

BILL ANALYSIS

C.S.H.B. 2329
By: Morrison
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

CSHB 2329 provides for the issuance of revenue bonds for institutions in the University of Houston System, the University of Texas System, the Texas A&M University System, the Texas Tech University System, the Texas State University System, the University of North Texas System, and Texas Woman's University, Midwestern State University, Stephen F. Austin State University, and Texas Southern University.

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

SECTION 1. Texas A&M University System - Provides that the board of regents of The Texas A&M University System may acquire, purchase, construct, improve, renovate, enlarge, or equip facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions not to exceed the following aggregate principal amounts for the projects specified as follows:

- (1) Prairie View A&M University:
 - (A) \$3,656,390 for a solar observatory; and
 - (B) \$9,946,577 for the Child and Family Development Center;
- (2) Tarleton State University:
 - (A) \$8 million for the Tarleton State University Dairy Center; and
 - (B) \$48 million for the Tarleton State University nursing program facilities, the Tarleton Research Park, and the Tarleton State University central physical plant and campus piping loop for distribution of utilities;
- (3) Tarleton State University System Center--Central Texas, \$45 million for educational facilities for the Tarleton State University System Center--Central Texas at the location that may become Texas A&M University--Central Texas;
- (4) Texas A&M University--Commerce, \$37,770,000 for a music building and for the James G. Gee Library;
- (5) Texas A&M University--Corpus Christi, \$58 million for a kinesiology and wellness center, a college of business academic facility, and facilities for the distribution of utilities;
- (6) Texas A&M University--Kingsville System Center--San Antonio, \$80 million for educational and related facilities for Texas A&M University--Kingsville System Center--San Antonio at the location proposed for Texas A&M University--San Antonio;
- (7) Texas A&M University--Texarkana, \$65 million for educational and support facilities;
- (8) West Texas A&M University, \$28,580,500 for educational facilities; and
- (9) The Texas A&M University Health Science Center:
 - (A) \$7,250,000 for the dentistry sciences building of the Baylor College of Dentistry; and
 - (B) \$40 million for educational facilities for the College of Medicine.

Provides that the board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of The Texas A&M University System, including student tuition charges. 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.

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 A&M 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.

University of Texas System - Provides that the board of regents of The University of Texas System may acquire, purchase, construct, improve, renovate, enlarge, or equip facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions not to exceed the following aggregate principal amounts for the projects specified as follows:

- (1) The University of Texas at Arlington, \$76,600,000 for educational and related facilities, including an Engineering Research Building and the renovation of three engineering facilities;
- (2) The University of Texas at Austin, \$75 million for campus fire and life safety upgrades and for the Experimental Science Building;
- (3) The University of Texas at Brownsville, \$46,300,000 for educational and related facilities, including a classroom, laboratory, and office building;
- (4) The University of Texas at Dallas, \$55 million for educational and related facilities, including an administration building and renovation of Green Hall and Jonsson Hall;
- (5) The University of Texas at El Paso:
 - (A) \$65 million for educational and related facilities, including existing facilities in need of renovation, repair, or completion; and
 - (B) \$70 million for educational and related facilities, including facilities for the College of Health Sciences complex;
- (6) The University of Texas--Pan American, \$7,500,000 for The University of Texas--Pan American South Texas College Multi-Institution Teaching Center to address the need for facilities in the Rio Grande Valley high growth corridor;
- (7) The University of Texas of the Permian Basin, \$54 million for educational and related facilities, including a campus convocation center and a science and technology complex;
- (8) The University of Texas at San Antonio:
 - (A) \$50 million for the Loop 1604 Campus Academic Building (phase IV);
 - (B) \$72 million for an engineering building (phase II);
 - (C) \$50 million for the downtown campus architecture building; and
 - (D) \$17 million for completion of Phase V construction at the downtown campus;
- (9) The University of Texas Southwestern Medical Center at Dallas, \$42 million for facilities to be used primarily to conduct biomedical research;
- (10) The University of Texas Medical Branch at Galveston, \$57 million for facilities for the National Biocontainment Laboratory;
- (11) The University of Texas Health Science Center at Houston:
 - (A) \$24,670,000 for an adult stem cell research center at the Texas Medical Center to conduct stem cell and related biomedical research in collaboration with other participating institutions and entities;
 - (B) \$45 million for educational and related facilities for The University of Texas Dental Branch; and
 - (C) \$15 million for educational and related facilities;
- (12) The University of Texas Health Science Center at San Antonio:
 - (A) \$60 million for the South Texas Research Tower;
 - (B) \$20 million for a center for academic medicine and clinical research; and
 - (C) \$20 million for a faculty office building;
- (13) The University of Texas Health Science Center at Tyler, \$34,400,000 for educational and related facilities, including an academic center; and

