



# TEXAS HIGHER EDUCATION COORDINATING BOARD

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March 19, 2001

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512/ 427-6101  
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Mr. John Keel, Director  
Legislative Budget Board  
Robert E. Johnson Building, 5th Floor  
1501 North Congress  
Austin, Texas 78701

Dear Mr. Keel:

The Coordinating Board has authorized me to forward the following Educational Impact Statement on House Bill 1640 of the 77th Legislature, which would establish a pharmacy school at Texas A&M University-Kingsville.

## **Educational Impact Statement Regarding House Bill 1640 of the 77th Legislature**

### **Provisions**

The bill would authorize the Texas A&M University System Board of Regents to establish a pharmacy school at Texas A&M University-Kingsville.

### **Background**

- Texas currently has four pharmacy schools which offer the six-year Doctor of Pharmacy (Pharm.D) degree required for practice and licensure: The University of Texas at Austin, Texas Southern University, University of Houston, and Texas Tech University Health Sciences Center at its facilities in Amarillo.
- In May 2000, the four schools reported 315 graduates from Pharm.D programs. Although the schools expect to increase the number of graduates from existing schools over the next few years, those totals are not expected to meet the future demand for pharmacists in the state. The Texas Workforce Commission has projected 430 job openings per year through 2008.
- While the entire state appears to be facing a shortage of pharmacists, Texas State Board of Pharmacy data show that the Texas-Mexico Border region has proportionally the fewest pharmacists for the number of its residents. The statewide ratio of pharmacists per 100,000 population is 79.6. The Upper Rio Grande (including El Paso County) has a ratio of 41.9; and South Texas, (excluding Bexar County but including, Cameron, Hidalgo, Nueces, Kleberg, and Webb counties), has a ratio of 55.8.
- The State Data Center projects that the population of the South Texas region (excluding Bexar County) will increase from 2.45 million residents in 2000 to 3.3 million residents in 2015. The 15-year projection represents a 35.6 percent increase.

### **Current Activities in the Texas-Mexico Border Region**

Of the four colleges, The University of Texas at Austin (UT-Austin) has been the most active in the Texas-Mexico Border region, offering a joint pharmacy degree with The University of Texas Health Science Center at San Antonio for over 30 years, and since 1990, partnering with 59 local practitioners/certified preceptors in more than eight cities (Harlingen, McAllen, Edinburg, Weslaco, San Benito, Brownsville, Mission, and Pharr) to train pharmacy students at approximately 25-30 clinical sites. In 1997, UT-Austin also began a cooperative program with The University of Texas at El Paso (UTEP). That cooperative program is comprised of two years of pre-pharmacy instruction at UTEP, two-years of pharmacy instruction at UT-Austin, and two final years of distance education from UT-Austin with on-site training and internships in El Paso. UT-Austin reports that it took four years to find a sufficient number and diversity of clinical sites in the El Paso area for the first class of 12 students to complete the required internships hours needed for licensure. That first class is expected to graduate in 2002.

The University of Texas-Pan American (UT-PA) and UT-Austin would like to use the UT-Austin/UTEP model for a similar program in South Texas. For the 2002-03 biennium, UT-PA has requested \$2 million in special item funding to develop a program at Edinburg that would accommodate 72 students.

### **Financial Considerations**

- Coordinating Board staff estimates that a new six-year pharmacy school at Texas A&M University-Kingsville (including the construction of a pharmacy building) would cost approximately \$2.35 million for the 2002-03 biennium and \$14.3 million over a five-year period.
- Coordinating Board staff estimates that construction of a 47,200 square foot building, ready for occupancy in May 2005, would cost \$11.6 million in tuition revenue bonds. Debt service of \$1,004,656 per year would be based on an assumed bond rate of 6 percent per year for 20 years. The square foot estimate for the new building assumes a pharmacy school enrollment of 200 students (50 students in each class) and the use of other existing campus facilities.
- If the Legislature were to follow the appropriation and expenditure history of the pharmacy school at Texas Tech University Health Sciences Center at Amarillo, the Texas A&M University-Kingsville would initially receive \$350,000 from the Legislature for the 2002-03 to begin the curriculum design and accreditation process. The school would likely require special item funding through 2009.
- Once it was fully operational, Texas A&M University-Kingsville estimates that the pharmacy school would have an annual operations and instruction budget of \$5.3 million. Coordinating Board staff estimates that formula funding will generate \$3.5 million for operations and instruction.

