

TEXAS HIGHER EDUCATION **COORDINATING BOARD**

P.O. Box 12788 Austin, Texas 78711

Fred W. Heldenfels IV CHAIR

Harold W. Hahn VICE CHAIR

Dennis D. Golden, O.D. SECRETARY OF THE BOARD

Ryan T. Bridges

Durga D. Agrawal, Ph.D. Robert W. Jenkins, Jr. Munir Abdul Lalani James H. Lee Janelle Shepard David D. Teuscher, M.D.

Raymund A. Paredes COMMISSIONER OF HIGHER EDUCATION

512/427-6101 Fax 512/ 427-6127

Web site: http://www.thecb.state.tx.us March 29, 2013

Ms. Ursula Parks, Director Legislative Budget Board STUDENT REPRESENTATIVE Robert E. Johnson Building, 5th Floor 1501 N. Congress Austin, Texas 78701

Dear Ms. Parks:

The Coordinating Board has authorized me to forward you this *revised* higher education impact statement on Senate Bill 24 (SB 24). The Coordinating Board submits higher education impact statements at the request of the Legislative Budget Board in accordance with Senate rules when proposed legislation "authorizes or requires a change in the classification, mission or governance structure of an institution of higher education or would establish such an institution."

The companion bill for SB 24 is House Bill 1000. The proposed bills would create a new university in South Texas as a component institution of The University of Texas System and establish The University of Texas Health Science Center -South Texas. The proposed legislation merges The University of Texas at Brownsville (UTB) and The University of Texas Pan American (UTPA) to create a new university in South Texas with academic campuses in Cameron and Hidalgo counties and a math and science academy for high school students in Brownsville. The new institution would include the establishment of a new medical school in the region. The new medical school would build on the degree programs in place at the existing institutions, while incorporating innovative and interdisciplinary educational and research approaches that would include nurses, physician assistants, pharmacists, and public health professionals.

Summary of Findings

Passage of SB 24 would not disrupt student access to higher education for Texas residents in the Rio Grande Valley, as the new university would maintain its presence in the various locations where UTB and UTPA currently offer courses and degree programs. The legislation guarantees enrollment in the new university for all current students of the two existing universities. There would be no immediate impact on formula funding, as the change from enrollment at either UTB or UTPA to enrollment at the new university would not generate additional funding at this time.

Merging the two existing higher education institutions would require agreement on a name and reconciliation of existing programs. Immediate costs would be incurred related to the transition to the new university, including the development and maintenance of new data and reporting systems and signage. The new institution would need to obtain Coordinating Board approval and seek regional accreditation.

The merging of the two institutions offers the potential for cost savings, which could be realized by the new university through reducing duplicated fixed overhead costs, streamlining existing degree programs and administrative units. However, estimating any cost savings at this point is premature. UTB is currently in the process of removing itself from its long-standing partnership with Texas Southmost College (TSC).

The new university would combine existing degree programs and administrative units. Each university offers degree programs through a variety of Schools or Colleges. They each have similar degree programs in Education, Business Administration, Liberal Arts, Engineering and Health Professions. Additionally, the merger could promote greater opportunities for faculty research and collaboration and increase retention of students from local communities who are interested in pursuing a career in medicine. The research efforts could be enhanced through the development of a new Center for the Study and Treatment of Diabetes. The UT System leadership has stated that this new center will attract funded investigators to the project and generate additional funding, which would provide support for faculty salaries.

Establishing a new medical school requires the long-term commitment of local, regional, and state constituencies. The establishment of a new medical school located in South Texas would be costly; however, the need for a medical school in the area has been well documented. The long term investment made by the State of Texas to support the future development of the South Texas medical school started in 2002, when The University of Texas Health Science Center at San Antonio (UTHSC-SA) began receiving an appropriation to support the development of the Lower Rio Grande Regional Academic Health Center (RAHC). It is notable that the RAHC receives nearly \$10.2 million through the UTHSC-SA appropriation and receives support through the Permanent Health Funds.

The development of a medical campus is moving forward, as the RAHC currently has more than \$80 million in capital assets in both Cameron and Hidalgo counties. Additional costs will include hiring administrators and faculty, and obtaining national accreditation through the Liaison Committee on Medical Education (LCME). Specific estimates of those costs are difficult to project, as there are no specific plans published related to the development and startup timeline, type of additional facilities to be built, and number of students to be admitted. In addition to these startup costs, there would be significant annual costs as well, which could exceed \$99 million per year, based on the recent establishment of the State's newest medical school in El Paso. It is clear that The University of Texas System is committed to the development of the medical school as evidenced by its financial support.

