

By: Ogden

S.B. No. 80

A BILL TO BE ENTITLED

1 AN ACT

2 relating to authorizing the issuance of revenue bonds or other  
3 obligations to fund capital projects at public institutions of  
4 higher education.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subchapter B, Chapter 55, Education Code, is  
7 amended by adding Sections 55.1751, 55.1752, 55.1753, 55.1754,  
8 55.1755, 55.1757, 55.1758, 55.1759, and 55.17591 to read as  
9 follows:

10 Sec. 55.1751. THE TEXAS A&M UNIVERSITY SYSTEM; ADDITIONAL  
11 BONDS. (a) In addition to the other authority granted by this  
12 subchapter, the board of regents of The Texas A&M University System  
13 may acquire, purchase, construct, improve, renovate, enlarge, or  
14 equip facilities, including roads and related infrastructure, for  
15 projects to be financed through the issuance of bonds in accordance  
16 with this subchapter and in accordance with a systemwide revenue  
17 financing program adopted by the board for the following  
18 institutions not to exceed the following aggregate principal  
19 amounts for the projects specified as follows:

20 (1) Tarleton State University System Center:

21 (A) Central Texas, \$35 million for educational  
22 facilities for the Tarleton State University System  
23 Center--Central Texas at the location that may become Texas A&M  
24 University--Central Texas;

1                   (B) \$10 million for the construction of nursing  
2 facilities;

3                   (2) Texas A&M University--Commerce, \$20 million for a  
4 music building;

5                   (3) Texas A&M University--Corpus Christi, \$14 million  
6 to renovate the Utility Access Loop;

7                   (4) Texas A&M University--Kingsville:

8                   (A) \$60 million for the System Center--San  
9 Antonio for educational and related facilities at the location  
10 proposed for Texas A&M University--San Antonio;

11                   (B) \$8 million for the Citrus Center Complex  
12 Building; and

13                   (C) \$10 million for Wildlife Research  
14 Facilities;

15                   (5) The Texas A&M University System Health Science  
16 Center;

17                   (A) \$35 million for a College of Medicine  
18 Research Building and renovation of the Joe H. Reynolds Medical  
19 Building; and

20                   (B) \$7.5 million to construct an addition to the  
21 Baylor College of Dentistry Sciences Building;

22                   (6) Texas A&M International University, \$20 million to  
23 construct a student success center; and

24                   (7) Texas A&M University--Texarkana, \$45 million to  
25 construct four new buildings to complete Phase I of the Master Plan.

26                   (b) The board may pledge irrevocably to the payment of bonds  
27 authorized by this section all or any part of the revenue funds of

1 an institution, branch, or entity of The Texas A&M University  
2 System, including student tuition charges. The amount of a pledge  
3 made under this subsection may not be reduced or abrogated while the  
4 bonds for which the pledge is made, or bonds issued to refund those  
5 bonds, are outstanding.

6 (c) If sufficient funds are not available to the board to  
7 meet its obligations under this section, the board may transfer  
8 funds among institutions, branches, and entities of The Texas A&M  
9 University System to ensure the most equitable and efficient  
10 allocation of available resources for each institution, branch, or  
11 entity to carry out its duties and purposes.

12 Sec. 55.1752. THE UNIVERSITY OF TEXAS SYSTEM; ADDITIONAL  
13 BONDS. (a) In addition to the other authority granted by this  
14 subchapter, the board of regents of The University of Texas System  
15 may acquire, purchase, construct, improve, renovate, enlarge, or  
16 equip facilities, including roads and related infrastructure, for  
17 projects to be financed through the issuance of bonds in accordance  
18 with this subchapter and in accordance with a systemwide revenue  
19 financing program adopted by the board for the following  
20 institutions not to exceed the following aggregate principal  
21 amounts for the projects specified as follows:

22 (1) The University of Texas at Arlington, \$76.6  
23 million for an engineering building;