### General Concerns

While cost is a primary concern, the Coordinating Board considers a number of factors in recommending a new pharmacy school:

- With the lag time in graduating pharmacy students from a new school, the costs of the new school should be weighed against possible changes in pharmacy practice that may affect the long-term demand for pharmacists. (The Pharmacy School at Texas Tech University Health Sciences Center was established in 1993 and produced its first graduates in May 2000 – a seven-year lag.) For example, technological advances and regulatory reforms in health care may change the scope of pharmacist practice and the dispensing of prescription drugs to relieve some of the shortage problem.
- Vocational trends and the interests of incoming college students also should be considered. Applications have dropped at two of the state's four existing pharmacy schools in 2000, paralleling a national trend. If total student enrollment does not grow, a new school would not bring about an increase in graduates among five schools.

### Program Concerns

- Texas A&M University-Kingsville offers a variety of degree programs with particular strengths in agriculture, education, engineering and business. Degree offerings, and enrollment and graduation numbers in areas most related to pharmacy education – basic science and other health-related programs -- are relatively low. The number of declared majors and graduates from related programs suggests that the institution does not now have an adequate internal pool of potential pharmacy students. For Fall 2000, 9.6 percent of students enrolled in baccalaureate and master's degree programs (565 of 5,855 students) reported majors in related programs. That total included 35 students with declared majors in programs that are currently not offered at the university: Pre-Pharmacy (2 students); Pre-Dentistry (1 student); and Nursing (32 students). The university now indicates that 19 students are interested in pharmacy education. For Fall 2000, it also reported that 6.4 percent of its graduates (67 of 1,040 graduates) were awarded bachelor's and master's degrees in related programs. To fill the expected class size of 50 students, the university would need to attract a considerable number of new students or students from other institutions. The numbers also suggest that the institution would require significant investments in facilities, faculty, and library resources to support a pharmacy school.
- Faculty recruitment also would be a factor in the success of a new program. Fall 2000 data show that the average faculty salary of \$49,883 at Texas A&M University-Kingsville is the second lowest among the nine four-year institutions in the Texas-Mexico Border Region. With competition for pharmacists in the marketplace and among other pharmacy schools, the institution would need access to additional funds to initially recruit, and to sustain pharmacy faculty until formula income became adequate.
- Texas A&M University-Kingsville would need a sufficient number and variety of clinical sites in South Texas to adequately train pharmacy students. All of the state's pharmacy schools have had some difficulty establishing clinical sites for their students. Texas Tech University Health Sciences Center, for example, has had a significant problem in the Lubbock and Amarillo

areas and has expanded its clinical activities to the Dallas area. Coordinating Board staff estimates that a class of 50 students would require 88 clinical sites in a variety of settings (community pharmacies, hospitals, nursing homes, hospices, ambulatory care) for graduates to meet state licensing requirements. All sites would have to be supervised by a State certified internship preceptor. With UT-Austin already offering some training in the area, another pharmacy school may have difficulty locating an adequate number of training sites and would likely need to expand its search to other areas of the state.

### Potential Benefits

#### A new pharmacy school in South Texas:

- would be the first professional school of any kind in the Texas-Mexico Border Region where students could complete their degrees without leaving the region;
- would provide closer access to a professional school education for South Texas students and would allow more to remain in South Texas for the entire length of the six-year degree;
- may help meet the projected demand for pharmacists in the state; and
- may help to relieve the shortage of pharmacists in the Texas-Mexico Border region.

### Potential Alternatives

- There are alternatives for meeting the demand for pharmacists in Texas and its underserved regions that the state could undertake; some of those could be more efficient. They include the following:
  - Increase the enrollment capacity of existing schools;
  - Provide for existing schools to locate additional clinical training sites in under-served areas of South Texas;
  - Develop a new joint or cooperative pharmacy education program between an institution located in an underserved area of the state and an existing pharmacy school, such as the model used by The University of Texas at Austin and The University of Texas Health Science Center at San Antonio, and The University of Texas at Austin and the University of Texas at El Paso; and
  - Establish a loan forgiveness program or other incentive program that might attract Texas and out-of-state pharmacy graduates to underserved areas of the state.
- These alternatives would not provide a means by which students could complete a pharmacy program entirely in South Texas.

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### Recommendations

The Coordinating Board respectfully recommends that the Legislature take into account the information provided in the Educational Impact Statement as it considers House Bill 1640.

The Coordinating Board welcomes the opportunity to comment upon proposed legislation affecting higher education. Please let me know if the Board or I can provide additional assistance regarding House Bill 1640.

Cordially,

A handwritten signature in black ink, appearing to read "Don W. Brown". The signature is fluid and cursive, with a long horizontal stroke at the end.

Don W. Brown

c: Coordinating Board Members  
Howard Graves  
Marc Cisneros