Background

The two universities that would merge were originally one institution. However, each university has a distinct history and the two institutions are geographically separated. UTPA began as Edinburg College in 1927; in 1952 it became a public university (Pan American College, later Pan American University) authorized by the Texas Legislature; and in 1989 it became part of The University of Texas (UT) System as The University of Texas Pan American. The main campus is located at 1201 West University Drive in Edinburg, Texas. UTPA also has a teaching site in nearby McAllen, Texas, where it offers a variety of graduate certificates and degrees. At present, UTPA offers 56 baccalaureate degree programs, 47 master's degree programs, and 3 doctoral degree programs. UTPA has seven associated colleges: Arts and Humanities, Business Administration, Education, Engineering and Computer Science, Health Sciences and Human Service, Science and Mathematics, and Social and Behavioral Sciences. UTPA's fiscal year (FY) 2012 budget was \$247,581,039,¹ and the institution reported 797 faculty and 1,155 staff in 2011.²

In fall 2012, UTPA had a headcount of 19,302 students: 16,570 undergraduates and 2,732 post-baccalaureate and graduate students; its full-time student equivalency (FTSE) was 14,892. The demographic breakdown of UTPA's headcount enrollment for fall 2012 is shown in the Table 1.

Table 1. UT Pan American – Student Enrollment				
Total Headcount	19,302			
White Students	722			
African American Students	128			
Hispanic Students	17,221			
Asian Students	194			
International Students	535			
Other Students	502			
Male Students	8,501			
Female Students	10,801			
Students under 18 years of age	275			
Students between 18 and 21 years of age	9844			
Students between 22 and 24 years of age	4,035			
Students between 25 and 29 years of age	2,413			
Students between 30 and 34 years of age	1,194			
Students 35 years of age and older	1,541			

Source: Coordinating Board, Higher Education Accountability System.

The University of Texas Brownsville (UTB) began as an extension campus of UTPA, and was authorized by the Texas Legislature as a new university in the UT

¹ THECB Online Resume for UTPA

² UTPA website

System in 1991. At that time UTB established a partnership with Texas Southmost College District, which continued for 20 years, until 2011 when the decision was made to end the partnership in 2015.

The main campus of UTB is currently co-located with Texas Southmost College at 80 Fort Brown in Brownsville, Texas. UTB also offers courses and programs at the Texas State Technical College Harlingen Multi Institution Teaching Center, which is located on the TSTC campus in Harlingen. At present, UTB offers 47 baccalaureate degree programs, 29 master's degree programs, and 1 doctoral degree program. UTB is organized into seven academic units: University College, College of Education, College of Liberal Arts, College of Science, Mathematics, and Technology, School of Business, College of Biomedical Sciences and Health Professions, and College of Nursing. UTB's FY 2012 budget was \$165,225,902, and the institution reported having 598 faculty (UTB shares staff with its college partner, so no separate figure is available for the number of UTB staff).

In fall 2012, UTB had a headcount of 8,146 students: 6,980 undergraduates and 1,166 post-baccalaureate and graduate students; its full-time student equivalency (FTSE) was 5,611. The demographic breakdown of UTB's headcount enrollment for fall 2012 is shown in Table 2.

Table 2. UT Brownsville – Student Enrollment				
Total Headcount	8,146			
White Students	453			
African American Students	52			
Hispanic Students	7,050			
Asian Students	80			
International Students	478			
Other Students	33			
Male Students	3,343			
Female Students	4,803			
Students under 18 years of age	231			
Students between 18 and 21 years of age	3,318			
Students between 22 and 24 years of age	1,456			
Students between 25 and 29 years of age	1,153			
Students between 30 and 34 years of age	712			
Students 35 years of age and older	1,276			
Source: Coordinating Board, Higher Education Accountability System.				

South Texas Is One of the Fastest Growing Regions

The Lower Rio Grande Valley is a four-county area that forms the southernmost tip of Texas and includes Cameron, Hidalgo, Starr, and Willacy Counties. These counties occupy almost 4,300 square miles and include the rapidly growing metropolitan areas of Rio Grande City, McAllen, Harlingen, and Brownsville. Hidalgo has been identified as one of the fastest-growing counties in the United States. Its population in 2010 was 774,769, a 35 percent increase from 2000. The four-county area population is projected to continue to grow, as shown in Table 3.

