

BILL ANALYSIS

Senate Research Center

S.B. 609
By: Janek/ Ellis, Rodney
Finance
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As Filed

DIGEST AND PURPOSE

In June 2001, when Tropical Storm Allison hit Houston, it severely damaged The University of Texas Health Science Center at Houston (UTHSC). It will cost \$160 million to return UTHSC to its previous state, bring it up to fire and safety codes, and help prevent future flood-related catastrophes. Of this \$160 million, it is estimated that insurance will provide \$56.9 million and the Federal Emergency Management Agency will provide \$62.2 million. Six million dollars has been received from the National Institutes of Health to replace the vivarium for laboratory animals that was destroyed with the rising waters leaving a gap of \$34.9 million unfunded. As proposed, S.B. 609 grants The University of Texas System the authority to issue revenue bonds for UTHSC for recovery from Tropical Storm Allison.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 55B, Education Code, by adding Section 55.17321, as follows:

Sec. 55.17321. THE UNIVERSITY OF TEXAS SYSTEM; ADDITIONAL REVENUE BONDS. (a) Authorizes the board of regents of The University of Texas System (board), in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure for The University of Texas Health Science Center at Houston for recovery from the damage caused by Tropical Storm Allison, to be financed by the issuance of bonds in accordance with this subchapter, including bonds issued in accordance with its systemwide revenue financing program and secured as provided by that program in aggregate principal amounts not to exceed \$34.9 million.

(b) Authorizes the board to 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 required or authorized by law to be imposed on students enrolled at an institution, branch, or entity of The University of Texas System. 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.

(c) Authorizes the board to transfer funds, if sufficient funds are not available to the board to meet its obligations under this section, 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 constitutional and statutory duties and purposes.

SECTION 2. Amends, Section 61.0572(e), Education Code, to make a conforming change.

SECTION 3. Amends, Section 61.058(b), Education Code, to make a conforming change

SECTION 4. (a) Effective date: upon passage or September 1, 2003.

(b) Provides that if this Act does not receive the vote necessary for immediate effect, the debt service on bonds authorized by Section 1 of this Act may not come due before September 1, 2005.