

Legislative Update

A Publication of the TEXAS COMMUNITY COLLEGE TEACHERS ASSOCIATION
5113 Southwest Parkway, Suite 185—Austin, Texas 78735

Andrea Zabel
President

Suzanne Morales-Vale
Chair, Legislative Committee

Richard Moore
Executive Director

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Regular Session Concludes

The 2009 Regular Session of the Texas Legislature adjourned on June 1. As usual, funding was a key priority for two-year schools.

Formula funding for community and technical colleges for the next biennium rose significantly to \$1.84 billion. Not surprisingly, the relative results can be interpreted using at least two valid measurement tools. For instance, the appropriation *per contact hour* for 2010-11 is \$7.11. In 2008-09 (funding for the current biennium) the rate was \$7.05. However, the new instructional formula amount represents 48 percent of the “full formula.” In 2008-09 it was 51 percent.

The state budget was helped considerably this year by the infusion of federal stimulus funds to all states. Although Congress enacted restrictions on how the money can be used, the boost relieved financial stress in all areas of the budget. Presumably this “cushion” will not be available in future Sessions, causing concern among Capitol observers about the outlook for 2011.

Mixed Results on Proportionality

The 2009 appropriations bill, which covers state spending for the 2010-11 biennium, provides for undiminished coverage of health benefits for community college educators, with no provision for proportionality.

By way of background, the concept of proportionality rests upon an assumption that the state is obligated to fund benefits based only on its relative “share” in funding community colleges generally. If the concept were implemented, the result would cost these schools millions of dollars, since local funds would be needed to replace the lost revenue. It would inevitably damage the instructional mission of these institutions.

TCCTA has consistently opposed proportionality.

As the appropriations bill worked its way through the House and Senate, community college leaders reached a novel understanding with the governor’s office. This represents a remarkable milestone, since Gov. Perry, in 2007, vetoed funds for such benefits (money that was restored subsequently by legislative leadership). Furthermore, the driving force for proportionality came originally from the governor’s office, along with the Legislative Budget Board staff.

In basic terms, the governor agreed in principle to accept full budgetary inclusion in

the state benefits system for community college educators, provided that any growth in dedicated appropriations for these benefits (due to new hiring) is linked to equivalent enrollment growth. In other words, colleges must grow in enrollment to qualify for added state support regarding benefits for new hires.

Community college officials viewed this approach as a reasonable solution and are relieved that the issue can be put aside—at least for the next two years.

As members are aware from numerous communications on this subject, key bills were introduced this Session that would have precluded the use of proportionality by law. In principle the passage of such a statute would have eliminated the concept as a matter of policy (with the understanding that no current Session of the Legislature can obligate a future Session under the Texas Constitution). TCCTA and the Texas Association of Community Colleges urged passage of HB 2083, by Rep. Burt Solomons (R-Carrollton), which passed the House with no opposition.

The Senate, however, proved more problematic, as HB 2083 was held pending in the Finance Committee. This is where the issue stood (a frequent graveyard for bills) until the final evening of the Session, when Sen. Judith Zaffirini (D-Laredo), the author of a companion measure, attempted to resurrect HB 2083 within the framework of a different bill. Unfortunately, the Senate adjourned *sine die* without taking up the matter.

TCCTA members are grateful to Rep. Solomons and Sen. Zaffirini for their efforts, and for their untiring support for the community colleges of Texas.

Some senators remain convinced that proportionality should prevail. Therefore, the issue could surface again. Absent unforeseen developments, the concept will not come up until preparations are underway for the 2011 Regular Session.

It is important to keep in mind that the ERS Board of Trustees sets the rates for deductibles and co-payments, based on the amount of revenue appropriated by the Legislature. Many important decisions have yet to be determined in the complicated field of health benefits. The association will monitor developments on a variety of fronts during the interim period. Please read the comments by Beaman Floyd, also on this page.

(continued on back page)

What You Can Do

by Beaman Floyd
TCCTA Lobbyist



The recent Regular Session of the Texas Legislature involved a number of difficult issues for us. Performance funding. An assault upon developmental education as we know it. Textbook selection. And, of course, our old friend “Proportionality”

in the funding of health benefits.

Some of these issues died in bills that failed to pass, but all of them are likely to return.

I genuinely believe in the social good of your profession, and promise to continue engaging lawmakers and their staffs urgently and constructively. Naturally, when visiting with clients, I am asked, “What can I do?”—especially in the “off-season.”

First, you can join TCCTA. Your association is respected in Austin, and policy makers pay attention when your professional voices speak in unison, from every campus—and legislative district—in Texas.

Next, get informed. Pay attention to the information and commentary TCCTA provides. Read the *Messenger*. Visit the Web site and contribute to the discussion on the “Blog” feature of the site. Communication is indispensable.

