lower-division undergraduate courses.
- TAMU-Texarkana can only offer lower-division courses without the permission of Texarkana College once the institution has relocated to a permanent, separate campus.
- Effective Date: September 1, 2003

★ NHMCCD Service Area - SB 437 (Lindsay)
Relating to the service area of the North Harris Montgomery Community College District.
- Adds the Cypress-Fairbanks Independent School District to the service area of the North Harris Montgomery Community College District.
- Effective Date: Immediately

★ Individual Development Accounts - SB 968 (Shapleigh)
Relating to a program to promote participation by public junior college students in individual development account programs.
- Requires the Coordinating Board to provide community college financial aid offices with information and assistance regarding individual development account (IDA) programs.
- Allows community colleges to provide students who qualify for IDA to receive information and referrals for those programs.
- IDA programs help qualifying individuals accumulate savings and develop personal finance skills. IDA participants may receive matching funds for their IDA from the federal government and/or a participating community non-profit organization.
- Effective Date: Immediately

★ Middle College Pilot Program - SB 976 (Shapiro)

Relating to high school completion and the creation of middle college education pilot program.
- Requires the Commissioner of Education to establish and administer a middle college pilot program for students who are at risk of dropping out of high school or students who wish to accelerate high school completion.
- Requirements of the Middle College Education Pilot Program:
  - Requires concurrent enrollment courses during the 11th and 12th grade.
  - Requires a participating student to complete high school and receive at least a high school diploma and associate degree at the time of graduation.
  - Requires articulation agreements with Texas institutions of higher education to provide access to higher education and training opportunities on campus.
  - Requires the middle college to provide student flexibility in class scheduling and academic mentoring.
- Requires the Commissioner of Education to consult the Coordinating Board in establishing and administering the pilot program.
- Effective Date: September 1, 2003
Other Key Bills

Each of the following bills will affect community colleges either directly or indirectly. Each bill was passed by the 78th Legislature and signed into law by the governor. The effective date for each bill is noted in the summary.

★ Property Appraisal Method - HB 1460 (Eiland)

Relating to the appraisal of real property for ad valorem tax purposes.
- Requires a chief appraiser, if the income method of appraisal is the most appropriate method to use to determine the market value of real property, to perform certain analyses and projections.
- Effective Date: January 1, 2004

★ University Tuition Deregulation - HB 3015 (Morrison)

Relating to the tuition charged to students of institutions of higher education.
- Allows the governing boards of general academic institutions to determine the amount of tuition students are charged.
- Allows institutions to charge different tuition rates in order to increase graduation rates, encourage efficient use of facilities, or enhance employee performance. At the time of the publication of this document, it was not known whether this flexibility clause includes community colleges.
- Effective Date: September 1, 2003

★ Nursing Enrollment Growth - HB 3126 (Truitt)

Relating to increasing the number of registered nurses and other health care professionals.
- Requires the Coordinating Board to make sure that money appropriated by the Legislature for professional nursing programs is distributed in a timely manner and expended on professional nursing programs.
- Requires institutions to file an annual report with the Coordinating Board to account for all money received for nursing programs.
- Creates the Health Care Profession Student Grant program and authorizes the Coordinating Board to award a grant three times the amount of an award under TEXAS Grant or TEXAS Grant II.
- Adds a registered nurse to the statewide health coordinating council and requires the council to form a nursing advisory committee.
• Effective Date: Immediately

★ Return-to-Work for TRS Retirees - HB 3237 (Smith)

Relating to increasing the number of registered nurses and other health care professionals.
• Allows retirees of the Teacher Retirement System (TRS) to work in different positions during a month as long as the total number of days worked do not exceed one-half time basis.
• Effective Date: Immediately

★ TDED Sunset - SB 275 (Nelson)

Relating to the abolition of the Texas Department of Economic Development and the transfer of certain of its functions to the Texas Economic Development Office; and the consolidation of tourism promotion functions by agencies of this state.
• Abolishes the Texas Department of Economic Development.
• Transfers the primary economic development functions to the Governor’s economic development office.
• Effective Date: September 1, 2003

★ TWC Sunset - SB 280 (Nelson)

Relating to the continuation and functions of the Texas Workforce Commission.
• Continues the Texas Workforce Commission.
• Requires TWC to contract with the Texas Education Agency to develop a workplace literacy and basic skills curriculum.
• Effective Date: Immediately

★ TCWEC Sunset - SB 281 (Nelson)