Table 3. Hidalgo, Starr, Willacy and Cameron Counties Population and Projected Growth							
	2010	2015	2020	Rate of Growth 2010-2015	Rate of Growth 2010-2020		
Hidalgo	774,769	833,007	895,259	7.5%	15.5%		
Starr	60,968	66,703	72,980	9%	20%		
Willacy	22,134	23,340	24,595	5%	11%		
Cameron	406,220	435,001	465,569	7%	14.6%		
Statewide	25,145,561	26,295,613	27,373,633	4.5%	8.8%		

Source: Texas State Demographer projected growth³

Established Need for Medical School in Region

Many parts of the Lower Rio Grande Valley lack adequate health care services, and the fast-growing population stretches the available health care resources. The establishment of a new medical school in the region, a logical evolution in the development of the existing Lower Rio Grande Valley RAHC, could alleviate some of the health care needs of the region. The four counties that comprise the Lower Rio Grande Valley are federally designated Mental Health Professional Shortage Areas (HPSA). Additionally, in 2008, the county of Starr received federal designation as a whole county HPSA, which means there are more residents in the county than the available health professionals can serve. A portion of Cameron is designated as a partial county HPSA.

In order to understand the distribution of physicians in a region, the number of physicians per 100,000 is the standard reference. The number of primary care physicians, which includes family physicians, internists, obstetric/gynecologists, and pediatricians, to the general population varies by region. The ratio is greater in the Metroplex, Central Texas, and Gulf Coast regions. While the South Texas region shows

³ http://txsdc.utsa.edu/Data/TPEPP/Projections/Tables.aspx

65 physicians per 100,000 population, if Bexar County is removed from the region, the primary care physician per 100,000 population decreases to 43 per 100,000 population, making it the area of Texas with the lowest primary care physician to population ratio.

The establishment of a new medical school would provide students from the region with an opportunity to attend medical school nearby. Additionally, the development of graduate medical education in the region would be needed to continue to provide clinical opportunities for the new students and medical residents. The state's commitment to the existing health-related institutions should not be reduced as a result of the development of the new medical school in South Texas.

Recognition by the Texas Higher Education Coordinating Board to Offer Degrees

If the merger of UTPA and UTB occurs, then the new institution would be required to establish a new degree program inventory, which would likely combine the existing program offerings. The new institution would also need to develop and implement new reporting mechanisms. Any new degree programs, consolidations and administrative changes would need Coordinating Board approval.

Southern Association of Colleges and Schools Commission on Colleges Accreditation Process

Statutory authority would be required for the new institution to begin awarding degrees. The new institution would need to receive accreditation by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC), the regional accrediting body for Texas institutions. The UT System leadership has been in consultation with SACSCOC and received notification that since both institutions are fully accredited, only a substantive change would be required. However, the new South Texas Medical School would need to obtain accreditation through the LCME.

Final Considerations

The merger of two existing public universities that are geographically separated would strengthen the merged institutions' programmatic and research profile. The UT System Board of Regents approved spending \$100 million over ten years to transform the Lower Rio Grande Valley RAHC into the South Texas Medical School, with an allocation of \$30 million to support a clinical simulation center and recruitment of outstanding faculty. UTHSC-SA has provided support for the eventual establishment of a South Texas medical school since 2002 with the development of the Lower Rio Grande Valley RAHC. Since that time more than 1,000 medical students have completed a portion of their clinical education at the RAHC. UTHSC-SA requested \$40.9 million for the 2014-2015 biennium to support the RAHC, which will transition to the South Texas Medical School. The current funding of \$10 million in special item funding provided to UTHSC-SA would be transferred to the new South Texas Medical School.

There is documented need for additional medical services in the South Texas/Lower Rio Grande Valley and the transformation of the existing RAHC into a

medical school could help alleviate the challenging medical shortages currently facing the area. Opening and operating the medical school requires a significant investment of state resources, both initially and as an ongoing expense. Furthermore, given the expense of state medical school training and the ratio of newly trained medical residents to residency positions available in Texas, it would be inefficient for the state to train additional doctors at new medical school without making provisions for the creation of more residency slots.

It is notable that the UT System has committed to working with the community hospitals to develop additional residency positions in the existing residency programs located in the area and has committed to establish additional residency programs that would serve as core clerkship sites for the future medical school. Recent updates from The UT System state that the local hospitals have committed to supporting 115 new residency positions in Internal Medicine, Family Medicine, Psychiatry, Surgery, and Obstetrics/Gynecology, with discussions underway to develop a residency program in Pediatrics. Importantly, once these new residency programs are developed, they would be eligible for federal support through the Centers for Medicare and Medicaid. With the existing residency programs currently in place in the region, the total number of residents anticipated to train in the area would increase to 148.

The Coordinating Board welcomes the opportunity to comment upon proposed legislation affecting higher education. Please let me know if the Board or I can provide additional assistance regarding SB 24 or other proposed legislation.

Sincerely,

Raymund A. Paredes

Bn A. Paredis

c: Coordinating Board Members David Gardner

WAAR/jg