24 (2) The University of Texas at Austin, \$70 million to  
25 construct a new Experimental Science Building and to renovate three  
26 additional engineering facilities;

27 (3) The University of Texas at Brownsville, \$33.8

1 million for the construction of general purpose classrooms and an  
2 office building;

3 (4) The University of Texas at El Paso, \$30 million for  
4 the renovation of an academic building and the completion of shell  
5 space in engineering and science buildings;

6 (5) The University of Texas of the Permian Basin, \$26  
7 million to construct a science and technology complex;

8 (6) The University of Texas at San Antonio, \$45  
9 million for an engineering building (phase II);

10 (7) The University of Texas at Tyler:

11 (A) \$6 million for a Palestine campus;

12 (B) \$31 million for construction of an additional  
13 nine buildings and renovations of six buildings;

14 (8) The University of Texas -- Pan American:

15 (A) \$3 million for Starr County Upper Level  
16 center;

17 (B) \$28.5 million to renovate Arts and Humanities  
18 Building and Campus infrastructure and Construct and an addition to  
19 the College of Business Administration Building;

20 (9) The University of Texas Medical Branch at  
21 Galveston, \$57 million for facilities for the National  
22 Biocontainment Laboratory;

23 (10) The University of Texas Health Science Center at  
24 Houston:

25 (A) \$41 million for an adult stem cell research  
26 center at the Texas Medical Center to conduct stem cell and related  
27 biomedical research;

1                   (B) \$39 million for educational and related  
2 facilities for The University of Texas Dental Branch; and

3                   (C) \$6 million for educational and related  
4 facilities at the Brownsville Campus;

5                   (11) The University of Texas Health Science Center at  
6 San Antonio, \$50 million for the South Texas Research Tower;

7                   (12) The University of Texas Health Science Center at  
8 Tyler, \$20 million for an academic center;

9                   (13) The University of Texas M. D. Anderson Cancer  
10 Center, \$12 million for the renovation of the Lutheran Pavilion  
11 Patient Tower as an emergency center and renovations to the Main  
12 Hospital Building; and

13                   (14) The University of Texas Southwestern Medical  
14 Center at Dallas, \$37 million for the construction of the North  
15 Campus Phase V.

16                   (b) The legislature may not provide reimbursement for debt  
17 service in connection with the bonds authorized in Subsections  
18 (a)(2) and (a)(14).

19                   (c) The board may pledge irrevocably to the payment of bonds  
20 authorized by this section all or any part of the revenue funds of  
21 an institution, branch, or entity of The University of Texas  
22 System, including student tuition charges. The amount of a pledge  
23 made under this subsection may not be reduced or abrogated while the  
24 bonds for which the pledge is made, or bonds issued to refund those  
25 bonds, are outstanding.

26                   (d) If sufficient funds are not available to the board to  
27 meet its obligations under this section, the board may transfer

1 funds among institutions, branches, and entities of The University  
2 of Texas System to ensure the most equitable and efficient  
3 allocation of available resources for each institution, branch, or  
4 entity to carry out its duties and purposes.

5 Sec. 55.1753. UNIVERSITY OF HOUSTON SYSTEM; ADDITIONAL  
6 BONDS. (a) In addition to the other authority granted by this  
7 subchapter, the board of regents of the University of Houston  
8 System may acquire, purchase, construct, improve, renovate,  
9 enlarge, or equip facilities, including roads and related  
10 infrastructure, for projects to be financed through the issuance of  
11 bonds in accordance with this subchapter and in accordance with a  
12 systemwide revenue financing program adopted by the board for the  
13 following institutions not to exceed the following aggregate  
14 principal amounts for the projects specified as follows:

15 (1) the University of Houston, \$40 million to renovate  
16 the Science and Research 1 building and the Fleming and Old Science  
17 Buildings;

18 (2) the University of Houston--Downtown, \$20 million  
19 for a Classroom and Learning Resource Center building;

20 (3) the University of Houston--Victoria, \$20 million  
21 for educational and related facilities in Sugar Land; and

22 (4) the University of Houston--Clear Lake, \$10 million  
23 for educational and related facilities;

24 (b) The board may pledge irrevocably to the payment of bonds  
25 authorized by this section all or any part of the revenue funds of  
26 an institution, branch, or entity of the University of Houston  
27 System, including student tuition charges. The amount of a pledge

1 made under this subsection may not be reduced or abrogated while the  
2 bonds for which the pledge is made, or bonds issued to refund those  
3 bonds, are outstanding.

