Recap of 85th Legislative Session (So Far) & 86th Session (Early) Preview

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The University of Texas System
Office of Governmental Relations

Presented to:
UT System Faculty Advisory Council

Thursday, January 25, 2018
Texas Legislative Process
Texas Legislative Process
Texas Budget Process
85th Texas Legislature

- **House**
  - Led by Speaker Joe Straus of San Antonio
    - 5th Term as Speaker of the House, tied for most in Texas history
    - Partisan Split: 95 Republicans, 55 Democrats

- **Senate**
  - Led by Lt. Governor Dan Patrick
    - Partisan Split: 20 Republicans, 11 Democrats
      - More conservative than House

- **Governor Greg Abbott**
  - First Longhorn governor since Dolph Briscoe
  - 45% approval rating as of June 2017 (UT/TT Poll)
  - Nearly $41 million campaign cash on hand
What Did the Legislature Face?

• Sobering State Budget Outlook
  – Less available revenue for general purpose spending
    • Prop 7 – diverts up to $5 billion in sales taxes in FY 18-19 biennium to highways
    • Slower growth in sales tax revenue
    • Oil & gas price uncertainty
  – Nation’s largest Rainy Day Fund ($10+ billion), but reluctance to tap it

• Controversial and Divisive Issues
  – Privacy (i.e., bathrooms)
  – Sanctuary cities
  – School choice
  – Voter ID
  – Abortion regulation
  – State vs. local control
  – Local property tax limits and reforms
What Were UT System’s Priorities?

- Permanent and Available University Funds
  - Protect their integrity as key source of funding for UT and A&M
- Fund Formulas and Research
- Maintain Current Tuition Setting Authority
- Address Mental and Behavioral Health Needs of Texans
  - $300 million for new state mental health hospitals
- Continue Cancer Prevention and Research Institute of Texas (CPRIT)
- Increase Funding for Governor’s University Research Initiative
  - $15.6 million for Governor’s University Research Initiative
What Were UT System’s Priorities?

- Uphold Presidents’ Authority Regarding Campus Carry Rules
  - Re-evaluate Effectiveness of Top 10% Law
  - Obtain Funding to Cover Cost of Hazlewood Legacy Exemption
- Maintain Current THECB Authority
- Reconsider Contracting Restrictions Imposed on Higher Education in 84th Session
- Continue to Allow Undocumented Students In-state Tuition
As Session Developed, New System Priorities Emerged

✅ Maintain Integrity of Formula Funding and Preserve Funding of Special Items
  • No changes to higher education budget structure
    – Special items received significant reductions
    – Hold harmless provided to some institutions

✅ Adequately Fund UTMB’s Correctional Health Care for Texas Department of Criminal Justice
  – $80 million in supplemental funding for correctional health care

✅ Address Problem of Campus Sexual Misconduct

✅ Retain Lions Municipal Golf Course as Key UT Asset
## What Did The Legislature Do?

### Productivity

<table>
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<tr>
<th>Session</th>
<th>Status</th>
<th>HB</th>
<th>HCR</th>
<th>HJR</th>
<th>HR</th>
<th>SB</th>
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<td>68</td>
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<td>4</td>
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<td>1389</td>
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What Did the Legislature Fund?

• $216.75 billion State Budget for FY 2018-19 biennium
  – Up $352 million (0.16%) increase over FY 2016-17 biennium

• How Did They Pay for It?
  – Delay $1.8 billion of the Prop 7 transportation transfer
  – Appropriate $990 million from Rainy Day Fund for one-time expenses
  – $830 million in Medicaid cost containment measures
What Did the Legislature Fund?

• Higher Education Funding
  – $20.5 billion in all funds, a $235 million increase over FY 2016-17 biennium
    • Primarily due to increases to pay for two years of:
      – TRB debt service
      – Higher Education Assistance Fund (HEAF)
    – $300 million for state mental health hospitals
    – $15.6 million for Governor’s University Research Initiative
  – No changes to higher education budget structure
    • Special items renamed “non-formula support funding”
      – Special items received significant reductions
      – Hold harmless provided to institutions
    • Joint interim legislative study on special items and formula funding
How Did U.T. System Institutions Fare?

- General Academic Institutions
  - $1.5 billion total appropriation, a $47.1 million (-3.03%) decrease over FY 2016-17 biennium

- Health-related Institutions
  - $1.8 billion total appropriation, a $6.7 million (-0.38%) decrease over FY 2016-17 biennium
  - HRI formula funding was provided for the new medical schools at UT Austin and UTRGV
How Did U.T. System Institutions Fare?
General Academic Institutions

<table>
<thead>
<tr>
<th>Institution</th>
<th>2016-17 Biennium GR Appropriations (All Bills)</th>
<th>2018-19 Biennium GR Appropriations (All Bills)</th>
<th>Biennial Change</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>GR Appropriations</td>
<td>TRB Debt Service</td>
<td>GR Appropriations</td>
</tr>
<tr>
<td>The University of Texas at Arlington</td>
<td>215,885,289</td>
<td>(20,248,475)</td>
<td>195,636,814</td>
</tr>
<tr>
<td>The University of Texas at Austin</td>
<td>581,695,287</td>
<td>(33,553,067)</td>
<td>555,142,220</td>
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<tr>
<td>The University of Texas at Dallas</td>
<td>177,694,540</td>
<td>(12,095,237)</td>
<td>165,599,303</td>
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<tr>
<td>The University of Texas at El Paso</td>
<td>166,661,226</td>
<td>(20,002,599)</td>
<td>146,670,627</td>
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<tr>
<td>The University of Texas Rio Grande Valley</td>
<td>257,391,915</td>
<td>(30,858,213)</td>
<td>226,533,702</td>
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<tr>
<td>The University of Texas of the Permian Basin</td>
<td>63,761,827</td>
<td>(20,662,257)</td>
<td>43,119,570</td>
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<tr>
<td>The University of Texas at San Antonio</td>
<td>194,338,112</td>
<td>(27,864,712)</td>
<td>166,473,400</td>
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<tr>
<td>The University of Texas at Tyler</td>
<td>69,330,444</td>
<td>(15,099,993)</td>
<td>54,230,451</td>
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<tr>
<td><strong>Total Academic</strong></td>
<td><strong>1,733,798,640</strong></td>
<td><strong>(180,384,553)</strong></td>
<td><strong>1,553,414,087</strong></td>
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</table>
How Did U.T. System Institutions Fare?