Third, get to know your representative and senator now, while they are “at home.” Follow the TCCTA *Guide to Political Participation* (available in printable form under “Legislative Resources” at www.tccta.org.) It’s the best document of its kind.

Fourth, invite your representative and senator to visit your campus, ideally in a joint meeting with faculty, administration, and board members. It’s always impressive when all stakeholders are on the same page. As someone who represents clients in public education, I can tell you that such unity is very rare.

Finally, participate in TCCTA events—especially the Fall Conference for Faculty Leaders on October 16-17 in Austin, and the Annual Convention on March 4-6 in Houston.

I hope to see you there!

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(continued from front page)

TRS and ORP: It's Complicated

The 2009 Regular Session enacted changes in the rates paid by the State for the two retirement programs serving higher education employees, reflecting a tight budget driven by the recent financial crisis.

TRS

The state's contribution is set to decrease from 6.58 percent to 6.4 percent for active employees in TRS. However, it is possible the System board will adjust it upward, based on a potential ruling by the Attorney General regarding a "13th check" for retirees. In the 2007 Session the Legislature raised the rate from the constitutional minimum of six percent to 6.58 percent. TRS members are urged to pay attention to official communications from the System in the weeks ahead.

The TRS fund suffered historic losses of almost a third during the recent financial downturn. The goal of the fund is to consistently achieve the statistical objective of "actuarial soundness," a calculation extrapolating forward for decades regarding long term solvency. Some authorities have testified that, in order to reach such a goal presently, the Legislature would have to raise the state contribution to over 11 percent. Due to the massive size of the fund, if the market returns to "normal" behavior, its health should be restored, according to TRS witnesses. However, it will be a while before benefits enhancements (such as increasing the multiplier or lowering the early retirement age) can be discussed seriously.

ORP

The Optional Retirement Program has always resisted generalization since local supplements affect the actual rate of contribution. Depending upon decisions made at the institutional level, the rate of employer contribution may remain at the current maximum of 8.5 percent, even though the state rate will be reduced to 6.4 percent, mirroring TRS.

To illustrate the complexity, please examine the

following statement from a Coordinating Board official, sent to TCCTA on June 3, two days after the Regular Session adjourned. (The Coordinating Board has legal jurisdiction over ORP):

The state base rate for ORP is changing from 6.58 to 6.4 percent (same as TRS). The colleges are still authorized to supplement that up to 8.5 percent, so the maximum supplemental rate will be 2.1 rather than the current 1.92 percent. ORP participants who do not receive a supplement will see their match go down by 0.18 percent (e.g., \$90 less annually for a \$50,000 salary). Colleges that have been providing a full supplement during the current biennium may continue to do so in the new biennium by bumping their local amount from 1.92 to 2.1 percent. However, the ORP statute and the GAA allow colleges to provide any supplemental rate up to a total employer rate of 8.5 (i.e., any supplemental rate from 0 to 2.1 percent), so it's possible that some colleges will choose to continue to provide a 1.92 supplement, which would also be a reduction of 0.18 percent for those participants.

"Dead" Bills—and Likely "Zombies"

A number of bills of particular interest to two-year colleges didn't pass in 2009. Most deal with subjects that will likely return in 2011.

Incentive Funding: The most significant effort in this area was sponsored by Rep. Geanie Morrison (R-Victoria), and Sen. Florence Shaprio (R-Plano). The bill put forward a complex matrix for rewarding student "success" in a variety of forms: transfers, "at risk" student completion, degrees and certificates awarded, and enrollment in high priority fields such as the sciences and nursing.

Developmental Education: Commissioner of Higher Education Raymund Paredes has argued repeatedly that developmental education needs a complete overhaul. Changes are still likely via the Coordinating Board, but a bill to enact a precise plan died in committee.

Guns on Campus: A bill to allow licensed carriers of weapons to bring them to school failed to get enough votes this Session. The measure was

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motivated partially by the Virginia Tech shootings of 2007.

Criminal Background Checks: This bill, sponsored by Sen. Tommy Williams (R-The Woodlands) set up an elaborate system of criminal background checks on anyone who applies for a job or promotion at an institution of higher education. It passed the Senate and died in the House. ☆

More Resources Available Online

Please visit the "Legislative Resources" section of the TCCTA Web site for useful tools in communicating with policy makers. Documents include the "Taking Points" on a wide assortment of vital issues, the TCCTA *Guide to Political Participation*, and an indispensable link to find out "Who Represents Me?"

Members are also urged to consult the "News" and "Blog" features of the site for news affecting community colleges and updates on the latest developments in Austin and around the country. Visitors to the site are encouraged to respond on the "Blog" to all timely issues affecting the profession.

Get connected!

www.tccta.org

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