4 (c) If sufficient funds are not available to the board to  
5 meet its obligations under this section, the board may transfer  
6 funds among institutions, branches, and entities of the University  
7 of Houston System to ensure the most equitable and efficient  
8 allocation of available resources for each institution, branch, or  
9 entity to carry out its duties and purposes.

10 Sec. 55.1754. TEXAS STATE UNIVERSITY SYSTEM; ADDITIONAL  
11 BONDS. (a) In addition to the other authority granted by this  
12 subchapter, the board of regents of the Texas State University  
13 System may acquire, purchase, construct, improve, renovate,  
14 enlarge, or equip facilities, including roads and related  
15 infrastructure, for projects to be financed through the issuance of  
16 bonds in accordance with this subchapter and in accordance with a  
17 systemwide revenue financing program adopted by the board for the  
18 following institutions not to exceed the following aggregate  
19 principal amounts for the projects specified as follows:

20 (1) Lamar University, \$25 million for renovations and  
21 construction of educational and related facilities to update the  
22 institution's campus master plan;

23 (2) Lamar Institute of Technology, \$3 million for the  
24 renovation of educational and related facilities and for chilled  
25 water facilities;

26 (3) Lamar State College--Orange, \$2,500,000 for the  
27 purchase and renovation of the Hibernia Bank facilities and the

1 renovation of the Green Avenue Building;

2 (4) Lamar State College--Port Arthur, \$2,500,000 for a  
3 computer/learning resource center and a campus center plant; and

4 (5) Texas State University--San Marcos:

5 (A) \$30 million for an undergraduate academic  
6 center; and

7 (B) \$40 million for the Round Rock Higher  
8 Education Center (Phase II); and

9 (6) Sam Houston State University, \$10 million to  
10 construct the Woodlands academic center.

11 (b) The board may pledge irrevocably to the payment of bonds  
12 authorized by this section all or any part of the revenue funds of  
13 an institution, branch, or entity of the Texas State University  
14 System, including student tuition charges. The amount of a pledge  
15 made under this subsection may not be reduced or abrogated while the  
16 bonds for which the pledge is made, or bonds issued to refund those  
17 bonds, are outstanding.

18 (c) If sufficient funds are not available to the board to  
19 meet its obligations under this section, the board may transfer  
20 funds among institutions, branches, and entities of the Texas State  
21 University System to ensure the most equitable and efficient  
22 allocation of available resources for each institution, branch, or  
23 entity to carry out its duties and purposes.

24 Sec. 55.1755. UNIVERSITY OF NORTH TEXAS SYSTEM; ADDITIONAL  
25 BONDS. (a) In addition to the other authority granted by this  
26 subchapter, the board of regents of the University of North Texas  
27 System may acquire, purchase, construct, improve, renovate,



1 enlarge, or equip facilities, including roads and related  
2 infrastructure, for projects to be financed through the issuance of  
3 bonds in accordance with this subchapter and in accordance with a  
4 systemwide revenue financing program adopted by the board for the  
5 following institutions not to exceed the following aggregate  
6 principal amounts for the projects specified as follows:

7 (1) the University of North Texas, \$45 million for a  
8 College of Business Administration building;

9 (2) the University of North Texas Health Science  
10 Center at Fort Worth, \$30 million for the purchase of property for,  
11 and the construction of, educational and related facilities; and

12 (3) the University of North Texas System, \$10 million  
13 for the South Dallas campus.

