

BILL ANALYSIS

H.B. 1912
By: Wolens
Higher Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

UT Southwestern is the leading medical and biotech research institution in Texas. It ranks first in the state in the number of externally-funded research projects, Nobel Prize winners, and royalty earnings from intellectual property, as well as numerous other categories.

Because of its rapid growth, UT Southwestern will suffer from a major space shortage by 2006 if the construction of a new building has not begun by 2004. The lack of a new facility would damage UT Southwestern's ability to recruit and retain leading scientists. Furthermore, it would impair its ability to grow its research programs and bio-tech spin-offs.

UT Southwestern has already secured land for a 150,000 sq. ft. research building and funding for major equipment and research operations. However, it lacks funding for construction of the facility. This bill would authorize UT Southwestern to issue revenue bonds for the financing of a new biomedical research facility.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

HB 1912 amends Subchapter B, Chapter 55, Education Code, by adding Section 55.17421 to authorize the board of regents of The University of Texas System to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, or other facilities, including roads and related infrastructure, for The University of Texas Southwestern Medical Center at Dallas, to be used primarily to conduct biomedical research and to be financed by the issuance of bonds in accordance with this subchapter, including bonds issued in accordance with a system-wide revenue financing program and secured as provided by that program in an aggregate principal amount not to exceed \$56 million.

HB 1912 provides that the board may pledge irrevocably to the payment of the bonds authorized by Subsection (a) all or any part of the revenue funds of an institution, branch, or entity of The University of Texas System, including student tuition charges. The bill provides that the amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding. The bill provides that if sufficient funds are not available to meet the board's obligations under this section, the board may transfer funds among institutions, branches, and entities of The University of Texas System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.

HB 1912 amends Section 61.0572(e), Education Code, to provide that approval of the coordinating board is not required to acquire real property that is financed with bonds issued under Section 55.17421.

HB 1912 amends Section 61.058(b), Education Code, to provide that this Section does not apply to construction, repair or rehabilitation financed by bonds issued under Section 55.17421.

EFFECTIVE DATE

This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.