Health-Related Institutions

<table>
<thead>
<tr>
<th>Institution</th>
<th>2016-17 Biennium</th>
<th>2018-19 Biennium</th>
<th>Biennial Change</th>
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<td></td>
<td>GR Appropriations</td>
<td>TRB</td>
<td>GR Appropriations</td>
</tr>
<tr>
<td></td>
<td>(All Bills)</td>
<td>Debt Service</td>
<td>(less TRB)</td>
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<tr>
<td>UT Southwestern Medical Center</td>
<td>312,412,061</td>
<td>(30,853,694)</td>
<td>281,556,367</td>
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<td>UT Medical Branch at Galveston</td>
<td>530,368,694</td>
<td>(51,610,620)</td>
<td>490,776,074</td>
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<tr>
<td>UT Health Science at Houston</td>
<td>339,793,209</td>
<td>(31,307,229)</td>
<td>306,485,960</td>
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<td>UT Health Science at San Antonio</td>
<td>269,119,967</td>
<td>(25,600,696)</td>
<td>243,519,271</td>
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<tr>
<td>UT M.D. Anderson Cancer Center</td>
<td>375,738,804</td>
<td>(17,237,949)</td>
<td>358,500,655</td>
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<td>UT Health Science Center at Tyler</td>
<td>65,327,596</td>
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<td><strong>Total Health</strong></td>
<td><strong>1,912,778,331</strong></td>
<td>(150,912,754)</td>
<td><strong>1,761,865,577</strong></td>
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</table>
What Else Did the Legislature Accomplish?

- In Regular Session
  - Higher education issues
    - Reporting of campus sexual misconduct
    - Community colleges can issue baccalaureate degrees
    - Greater information on open source textbooks
    - Transparency on student loan debt
    - Expansion of telemedicine and telehealth
What Else Did the Legislature Attempt and Not Do for Higher Education?

• Reform Hazlewood
• Re-regulate tuition
• Repeal In-state tuition for undocumented students
• Increase Texas Higher Education Coordinating Board authority
• Eliminate tuition set-asides
• Change campus carry
• Alter Top 10% law
What Else Did the Legislature Accomplish?

- In Regular Session
  - Sanctuary cities ban
  - Child welfare protections/foster care reform
  - Continued funding for border security
  - Statewide texting ban
  - State pre-emption of ride-sharing services
  - Criminalized cyberbullying
  - Stiffer penalties for inappropriate teacher-student relationships
  - Eliminated straight ticket voting
What Did the Legislature Do In Its First Called Session?

- Extended Sunset dates for Texas Medical Board and other agencies
- Established school finance reform commission
- More funding to support retired teachers
- Reformed municipal annexation process
- Limited local tree ordinances
- Additional abortion regulation – reporting, certification, & insurance coverage
- Strengthened patient protections relating to do-not-resuscitate orders
- Cracked down on mail-in ballot fraud
- Extended maternal mortality task force
What Did the Legislature **Not** Do In Its First Called Session?

- Pass privacy (i.e., bathroom) bill
- Cap local property taxes and spending
- Implement school choice
- Provide significantly more funding for public schools
- Prohibit paycheck deduction for public employee union dues
- Defund Planned Parenthood
- Preempt local texting ordinances
- Alter local permitting
What Can We Expect During The Interim?

• A Second Special Session?
  – Costs and consequences of Harvey
  – Adverse congressional and legislative redistricting decisions
  – Reprise of conservative agenda
• Non-formula support funding and formula funding study (first hearing on February 21; intended to conclude in April)
• Interim studies
• Positioning for 2018 elections and House Speaker’s race
Key Dates

- March 6, 2018: Primary election
- May 22, 2018: Runoff primary election
- November 6, 2018: General election
- November 12, 2018: Pre-filing for 86th Legislative Session begins
- January 8, 2019: 86th Legislature convenes
- May 27, 2019: 86th Regular Legislative Session adjourns Sine Die
Looking Ahead (Already) to the 86th Session

- State budget prospects for FY 20-21 biennium
  - Estimated $6-8 billion hole to start
  - Continuing pressures on public school finance system
  - Lingering effects of Hurricane Harvey
  - Rainy Day Fund of nearly $11 billion

- What will be UT System priorities?
  - Institution priorities
  - Protect PUF and AUF
  - Obtain adequate and rational funding
  - Protect free speech on campus
  - Protect tuition benefit for DREAMers
  - Maintain Regents’ tuition-setting authority
  - Revisit campus sexual misconduct legislation
Looking Ahead (Already) to the 86th Session

• Re-establish Value of Higher Education
  – Recent Pew Research poll suggests 58% of Republicans believe higher education does not benefit society
  – A Gallup poll conducted in August shows 67% of Republicans have only some or little confidence in higher education
Thank you for your service and support for successful 85th - and 86th - Sessions