14 (b) The board may pledge irrevocably to the payment of bonds  
15 authorized by this section all or any part of the revenue funds of  
16 an institution, branch, or entity of the University of North Texas  
17 System, including student tuition charges. The amount of a pledge  
18 made under this subsection may not be reduced or abrogated while the  
19 bonds for which the pledge is made, or bonds issued to refund those  
20 bonds, are outstanding.

21 (c) If sufficient funds are not available to the board to  
22 meet its obligations under this section, the board may transfer  
23 funds among institutions, branches, and entities of the University  
24 of North Texas System to ensure the most equitable and efficient  
25 allocation of available resources for each institution, branch, or  
26 entity to carry out its duties and purposes.

27 Sec. 55.1757. MIDWESTERN STATE UNIVERSITY; ADDITIONAL

1 BONDS. (a) In addition to the other authority granted by this  
2 subchapter, the board of regents of Midwestern State University may  
3 issue bonds in accordance with this subchapter in an aggregate  
4 principal amount not to exceed \$10 million to finance the  
5 renovation of campus facilities and utility infrastructure.

6 (b) The board may pledge irrevocably to the payment of bonds  
7 authorized by this section all or any part of the revenue funds of  
8 Midwestern State University, including student tuition charges.  
9 The amount of a pledge made under this subsection may not be reduced  
10 or abrogated while the bonds for which the pledge is made, or bonds  
11 issued to refund those bonds, are outstanding.

12 Sec. 55.1758. STEPHEN F. AUSTIN UNIVERSITY. (a) In  
13 addition to the other authority granted by this subchapter, the  
14 board of regents of Stephen F. Austin State University may issue  
15 bonds in accordance with this subchapter in an aggregate principal  
16 amount not to exceed \$20 million to finance the renovation of the  
17 Chemistry Building, Science Research Center, the Boynton  
18 facilities and the Theatre.

19 (b) The board may pledge irrevocably to the payment of bonds  
20 authorized by this section all or any part of the revenue funds of  
21 Stephen F. Austin State University, including student tuition  
22 charges. The amount of a pledge made under this subsection may not  
23 be reduced or abrogated while the bonds for which the pledge is  
24 made, or bonds issued to refund those bonds, are outstanding.

25 Sec. 55.1759. TEXAS TECH UNIVERSITY SYSTEM; ADDITIONAL  
26 BONDS. (a) In addition to the other authority granted by this  
27 subchapter, the board of regents of the Texas Tech University

1 System may acquire, purchase, construct, improve, renovate,  
2 enlarge, or equip facilities, including roads and related  
3 infrastructure, for projects to be financed through the issuance of  
4 bonds in accordance with this subchapter and in accordance with a  
5 systemwide revenue financing program adopted by the board not to  
6 exceed the following aggregate principal amounts for the projects  
7 specified as follows:

8 (1) Texas Tech University Health Sciences Center,  
9 \$13.5 million for educational and related facilities in the city of  
10 Midland for the Permian Basin OB-GYN residency program; and

11 (2) Texas Tech University:

12 (A) \$50 million for a College of Business  
13 building and renovations of existing space; and

14 (B) \$6 million for the construction of an  
15 addition for the School of Law.

16 (b) The board may pledge irrevocably to the payment of bonds  
17 authorized by this section all or any part of the revenue funds of  
18 an institution, branch, or entity of the Texas Tech University  
19 System, including student tuition charges. The amount of a pledge  
20 made under this subsection may not be reduced or abrogated while the  
21 bonds for which the pledge is made, or bonds issued to refund those  
22 bonds, are outstanding.

23 (c) If sufficient funds are not available to the board to  
24 meet its obligations under this section, the board may transfer  
25 funds among institutions, branches, and entities of the Texas Tech  
26 University System to ensure the most equitable and efficient  
27 allocation of available resources for each institution, branch, or

1 entity to carry out its duties and purposes.

