

BILL ANALYSIS

H.B. 2522
By: Krusee
Higher Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Round Rock Higher Education Center

The Round Rock Higher Education Center is a multi-institutional teaching center (MITC) that combines the efforts of Southwest Texas State University (SWT), Austin Community College (ACC) and Temple College at Taylor (TCAT) to offer educational opportunities to North Austin and Williamson County. RRHEC offers workforce training, short certificate programs, bachelor's and master's degree programs. One feature of the RRHEC is the enhanced transfer credits from associate's to bachelor's degree programs which makes it easier for students to complete degree programs at SWT.

Currently, courses can only be offered at night because the only available classrooms are located in portable buildings at local high schools. Course offerings are also restricted due to lack of classroom space. This further limits the continued growth and number of programs that RRHEC might wish to offer. This is significant when faced with the demand for education expected in Central Texas in the next 15 years.

Through the visionary support of the partners in the RRHEC and the local community, the RRHEC has a solution for its space problems...a permanent campus facility conveniently located in Round Rock. The following information is provided to communicate the need and support for a permanent facility for the SWT MITC.

Need for Classrooms in Central Texas

According to the Texas Higher Education Coordinating Board's Plan for Higher Education, "Closing the Gaps", 500,000 additional college students will be attending college in the next 10-12 years with 50,000 of those students in the Central Texas Area alone.

Central Texas colleges and universities such as the University of Texas at Austin and Southwest Texas State University in San Marcos have already exceeded their optimal student populations and are closing their doors to new students. The Round Rock Higher Education Center offers a long-term solution by providing the opportunity to phase-in additional educational facilities for Central Texas students.

Currently, the RRHEC has approximately 1,480 students. Based on existing temporary facilities available, enrollment will cap out at 1,700 students. The proposed permanent building for the RRHEC will accommodate up to 5,000 students.

Economic Development

Workforce training is a vital and necessary part of a vibrant business community. In order to compete globally and keep Texas attractive to new business recruitment, Central Texas must have a well-trained workforce ready to serve both existing and new employers.

In addition to workforce training, employers in the northern Travis and Williamson county area such as Dell, Sears.com, Cypress, Motorola, Abbott, Farmer's Insurance and many others have all expressed the need and support for a local teaching facility that offers both workforce training and associate's, bachelor's and master's degree programs.

Traffic Relief on IH-35

Thousands of Williamson and northern Travis county residents travel 50 to 150 miles each day to Austin or San Marcos for their education, adding to the congestion on IH-35. Last year (fall, spring and summer) about 7,023 residents from Williamson County attended classes at ACC campuses and between 1,500 and 2,000 traveled from Williamson County to the SWT campus in San Marcos. An educational facility located in Round Rock will help relieve some of this traffic.

Community Support

The Round Rock Higher Education Center has a tremendous opportunity to take advantage of a generous donation by the Avery family of up to 100 acres of land for the permanent campus facility. While the landowners have been patient with the process, it cannot be expected that the land will remain dedicated to the campus if funding is delayed beyond 2003. If funding is obtained in this legislative session, the new facility will be open for classes in the fall of 2005.

To emphasize the importance of securing a permanent facility for the Round Rock Higher Education Center, the RRHEC partners and the community have rallied to create an attractive contribution to the total project. The total project cost for the first phase of the campus (117,000 sq. ft building) is estimated at \$35 million. The Round Rock community has secured approximately \$8.5 million of that total. Southwest Texas State University requires additional funding from the legislature to bring this campus to reality. The following is an outline of the Round Rock community and Williamson County support for the project:

The Avery Family—Will donate up to 100 acres of undeveloped land for the facility that will be the center of a master-planned community.

The City of Round Rock—Provide water and wastewater utilities to the campus site and waive building and impact fees. The City is prepared to create a Higher Education Corporation and/or participate in a Tax Increment Reinvestment Zone (TIRZ).

The Round Rock Chamber of Commerce—Has created the “Friends of the RRHEC” and will establish the “Round Rock Education Foundation.”

Williamson County—Will complete the extension of Chandler Road and is prepared to participate in a Tax Increment Reinvestment Zone (TIRZ).

HB 2522 authorize the issuance of Tuition Revenue Bonds for the purpose of constructing the first building of a permanent campus facility in Round Rock.

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 2522 amends Subchapter B, Chapter 55.1734, Education Code, by adding subsection 55.1734(e) to provide that the board of regents of the Texas State University System may acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, or other facilities, including roads and related infrastructure, for the Southwest Texas State University MITC, to be used primarily to construct facilities to address the Central Texas high growth corridor as identified by the Higher Education Coordinating Board 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 \$26 million.

HB 2522 provides that the board may pledge irrevocably to the payment of the bonds all or any part of the revenue funds of an institution, branch or entity of the Texas State University System, including student tuition charges. The bill provides that the amount of a pledge may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

HB 2522 provides that if sufficient funds are not available to the board to meet its obligations under this section, the board may transfer funds among institutions, branches, and entities of the Texas State University 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 2522 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 55.1734(e).

HB 2522 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 55.1734(e).

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.