



78th LEGISLATURE SLASHES COLLEGE BUDGETS

The regular biennial session adjourned June 2, after a tumultuous and historically partisan spectacle that attracted nationwide attention. Below is a brief summary of items of interest to two-year college educators.

Formula Appropriations Reflect Cuts

Budgets for Texas community colleges will be damaged significantly by an unprecedented decrease in formula appropriations. Although contact hours shot upward by 14.7 percent, the Legislature slashed revenue to these schools by 4.3 percent from the previous biennium for fiscal years 2004-05. The reduction translates to 16.6 percent per contact hour.

Due to extraordinary enrollment increases, some institutions will see more formula funding—although not nearly enough to cover increased instructional costs. Most will endure outright cuts, leading almost invariably to tuition increases, property tax hikes, curtailment of services, and complete elimination of some programs. Urban, suburban, and rural schools in every region of Texas will receive less formula revenue than in the current biennium.

Driven by “no new taxes” campaign promises and sinking tax collections, the 78th Legislature presented Texans with devastating prospects for social services. Virtually all state legislatures are grappling with budget shortfalls and most are prohibited from deficit financing. According to the National Governors Association, state governments have not experienced such a collective catastrophe since World War II.

Texas, which has consistently ranked near the bottom in *per capita* spending and taxation, may descend further on the scale, according to many estimates.

Retirement Health Insurance Eligibility Restricted

SB 1370 (by Duncan), an “omnibus” bill designed to implement an array of

cost savings in state funded health insurance, will become law on Sept. 1, after passing the House the day before adjournment by a vote of 93 to 51.

As reported previously, the bill raises the age of eligibility for future retiree health insurance under the Uniform Group Insurance Program from 55 to 65, or by satisfaction of the Rule of 80 (age plus years) with ten years of service.

After some troubling uncertainty, language in the bill was clarified to insure that TRS members and ORP participants would be treated identically. The Rule of 80, while far from satisfactory when compared with current law, will allow many community and technical college educators to breathe somewhat easier as they make their retirement plans. TCCTA officials emphasized to lawmakers publicly and privately the disruptive effects upon the lives of people who have been placed on a roller coaster of uncertainty. Frequent e-mail *Legislative Updates* to campus representatives urged educators to contact their elected officials.

On a related matter, Gov. Perry’s proposal to fund health insurance for community college employees “proportionately” (reducing state funding to 35 percent of total cost) failed to materialize. Capitol observers attributed the demise of the Governor’s idea to a strong statewide response from potentially affected community college personnel who communicated their concerns to lawmakers.

“Success Initiative” Replaces TASP

HB 796 (by Delisi), a bill designed to abolish TASP, after passing the House unanimously, died on the Senate Intent Calendar on May 28 as crucial deadlines expired. Suddenly, however, the language of HB 796 appeared *verbatim* in another bill, SB 286 (by Shapleigh), a “sunset” measure dealing with the Texas Higher Education Coordinating Board.

On March 24, TCCTA President Susan Edwards provided testimony to the House Committee on Higher Education

and, on May 23, Executive Director Richard Moore spoke before the Senate Education Committee. Each urged legislators not to abandon the proven components of successful developmental education: statewide uniformity, mandatory placement, and continuous remediation for students who need help.

Two days before adjournment, a conference committee approved Rep. Delisi’s “Success Initiative” language, but added a provision put forward by Sen. Teel Bivins (R-Amarillo). The final version says, in part:

“An institution of higher education shall determine when a student is ready to perform freshman-level academic coursework. The institution must make its determination on an individual basis according to the needs of the student. The determination shall include:

(1) requiring a student to retake a board-approved assessment instrument, if the student did not initially perform within a deviation established by the board; or

(2) other board-approved means of evaluating student readiness, if the student did not initially pass the assessment instrument but performed within a deviation established by the board.”

Both items were added during the final hours of the session at the insistence of conferees and require standards to be determined by the Coordinating Board. The Coordinating Board currently sets the “cut scores” for diagnostic assessment and exemptions, and will decide the “college readiness” threshold under the new TAKS regimen in the public schools.

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See the complete list
of “tracked” bills

www.tccta.org

TASP Repealed

(continued from front page)

A salient concern to many educators is the fate of older community college students who will be unaffected by the new TAKS requirements. The average age of Texas community college students is 25.

The Texas Success Initiative Advisory Committee has been formulating rules which are currently under consideration by the Coordinating Board. The committee consists of university and community college leaders, and is cochaired by TCCTA President-elect Gail M. Platt, South Plains College.

ORP/TRS Transfer Legislation Fails

As reported in a previous *Update*, the introduced version of SB 1243 (by Armbrister) contained a section designed to allow Optional Retirement Program participants to make a switch to the Texas Teacher Retirement System. Immediately prior to a hearing by the Senate Committee on State Affairs, however, the authorization language was removed from the bill, reportedly because of actuarial concerns by TRS officials.

In a written message delivered directly to committee members on May 8, TCCTA President Susan Edwards said, in part:

"We urge the committee to seek additional or outside corroboration on the aggregate impact of such transactions, giving attention to the possibility of ORP participants purchasing years of service in TRS at no cost to the state or TRS members. Our association has consistently recommended that such transfers should be actuarially neutral. Many educators simply want the option, even if they are required to bear the cost of transferring

their retirement plans."

Although the measure failed this session, TCCTA hopes to help generate a similar proposal during the interim.

Those wishing to pursue such a transaction are urged to contact Sen. Ken Armbrister (D-Victoria), commending him for his hard work and dedication on this issue.

ORP Contribution Limit Expanded for Recent Hires

Faculty hired since 1995 will now be allowed to receive supplemental revenue into their ORP accounts if local governing boards choose to allot money for this purpose. Under current law, colleges and universities are not allowed to add to the state's contribution for recently hired teachers.

The bill (HB 264 by Brown) permits institutions to supplement to a total of 8.5 percent of salary.

TCCTA representatives appeared in support of the measure as it received hearings in the Senate and House. Now the obvious challenge is for schools to find money in their budgets, given the current cuts in appropriations. The bill takes effect Sept. 1.

ONLINE DISCUSSIONS AVAILABLE ON TCCTA FORUM

Legislative issues and other topics can be discussed "virtually" via the "Forum" feature on the TCCTA Web site (at www.tccta.org).

From this site members can also access *Texas Legislature Online*, by far the most comprehensive free source of valuable material regarding the legislative process, statutory language, and constituency profiles—even during the interim. A convenient "Who Represents Me?" link is also provided.

A printable copy of the association's "Guide to Political Participation" is also available from the TCCTA Web site. It contains helpful tips on political activism "between sessions."

Members without Internet access are encouraged to call the state office to request this information.

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