2 Sec. 55.17591. TEXAS SOUTHERN UNIVERSITY; ADDITIONAL BONDS.

3 (a) In addition to the other authority granted by this subchapter,  
4 the board of regents of Texas Southern University may acquire,  
5 purchase, construct, improve, renovate, enlarge, or equip  
6 facilities, including roads and related infrastructure, for the  
7 Acres Home satellite campus, to be financed through the issuance of  
8 bonds in accordance with this subchapter in an aggregate principal  
9 amount not to exceed \$30 million.

10 (b) The board may pledge irrevocably to the payment of bonds  
11 authorized by this section all or any part of the revenue funds of  
12 Texas Southern University, including student tuition charges. The  
13 amount of a pledge made under this subsection may not be reduced or  
14 abrogated while the bonds for which the pledge is made, or bonds  
15 issued to refund those bonds, are outstanding.

16 SECTION 2. Section 61.0572(e), Education Code, is amended  
17 to read as follows:

18 (e) Approval of the board is not required to acquire real  
19 property that is financed by bonds issued under Section 55.17(e)(3)  
20 or (4), 55.1713–55.1718, 55.1721–55.1728, 55.1735(a)(1), 55.174,  
21 55.1742, 55.1743, ~~or~~ 55.1744, or 55.1751–55.17591 except that the  
22 board shall review all real property to be financed by bonds issued  
23 under those sections to determine whether the property meets the  
24 standards adopted by the board for cost, efficiency, and space use.  
25 If the property does not meet those standards, the board shall  
26 notify the governor, the lieutenant governor, the speaker of the  
27 house of representatives, and the Legislative Budget Board.

1 SECTION 3. Section 61.058(b), Education Code, is amended to  
2 read as follows:

3 (b) This section does not apply to construction, repair, or  
4 rehabilitation financed by bonds issued under Section 55.17(e)(3)  
5 or (4), 55.1713-55.1718, 55.1721-55.1728, 55.174, 55.1742,  
6 55.1743, ~~[or]~~ 55.1744, or 55.1751-55.17591, except that the board  
7 shall review all construction, repair, or rehabilitation to be  
8 financed by bonds issued under those sections to determine whether  
9 the construction, rehabilitation, or repair meets the standards  
10 adopted by board rule for cost, efficiency, and space use. If the  
11 construction, rehabilitation, or repair does not meet those  
12 standards, the board shall notify the governor, the lieutenant  
13 governor, the speaker of the house of representatives, and the  
14 Legislative Budget Board.

15 SECTION 4. Subchapter B, Chapter 55, Education Code, is  
16 amended by adding Section 55.161 to read as follows:

17 Sec. 55.161. LIMITATION ON STATE REIMBURSEMENT FOR DEBT  
18 SERVICE ON CERTAIN BONDS. Beginning September 1, 2007,  
19 reimbursement by this state from general revenue for debt service  
20 on bonds issued under Sections 55.1751, 55.1752(a)(1),  
21 55.1752(a)(3)-(13), 55.1753, 55.1754, 55.1755, 55.1557, 55.1758,  
22 55.1759 and 55.17591, may not exceed 60 percent of the amount of the  
23 debt service for as long as the bonds are outstanding, unless the  
24 legislature determines that the limitation would impose an  
25 unreasonable hardship for an affected university system or  
26 institution of higher education.

27 SECTION 5. Upon passage of this Act, the funds appropriated

1 by Senate Bill 1, 79th Legislature, in Article IX, Section 14.55,  
2 shall be transferred to the Texas Tech Health Science Center to be  
3 used for expansion of medical education.

4 SECTION 6. This Act takes effect immediately if it receives  
5 a vote of two-thirds of all the members elected to each house, as  
6 provided by Section 39, Article III, Texas Constitution, If this  
7 Act does not receive the vote necessary for immediate effect, this  
8 Act takes effect September 1, 2005.