Relating to the continuation of the Council on Workforce and Economic Competitiveness as the Texas Workforce Investment Council and to the functions performed by the council.
• Continues the functions of the Council on Workforce and Economic Competitiveness.
• Changes the name of the agency to the Texas Workforce Investment Council.
• Requires the council to maintain a workforce development evaluation system (WDES).
• Requires the Coordinating Board to use the job placement information from the WDES to evaluate the effectiveness of workforce education.
• Effective Date: September 1, 2003

★ CB Sunset - SB 286 (Shapleigh)

Relating to the continuation and functions of the Texas Higher Education Coordinating Board.
• Reduces the number of Coordinating Board members from eighteen to nine.
• Requires the Coordinating Board to develop higher education funding policies that provide incentives for supporting the master plan for higher education.
• Requires the Coordinating Board to report to the Legislature regarding the degree to which the current funding system supports implementation of the master plan for higher education.
• Requires all institutions of higher education to use the common course numbering system. The Coordinating Board may exempt institutions from this requirement for good cause. The Coordinating Board must approve the common course numbering system and establish a timetable for its implementation by June 1, 2004.
• Effective Date: September 1, 2003
Other Higher Education Bills

- **HB 944** (King). Relating to the admission to public institutions of higher education of students with nontraditional secondary educations. *Effective Date:* September 1, 2003

- **HB 1055** (Luna). Relating to an intercollegiate athletics fee at Texas A&M University--Corpus Christi. *Effective Date:* Immediately

- **HB 1537** (Dukes). Relating to a fee for statues of Barbara Jordan and Cesar Chavez and related scholarships at The University of Texas at Austin. *Effective Date:* Immediately

- **HB 1649** (Mercer). Relating to student fees charged at The University of Texas at San Antonio. *Effective Date:* Immediately

- **HB 1650** (Mercer). Relating to student fees charged at The University of Texas at San Antonio. *Effective Date:* Immediately

- **HB 1817** (Ritter). Relating to certain fees for students attending institutions in the Texas State University System. *Effective Date:* Immediately

- **HB 1887** (Morrison). Relating to funds received by institutions of higher education to cover overhead expenses of conducting research. *Effective Date:* Immediately

- **HB 1890** (Morrison). Relating to tuition rebates to certain undergraduate students who graduate from an institution of higher education without excessive semester credit hours. *Effective Date:* Immediately

- **HB 2169** (Telford). Relating to the payment of retirement benefits to retirees who are employed by certain public educational institutions. *Effective Date:* Immediately

- **HB 2379** (Hill). Relating to the recreational facility fee charged at The University of Texas at Dallas. *Effective Date:* Immediately

- **HB 2457** (Rangel). Relating to an intercollegiate athletics fee at Texas A&M University-Kingsville. *Effective Date:* Immediately
• **HB 2522** (Krusee). Relating to authorizing the issuance of revenue bonds for the Southwest Texas State University Multi-Institution Teaching Center. *Effective Date:* Immediately

• **HB 3526** (Hamric). Relating to the establishment of the research development fund to promote research at certain institutions of higher education and to the abolition of the Texas excellence fund and the university research fund. *Effective Date:* September 1, 2005

• **SB 258** (West). Relating to the tuition charged by institutions of higher education for high school students enrolled in college-level courses. *Effective Date:* Immediately

• **SB 800** (Madla). Relating to the establishment of Texas A&M University--San Antonio. *Effective Date:* Immediately

• **SB 814** (Averitt). Relating to an exemption for certain military personnel and veterans from the requirements of the Texas Academic Skills Program. *Effective Date:* Immediately

• **SB 1007** (West). Relating to student eligibility for a TEXAS grant based on preliminary high school transcripts. *Effective Date:* Immediately

• **SB 1230** (Wentworth). Relating to authorizing an environmental service fee at Southwest Texas State University. *Effective Date:* Immediately

• **SB 1297** (Ogden). Relating to financing a multi-institutional education center in Williamson County for Southwest Texas State University. *Effective Date:* Immediately

• **SB 1331** (Ratliff). Relating to procurement procedures for construction-related services for public school districts, institutions of higher education, and the Texas Building and Procurement Commission. *Effective Date:* September 1, 2003

• **SB 1366** (Bivins). Relating to eligibility under the Early High School Graduation Scholarship program. *Effective Date:* Applies only to a person who enters grade nine during or after the 2003-04 school year
• **SB 1367** (Duncan). Relating to student union fees at component institutions of the Texas Tech University System. *Effective Date:* September 1, 2003

• **SB 1588** (Whitmire). Relating to exempting college savings plan accounts from attachment, execution, and seizure for the satisfaction of debts. *Effective Date:* September 1, 2003

