HOUSE RESEARCH ORGANIZATION bill analysis

4/13/2021

HB 1522 (2nd reading) Frank, et al. (CSHB 1522 by Raney)

SUBJECT: Admitting Midwestern State University to the Texas Tech System

COMMITTEE: Higher Education — committee substitute recommended

VOTE: 10 ayes — Murphy, Pacheco, Cortez, Frullo, Muñoz, Ortega, Parker,

Raney, C. Turner, J. Turner

0 nays

1 absent — P. King

WITNESSES: For — (Registered, but did not testify: Caven Crosnoe, Midwestern State

University Board of Regents; J. Michael Lewis, Texas Tech University

System Board of Regents)

Against - None

On — Suzanne Shipley, Midwestern State University; (Registered, but did

not testify: Gary Barnes and Tedd Mitchell, Texas Tech University

System)

DIGEST: CSHB 1522 would transfer Midwestern State University (MSU) to the

Texas Tech University (TTU) System and establish the university as a component of that system. The bill also would amend certain TTU System

student fees and establish the venue for certain lawsuits related to the

system.

Transfer of governance. CSHB 1522 would transfer governance, control,

and property of Midwestern State University from the MSU board of

regents to the TTU System board of regents.

When the transfer took effect, the board of regents of the TTU System would be required to govern, operate, manage, and control MSU and all land, buildings, and property belonging to and constituting the university. Rules and policies adopted by the MSU board of regents to govern the university that were in place when the transfer took effect would be

continued until adopted, repealed, or superseded by the board of regents of the TTU System.

MSU could continue to award undergraduate-level and graduate-level degrees in the same disciplines and of the same academic standing as before the transfer, and tuition and fees authorized by the MSU board of regents would remain in place until the TTU System board of regents authorized a different amount for the university.

The transfer of governance would not affect the status of any enrolled student or employee or the accrued benefits of any person employed by MSU when the transfer took effect.

Upon completion of the transfer, the board of regents of MSU would be abolished.

Transfer of funds, contracts. On the effective date of the transfer, all funds that had been appropriated to, dedicated to, or held for the use and benefit of MSU would be transferred to the TTU System for the use and benefit of the university. The bill would amend annual allocations made under the Education Code to reflect this transfer. Other funds held for MSU would continue to be available for the university's use.

All contracts and written obligations entered into by the board of regents of MSU or the Texas Public Finance Authority on behalf of MSU, including bonds, would be considered ratified, confirmed, and validated by the TTU System board of regents on the effective date of the transfer. The TTU System would stand in place of MSU or the Texas Public Finance Authority, as applicable, in those contracts and obligations.

Resolution of disagreements. If the boards of regents of MSU and the TTU System were unable to agree on any matter related to the transfer of the university under CSHB 1522, the Texas Higher Education Coordinating Board (THECB) would have to resolve the disagreement on application of either board. The resolution would have to be consistent with the bill's provisions and intent, and the board could issue any order or

take other action appropriate to enforce the bill or facilitate the transfer.

Midwestern State University. CSHB 1522 would establish Midwestern State University as a component institution of the Texas Tech University System under the management of the TTU System board of regents. The bill would codify MSU as an institution offering undergraduate and graduate-level programs and subject to the authority of THECB.

The TTU System board would have the same powers and duties concerning MSU as it does for Texas Tech University and could solicit, accept, and administer gifts and grants for the university's use and benefit. The board also would have to include funding for the operation and maintenance of the university's museum in the applicable funding formula.

The bill would establish that Midwestern State University, as an institution under the control of the TTU System board of regents, was a state agency for the purposes of workers' compensation for state employees.

Bonds. CSHB 1522 would permit the TTU System board of regents to issue bonds in an amount not to exceed that previously authorized for Midwestern State University, less any portion of that amount for which bonds had been issued before the bill's effective date. These bonds could be used only at MSU for authorized purposes.

The board of regents for the TTU System could pledge to the payment of bonds issued under the bill any part of the revenue funds of a system institution. If sufficient funds were not available to the board to meet its obligations under the bill, the board could transfer funds among institutions and entities of the TTU System. The TTU board of regents also could refund any outstanding bonds or other obligations issued by or for Midwestern State University.

Any portion of the proceeds of bonds authorized by the bill for a specified project that was not required for that project could be used to renovate

existing structures and facilities at Midwestern State University.

TTU System student fees. CSHB 1522 would set the cap on the student medical services fee TTU System could charge for a summer session or term at a system institution at \$100.

The bill also would raise the cap on the recreation fee TTU System could charge each enrolled student from \$100 to \$150 per semester and from \$50 to \$75 per six-week summer term. This fee could be used to finance, construct, and renovate an institution's student recreation facilities and programs and could be pledged by the TTU System board of regents to pay certain obligations. The fee could be raised by more than 10 percent from one academic year to the next if approved by a majority vote of an institution's student government.

Mandatory venue. CSHB 1522 would establish Lubbock County as the mandatory venue for a suit filed against the board of regents or a member of the board in the member's official capacity. Venue for a suit filed against the TTU System, any component of the system, or any officer or employee of the system or a component institution would be in the county in which the primary office of the chief executive officer of the system or component, as applicable, was located. The bill would not waive any defense to or immunity from suit or liability that could be asserted by a described entity or individual.

The bill would take effect September 1, 2021, and would apply only to actions brought against TTU System or a related institution, officer, or employee on or after that date.

SUPPORTERS SAY:

CSHB 1522 would transfer Midwestern State University (MSU), an independent public university, to the larger Texas Tech University (TTU) System. This would create a mutually beneficial partnership between MSU and the wider TTU System and enable Midwestern State University to better serve and educate its students and community.

Midwestern State University is an independent public university with

about 6,000 students and located in Wichita Falls, about 200 miles away from Lubbock, the home of the larger Texas Tech University System. As state and federal regulation of higher education in Texas has become increasingly complex, MSU's small administrative staff has been challenged by the time and expense required to remain in compliance. The larger TTU System has the staff, expertise, and ability to navigate the complex regulatory world of higher education, and transferring MSU to this system would free the university to focus on its core mission of educating students.

Admitting MSU to the TTU System also would provide a growth opportunity for both institutions by creating a pipeline for MSU students to enter Texas Tech's distinguished law, business, and other graduate degree programs. The transfer would help sustain and enhance MSU's mission as a university of first rank in Texas, and Texas Tech and other institutions within the TTU System also would benefit from the admission of MSU to the system.

Concerns that CSHB 1522 would lead to a loss of identity for MSU are unfounded. The university would keep its name, logo, mascot, and other identity markers, and the admission of the university into the TTU System has been overwhelmingly supported by the MSU board of regents, university alumni, and the wider community.

CRITICS SAY: CSHB 1522 would transfer MSU to the TTU System, and some concerns have been raised that this transfer would lead to a loss of autonomy and identity for the university.