

SUBJECT: Creating Sam Houston State University College of Osteopathic Medicine

COMMITTEE: Higher Education — favorable, without amendment

VOTE: 11 ayes — C. Turner, Stucky, Button, Frullo, Howard, E. Johnson,
Pacheco, Schaefer, Smithee, Walle, Wilson

0 nays

WITNESSES: For — None

Against — None

On — Dana Hoyt, Sam Houston State University; (*Registered, but did not testify*: Charles Henley, Sam Houston State University; Rex Peebles, Texas Higher Education Coordinating Board)

DIGEST: HB 2867 would establish the Sam Houston State University College of Osteopathic Medicine as a college of Sam Houston State University (SHSU) under the management and control of the board of regents of the Texas State University System.

HB 2867 would classify the college as:

- a medical and dental unit under the Texas Higher Education Coordinating Board;
- a health-related institution of higher education eligible for appropriations from the permanent health fund to benefit medical research, health education, or treatment programs;
- a participating medical school in the Joint Admission Medical Program, which provides services and scholarships to qualified, economically disadvantaged students pursuing a medical education;
- a medical school that could appoint resident physicians eligible to receive compensation;
- a medical school that could enter into contracts for medical

- residency programs; and
- a university system and health center permitted to purchase medical malpractice insurance and establish a medical professional liability fund.

Under the bill, the board of regents could prescribe courses leading to customary degrees and adopt rules for the operation, control, and management of the college as necessary. The board would also be permitted to solicit, accept, and administer gifts and grants from any public or private source for the use and benefit of the college, as well as enter into agreements under which a public or private entity could provide additional facilities to be used in the college's teaching and research programs.

SHSU would not be entitled to receive formula funding for the College of Osteopathic Medicine. The college would be eligible to receive funding under the permanent health fund for higher education beginning September 1, 2019.

The bill would allow the provost of SHSU, on behalf of the board, to execute and carry out an affiliation or coordinating agreement with any other entity or institution. HB 2867 also would allow a public or private entity to provide SHSU's College of Osteopathic Medicine with a teaching hospital considered suitable by the board of regents. The hospital could not be constructed, maintained, or operated with state funds.

As soon as practicable after the bill's effective date, the SHSU College of Osteopathic Medicine would be required to enter into an agreement with the Joint Admission Medical Program Council and select an appropriate faculty member to represent the college on the council. The college would provide internships and mentoring under the Joint Admission Medical Program by the 2022-2023 academic year to admit participating students to the college.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

SUPPORTERS SAY: HB 2867 would help address the primary care physician shortage in Texas, especially in rural and underserved areas, by establishing the College of Osteopathic Medicine at Sam Houston State University (SHSU). The medical school would be clinically focused and community-based and would help bridge the gap between rural and urban healthcare by focusing on residency programs in underserved areas. The bill also would maximize financial support opportunities for prospective and current medical students by allowing SHSU to access funds under the Joint Admission Medical Program and would give the school access to important insurance coverage, residency funding, and other important programs.

The bill would prohibit SHSU from seeking formula funding for its medical school. Many of the college's startup costs for land, facilities, and operational expenses would be covered by available non-state funds, and the university is currently working to secure federal funding in lieu of state funding for many of its residency slots. The medical school's 10-year plan does not include a plan for using revenue bond funds.

OPPONENTS SAY: HB 2867 could increase state costs because it would not prohibit Sam Houston State University from requesting or receiving non-formula funding from the state, which could include tuition revenue bonds to cover operational expenses.

NOTES: According to the Legislative Budget Board, the bill would permit Sam Houston State University (SHSU) to request non-formula support, which could, if funded, result in significant costs to the state. It is assumed that startup costs for land and facilities for the College of Osteopathic Medicine are adequately covered by non-state funds available to SHSU.