

Legislative Update: TASCCUBO

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October 20, 2020



Overview

- **Political Landscape**
- **Outlook for the 87th Legislature**
- **Legislative Process and Messaging**



Political Landscape

U.S. Senate: Sen. John Cornyn up for re-election

Congress:

- Texas delegation: 22 Rs, 13 Ds, 1 vacant
 - Vacancy: CD-4: John Ratcliffe (R-Rockwall) resigned to become Dir. of National Intelligence. Sen. Pat Fallon (R-Prosper) will succeed him in safe R district.
- Six incumbent House Rs retiring
 - Chairmen retiring: CD-11: Conaway (R-Midland), CD-13: Thornberry (R-Clarendon) – Texas losing significant seniority on HASC as a result
 - Seats in play: CD-22: Olson (R-Sugar Land), CD-23: Hurd '00 (R-Helotes), and CD-24: Marchant (R-Carrollton)
 - CD-17: former Congressman Pete Sessions faces Rick Kennedy



Political Landscape

Texas Senate:

- 31 members: 19 R, 12 D
- Seat in play: SD 19 – Sen. Pete Flores '83 (R-Pleasanton) faces Rep. Roland Gutierrez (D -San Antonio).
- New Members:
 - SD 14 Special – Sarah Eckhardt (D-Austin) has replaced Sen. Kirk Watson, who left to lead UH Hobby School of Public Affairs.
 - SD 29 – Rep. Cesar Blanco (D-El Paso) is nominee to replace retiring Sen. Jose Rodriguez in safely Democratic seat.
 - SD 30 – TBD, seat is being vacated by Sen. Pat Fallon (R-Prosper) for CD 4 (Ratcliffe).



Political Landscape

Texas House:

- Democrats seized 12 Republican seats last election. Nine more would flip House in their favor for the first time since 2000.
- As of today, 17 new members will join the 87th Legislature:
 - 13 retirements
 - 4 incumbents defeated in primary runoffs, including Reps. Dan Flynn (R-Van), JD Sheffield (RStephenville).
- New Speaker to be elected; will result in new committee chairs and other changes in House leadership.



State Budget Outlook

Due to the COVID-19 pandemic, the state budget outlook is uncertain:

Projected shortfall of \$4.6B for 2020 -21 biennium, as of July 20, 2020. Does not include:

- 5% budget reduction plans (est. to be ~\$1B)
- updated estimates for Medicaid or other budget drivers
- any add'l CARES / federal funding
- \$8.8B est. in Economic Stabilization Fund, as of FY21
- Comptroller's revenue projection for FY 2022 -23 in Jan
- Uncertainties – continued COVID -19 impact; consumer & business economic decisions in TX, nationally and internationally; energy sector recovery



An Unusual Interim

Due to the COVID-19 pandemic, committees have had to forgo hearings, issue requests for information, or hold virtual hearings

- Senate Finance (report already issued)
- House Higher Education (RFI Sept 1)
- House Appropriations (RFI Sept 30)
- Senate Higher Education (Semi -virtual hearing 10/12)

Plans for how session will be conducted are under discussion but will remain fluid, with many possible scenarios that could occur.



HAC Interim Charges

Interim Charge #4: Evaluate the volume and efficacy of reporting requirements in the GAA and identify opportunities to streamline and consolidate agency reporting requirements

- THE ANSWER IS, “YES!”
- Delete Education Code 29.904 HB400, School Districts; Ed. Code 51.4031 Affordability and Access Report; Ed. Code 51.9112 ROTC Rate, Govt Code Sec. 659.026 related to gifts, staffing, and salaries, which are duplicative of reporting to LBB and SAO. State Energy and Conservation Report, Govt Code 447.009 is duplicative and should be deleted.
- Sunsetting reports, HB3912 (86th); automatic sunset after 10 years
- Recommended various GAA rider changes to improve business efficiencies



HAC Art III Interim Charges

Interim Charge #1: Monitor agencies and programs under Art. III and oversee the implementation of relevant legislation and riders

- President's letter on expansion funding for UNT -Dallas, UH Clear Lake, UH Victoria, TAMU-San Antonio, TAMU-Central Texas, TAMU-Texarkana

Interim Charge #3: Review formula funding for higher education institutions in Texas; examine the efficiency and equity of funding; monitor mission specific pilot programs at HRIs.

- Testimony submitted by UTS, TAMUS, UNTS, UHS, TTUS, TSUS, all reiterating the importance of the formulas, the critical need to fund enrollment growth, the decline of the formula rates over time, the decline in per -student support, the importance of non -formula items and other new methods such as mission specific formulas to supplement base formula funding, and other topics such as the Small Institution Supplement.



Major Issues Facing 87th Legislature

Must pass bills :

- Supplemental Appropriations bill
- General Appropriations Act for FY2022-23
- State agency sunset review legislation

Other Issues:

- Criminal justice / law enforcement reform
- Redistricting – special session or push to 2023 session?
- COVID-19 response/Executive power/emergency management
- Other issues



Legislative Priorities

We recognize the significant budget and economic uncertainty facing the state, but it is important to convey the needs we have and how we can serve the state:

Appropriations Requests:

- Formulas: Maintain funding in formulas to support enrollment and research
- Non-Formula Support: Maintain current funding and add new initiatives where possible.

Capital Requests:

House Higher Education Charge on Infrastructure provided opportunity to outline needs. LARs for most institutions include TRB priorities.

Capital construction on university campuses would generate economic activity across the state.



Legislative Process & Messaging

The LAR process was atypical and continues to be so; OOG/LBB Budget Hearings have not yet occurred. Hearings may be held in November, but details are not announced at this time. CEOs should be prepared to:

- Summarize the institution's response to the pandemic as well as the impact on teaching, research, revenues, and operations
- Discuss the implications of emergency remote learning vs. planned online education
- Talk about the impact of the current/future 5% reduction(s)
- Identify state needs that higher education can address, with appropriate levels of support



Questions

Thank you for your work and
leadership
on behalf of higher education in
Texas!

