

SUBJECT: UT Health Science Center at San Antonio campus extension in Laredo

COMMITTEE: Higher Education — committee substitute recommended

VOTE: 9 ayes — Rangel, Cuellar, F. Brown, Farabee, Goolsby, J. Jones, Morrison, E. Reyna, Wohlgemuth

0 nays

SENATE VOTE: On final passage, May 4 — voice vote

WITNESSES: *(On House companion bill, HB 3313:)*

For — Jose Luis Flores, City of Laredo; Daniel Guevara, Mercy Regional Medical Center; Javier Iruegas, Mercy Health System of Texas

Against — None

On — William Cunningham, University of Texas System; John P. Howe, III, University of Texas Health Science Center at San Antonio; Charles Jennett, Texas A&M International University

BACKGROUND: The 75th Legislature authorized the UT board of regents to establish a Regional Academic Health Center (RAHC) in the Lower Rio Grande Valley (Cameron, Hidalgo, Starr, and Willacy counties). The RAHC would provide clinical and postgraduate medical and professional education, including internship and residency programs, for the area.

DIGEST: CSSB 1288 would authorize the University of Texas board of regents to establish a Laredo extension campus of the UT Health Science Center at San Antonio (UTHSC) if public or private entities in Laredo provided sufficient land for the extension campus and the funds to construct an administrative building.

The campus extension could be used to provide undergraduate and graduate medical and dental education. It also could provide other levels of health education work in collaboration with Texas A&M International University or any component of the University of Texas or Texas A&M University systems.

The UTHSC would operate the campus extension out of its own funds or donated funds. The regents could accept and administer gifts and grants for the campus extension. The regents could lease the building facilities needed to operate the campus. A private or public entity could provide a teaching hospital that could not be funded with state appropriations.

The bill would require the regents to establish the center only if the Legislature specifically appropriated funds for that purpose. However, it would allow regents to do so using other appropriations or private funds. The Laredo campus extension would be subject to the Texas Higher Education Coordinating Board's supervision. The coordinating board would prepare an initial impact statement and deliver it to the regents and the Legislature by January 1, 2000.

The bill would take effect September 1, 1999.

SUPPORTERS
SAY:

The goal of Laredo extension campus would be to train health-care professionals and encourage these professionals to remain in South Texas, a medically under served region. The proposed campus extension would build on the efforts of the 75th Legislature to provide undergraduate and graduate medical and dental education, as well as other levels of allied health education for South Texans.

Laredo is the eighth fastest-growing city in the United States and is quickly expanding due to a rapidly growing economy, its attractiveness to retirees, and the expansion of free trade with Mexico. However, the area has health care challenges not experienced elsewhere in the state, including a high incidence of diabetes and heart disease, as well as tuberculosis.

SB 1288 would authorize the campus extension if public or private entities offered sufficient land and funding to construct an administrative building in Laredo. The Federal Aviation Administration (FAA), which previously had issued a moratorium that would have prohibited the city of Laredo's sale of approximately nine acres of airport property for the project, has reversed its position and approved this transfer.

After the FAA's approval, the Laredo city council unanimously voted, in December 1997, to donate approximately nine acres to The University of Texas for the construction of the campus extension. That land is worth

approximately \$850,000. In addition to land donated by the City of Laredo, the project has received at least \$3 million in pledges from private sources.

Other academic and local community entities support the Laredo campus extension. On April 5, the Higher Education Coordinating Board reviewed the emerging health education needs of the Laredo area and determined that the campus extension would provide high-quality training and supervision to students, which would improve health care services for Laredo families and residents of the middle Rio Grande area. A memorandum of understanding establishes an academic partnership among the University of Texas Health Science Center at San Antonio, Texas A&M International University, and the Texas A&M System. Community supporters of the campus extension include the City of Laredo, Mercy Medical Center, D.D. Hachar Charitable Trust and philanthropic individuals and families.

The proposed Laredo campus extension would represent a sound investment. The UTHSC at San Antonio would pay campus operating costs from its operating funds, or from other available funds of any public or private entities. SB 1288 would provide that a teaching hospital, if constructed, would not require an additional state appropriations. The state, therefore, would not bear any costs associated with the construction and operation of that teaching hospital.

The state only would bear the cost of additional employees. The \$1.4 million state investment would produce a great return to the state in terms of public health, public education, and eventually saved high-cost medical expense dollars. The investment would produce a better educated citizenry that would keep high-paying jobs in Texas and that region, aiding economic development.

**OPPONENTS
SAY:**

The extent to which the not-yet-developed Lower Rio Grande Valley Regional Academic Health Center could assist in serving the needs of the Laredo region is not yet known. The capacity of the UTHSC at San Antonio to accommodate additional responsibilities and expansions is not known either. Those uncertainties should be considered before approving a bill with a \$1.4 million fiscal note for the biennium ending August 31, 2001.

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NOTES: CSSB 1288 differs from the Senate-passed version in the following ways:

- ! the substitute would authorize the regents to lease building facilities; and
- ! the substitute would add the provision that obligates the regents to establish the extension campus only if state funds were appropriated specifically for that purpose.

The conferees on HB 1 by Junell, the general appropriations bill for fiscal 2000-01, tentatively have agreed to provide \$1.4 million for the UTHSC extension in Laredo.