• **SB 1642** (Staples). Relating to the establishment of a geriatric education and care research center at the University of Texas Health Science Center at Tyler. *Effective Date:* Immediately

• **SB 1652** (Shapiro). Relating to institutions of higher education, including the administration, operation, governance, and financing of those institutions, and to certain security services provided to such institutions and certain other educational institutions. *Effective Date:* Immediately

• **SCR 12** (Shapiro). Urging public and private institutions of higher education in the State of Texas to adopt service learning as an important pedagogical tool and a central form of engagement, civic outreach, and citizenship education.
Bills That Did Not Pass

- **HB 91** (McClendon). Relating to automatic admission of certain undergraduate transfer students. *Last action:* Left pending in House Higher Education

- **HB 318** (Grusendorf). Relating to certification to teach school of individuals who hold bachelor's degrees. *Last action:* Failed to suspend Senate’s rules

- **HB 577** (King). Relating to the service area of the Weatherford College District. *Last action:* Left pending in Senate Education

- **HB 872** (Denny). Relating to the dates on which elections may be held. *Last action:* Referred to Senate State Affairs

- **HB 925** (Eiland). Relating to the rollback tax rate for certain taxing units. *Last action:* Sent to House Calendars committee

- **HB 1026** (Hupp). Relating to regulating the use of social security numbers by institutions of higher education. *Last action:* Referred to Senate Education

- **HB 1824** (Hamric). Relating to adjusting formula funding for institutions of higher education to account for differences between estimated and actual receipts of educational and general funds. *Last action:* Referred to Senate Education

- **HB 1889** (Morrison). Relating to the creation of the TexasNextStep grant program to pay tuition and required fees and textbook costs of certain students enrolled in two-year public institutions of higher education in this state. *Last action:* Left pending in House Higher Education

- **SB 1200** (Lucio). Relating to the creation of the TexasNextStep grant program to pay tuition and required fees and textbook costs of certain students enrolled in two-year public institutions of higher education in this state. *Last action:* Referred to House Higher Education
• **HB 2332** (Turner). Relating to the service area of the Houston Community College System District. *Last action:* Referred to House Public Education

• **HB 2732** (Gutierrez). Relating to certification to teach school of individuals who hold master's degrees. *Last action:* Referred to Senate Education

• **HB 2743** (Dawson). Relating to adjusting the service area of the Alvin Community College District. *Last action:* Referred to House Higher Education

• **HB 2744** (Dawson). A bill to adjust the service areas of the Alvin Community College District and the Brazosport Community College District. *Last action:* Left pending in House Higher Education

• **HB 2791** (Solis). Relating to the administration of the Texas Tech-Prep Program. *Last action:* Referred to House Higher Education

• **HB 2862** (Morrison). Relating to institutions of higher education, including the administration, operation, governance, and financing of those institutions. *Last action:* Left pending in House Higher Education

• **HB 3223** (Bohac). Relating to limiting the maximum average annual increase in the appraised value of real property for ad valorem tax purposes to five percent. *Last action:* Set on Senate Intent Calendar

• **HB 3441** (Pickett). Relating to statutory authority to reduce appropriations made by the legislature to certain governmental entities. *Last action:* Vetoed by the governor

• **HB 3548** (Keffer). Relating to economic development financing, programs, and incentives. *Last action:* Referred to House Economic Development

• **SB 26** (Zaffirini). Relating to the establishment of a pilot program for retention of students in higher education. *Last action:* Sent to House Local/Consent calendar

• **SB 28** (Zaffirini). Relating to the collection and maintenance of bacterial meningitis immunization records by public institutions of
higher education. *Last action:* Voted favorably from Senate Subcommittee on Higher Education as substituted

- **SB 86** (Wentworth). Relating to the eligibility of a high school graduate for automatic admission to an institution of higher education. *Last action:* Senate point of order sustained

- **SB 201** (Shapleigh). Relating to the tuition charged certain foreign students attending a public junior college in a county bordering Mexico. *Last action:* Referred to Senate International Relations and Trade

- **SB 503** (Ogden). Relating to the provision of certain higher education information to the Texas Higher Education Coordinating Board and to the public. *Last action:* Referred to Senate Education

- **SB 1243** (Armbrister). Relating to systems and programs administered by the Teacher Retirement System of Texas. *Last action:* Set on House floor calendar

- **SB 1609** (Ellis). Relating to the service area of the Houston Community College System District. *Last action:* Not heard in Senate Subcommittee on Higher Education