

Changing enrollment counting methods for three higher education system centers

HB 589 by Aycock (Fraser)

DIGEST: HB 589 would have changed the methodology for counting full-time equivalent students to allow three higher education system centers to operate as stand-alone general academic teaching institutions once the enrollment equivalent reached 1,000 full-time students for one semester or one academic year. The enrollment for an academic year would have been calculated based on the semester credit hours generated during the fall and spring semesters and the summer session. Once the Texas Higher Education Coordinating Board certified enrollment at 1,000 full-time students, the Tarleton State University System Center–Central Texas in Killeen could have operated as Texas A&M University – Central Texas. Likewise, when enrollment at the Texas A&M University–Kingsville System Center–San Antonio and the University of North Texas System Center at Dallas reached the enrollment threshold, these institutions could have operated as Texas A&M University–San Antonio and the University of North Texas at Dallas, respectively.

GOVERNOR'S REASON FOR VETO:

“House Bill No. 589 again would reduce enrollment requirements for three small branch campuses, or ‘centers,’ to become free-standing general academic teaching institutions. The bill as filed would lower enrollment requirements for Tarleton State University System Center–Central Texas. House Bill No. 589 was amended to decrease requirements at the University of North Texas System Center at Dallas and the Texas A&M University System Center at San Antonio.

“These enrollment changes expedite eligibility for independent status and greater state appropriations. The bill thwarts the Higher Education Coordinating Board’s longstanding policy of requiring 3,500 full-time student equivalents necessary to determine when and where to establish new universities. The bill leads to seriously inefficient levels of appropriations to the centers.

“My position concerning further reductions to enrollment requirements for independent status was made clear in 2005 with the signing statements to Senate Bill No. 296 and House Bill No. 495, in which I said it was ‘my intention that no future deviation from the Coordinating Board standards occur.’

“Furthermore, it is disturbing that the Legislative Budget Board (LBB) fiscal note stated that there would be no implication to the state from the bill’s passage. This fiscal note is seriously misleading and prevented the legislature from acting with any knowledge of the bill’s cost. The Coordinating Board told the LBB that the bill would cost \$7.6 million for the 2008-09 biennium and another \$15 million in 2010-11 just for the Central Texas center. Dallas and San Antonio add to this cost exponentially. All of this information was ignored by the LBB.

“Taxpayers, members of the legislature, and I deserve to have honest fiscal notes that allow legitimate determination as to the true costs of bills so that realistic consideration of legislation can occur.”

RESPONSE: Rep. Jimmie Don Aycock, the bill’s author, said: “On behalf of myself, nearly one million Central Texans, and Fort Hood’s nearly 68,000 employees, I wish to take this opportunity to express my surprise and sadness that HB 589 has been vetoed.

“While HB 589 would not by itself have accomplished ‘free standing’ status for Texas A&M-Central Texas, it would have continued the move in that direction. The Senate amendments, while also helping the centers in Dallas and San Antonio, would not have brought either of these centers close to ‘free standing’ status and thus should not have been used as an excuse to veto the bill.

“This issue has been ongoing for more than 15 years and has been worked on by numerous members of the House and Senate. I will herein provide narrative about this issue that will hopefully: (1) record a response to Gov. Perry’s veto; and (2) provide context for any future consideration of this matter. The House Research Organization’s report from April 19, 2007, reflects the general nature of the arguments for and against HB 589.

“In direct rebuttal to the veto message regarding HB 589, I offer the following comments:

“The governor’s opening comments that the bill ‘would reduce enrollment requirements’ is not accurate. Education Code, sec. 87.861(d) establishes the ‘free standing’ threshold of 1,000 full time student equivalents (FTSE). Other sections of statute provide the exact same threshold for the other two centers as well. The bill’s only purpose was to clarify that the calculation of FTSE should be done on an annualized basis – a method in common usage by the Texas Higher Education Coordinating Board (THECB) – as opposed to the ‘single semester’ language currently in statute.

“The second paragraph refers to a policy of THECB that uses 3,500 FTSE as the measure for new universities. That is not the standard set by statute, nor is it presently met by several existing universities.

“In paragraph three, reference is made to ‘the Coordinating Board standards’ and ‘deviation[s]’ signed by Gov. Perry regarding SB 296 and HB 495. It is my contention that these statutes, passed by the Legislature and signed by the governor, established

the present requirements of 1,000 FTSE. While THECB may have a different opinion, present statutory law (Education Code 87.861(d)) and others should be the measure for ‘free standing’ status, not the ‘opinion’ of unelected officials.

“In the fourth paragraph, reference is made to fiscal estimates made by the THECB and the LBB. I contend that the LBB fiscal note of ‘no fiscal implication’ is correct in that no deviation from the present 1,000 FTSE threshold was requested save the method of calculation. All fiscal matters regarding Texas A&M–Central Texas were dealt with in separate bills. HB 317 by Miller (Fraser) was vetoed, and neither HB 1668 nor SB 211 passed. Regarding the costs for the other two centers in Dallas and San Antonio, neither would have benefited significantly from the annualized counting method and would still be years away from ‘free standing.’

“In a broader sense, I will now provide background and reasoning to support Texas A&M – Central Texas (TAMCT) advancement to ‘free standing’ status.

“First, TAMCT is needed to address the ‘accessibility needs’ of Central Texas. With the enrollment at Texas A&M College Station, and the University of Texas–Austin ‘capped,’ the only upper level public higher education courses available to Central Texas students are at Texas State University–San Marcos, Tarleton State–Stephenville, and the University of Texas–Arlington. All are more than 120 miles distant.

“Second, there is clearly ‘demographic need.’ The rapidly growing Central Texas area is projected to continue its growth into the foreseeable future. Of the approximately 1 million residents in the area, about 250,000 live within a 10-mile radius of the main gate to Fort Hood. This population is so racially diverse that the Tarleton Center is one of the few state institutions that reflects the diverse racial mix of today’s Texas. The major school districts of the area have enrollments of over 60,000 students.

“Third, there is an ‘economic need.’ Texas A&M–Central Texas has for many years been a priority request by Fort Hood. Fort Hood, which has one of the largest payrolls in Texas, employs approximately 68,000 people, and contributes well over \$7 billion to the Texas economy annually. Already, there are multi-million dollar contracts between the U.S. Army and Texas A&M. The potential for additional contracts is beyond description.

“Fourth, there has been considerable incentive offered to the state to encourage this issue. The greater-Fort Hood-area originally transferred over \$8 million in cash and assets to the State of Texas when the center first came into existence. Since then, more than \$7 million in ‘in-kind’ benefits have been provided to the state. Congress has agreed to the conveyance of 662 acres of land at a prominent intersection on Fort

Hood. This conveyance is bipartisan in its support and only awaits action by the state of Texas. The city of Killeen has made water and sewer available to the site and stands ready with further assistance.

“Fifth, there is an issue of ‘fairness need.’ Despite the incentives and above-explained need, the state of Texas has not spent one dollar for physical plant construction. Meanwhile, Dallas has received \$25 million and the Round Rock Higher Education Center has received \$27 million. It should be noted that the Tarleton center is more than 50 percent larger than the next largest center, even without state-funded buildings. Likewise, the funding for the Tarleton center has typically run about half that of the other centers while producing about twice the FTSE count.

“Sixth, there is a ‘patriotism need.’ It was especially troubling to receive the news of the veto only hours after the governor celebrated the opening of a plant in Austin where more than \$10 million was granted to a foreign company in preference to the needs of Central Texans, especially those serving at Fort Hood where more than 400 men and women have died in the War on Terror.

“Most troubling of all was the fact that my office was contacted by the Governor’s Office during session about nearly every bill I authored except HB 589. On numerous occasions I had discussed this bill with Gov. Perry’s staff on the House floor. There had also been extended discussions with THECB. At no time during those discussions was there any mention of the possibility of vetoing this legislation, which passed both chambers unanimously. To so abruptly veto this bill sends a very bad message to the citizens of Central Texas, the U.S. military leadership, and our congressional leaders who have worked toward the goal of higher education in Central Texas.

“In conclusion, let me respectfully and imploringly request that THECB, Gov. Perry, the legislative leadership, and any other interested parties assist in addressing this important part of ‘closing the gaps’ in higher education in Texas.”

Sen. Troy Fraser, the Senate sponsor, was unavailable for comment.

NOTES: HB 589 was analyzed in the April 19 *Daily Floor Report*.