(14) The University of Texas M. D. Anderson Cancer Center, \$40 million for educational and support facilities.

Provides that the board may pledge irrevocably to the payment of bonds authorized by this section 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 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.

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 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.

University of Houston System - Provides that the board of regents of the University of Houston System may acquire, purchase, construct, improve, renovate, enlarge, or equip facilities, including roads and related infrastructure, for the following institutions, to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board, in aggregate principal amounts not to exceed the following:

- (1) the University of Houston, \$60 million;
- (2) the University of Houston--Downtown, \$30 million;
- (3) the University of Houston--Clear Lake, \$38 million; and
- (4) the University of Houston--Victoria, \$30 million.

Provides that the board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of the University of Houston System, including student tuition charges. 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.

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 University of Houston 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.

Texas State University System - Provides that the board of regents of the Texas State University System may acquire, purchase, construct, improve, renovate, enlarge, or equip facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions not to exceed the following aggregate principal amounts for the projects specified as follows:

- (1) Lamar University, \$40 million for educational facilities;
- (2) Lamar Institute of Technology, \$4,200,000 for educational facilities;
- (3) Lamar State College--Orange, \$3,500,000 for educational facilities;
- (4) Lamar State College--Port Arthur, \$3,500,000 for educational facilities;
- (5) Sul Ross State University, \$7,500,000 for facilities in the Rio Grande Valley high growth corridor; and
- (6) Texas State University--San Marcos:
 - (A) \$45,461,248 for infrastructure repairs and improvements;
 - (B) \$47,700,000 for an undergraduate academic center;
 - (C) \$50 million for a fine arts and communications center; and
 - (D) \$40 million for facilities for educational programs and supporting activities at the Round Rock Higher Education Center in Williamson County and for facilities to be used by other educational entities to further institutional efficiency and coordinate educational programs at the center.

Provides that the board may pledge irrevocably to the payment of bonds authorized by this section 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 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.

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.

University of North Texas System - Provides that the board of regents of the University of North Texas System may acquire, purchase, construct, improve, renovate, enlarge, or equip facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions not to exceed the following aggregate principal amounts for the projects specified as follows:

- (1) the University of North Texas, \$94 million for educational and support facilities; and
- (2) the University of North Texas Health Science Center at Fort Worth, \$42,100,000 for campus expansion and construction of a public health education building.

Provides that the board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of the University of North Texas System, including student tuition charges. 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.

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 University of North 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.

Texas Woman's University - Provides that the board of regents of Texas Woman's University may acquire, purchase, construct, improve, renovate, enlarge, or equip facilities, including roads and related infrastructure, for Texas Woman's University, to be financed through the issuance of bonds in accordance with this subchapter in an aggregate principal amount not to exceed \$44,500,000.

Provides that the board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of Texas Woman's University, including student tuition charges. 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.

Midwestern State University - Provides that the board of regents of Midwestern State University may issue bonds in accordance with this subchapter in an aggregate principal amount not to exceed \$10,395,000 to finance utility infrastructure and campus renovations at Midwestern State University.

Provides that the board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of Midwestern State University, including student tuition charges. 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.

Stephen F. Austin State University - Provides that the board of regents of Stephen F. Austin State University may acquire, purchase, construct, improve, renovate, enlarge, or equip facilities, including roads and related infrastructure, at Stephen F. Austin University, to be financed through the issuance of bonds in accordance with this subchapter in an aggregate principal amount not to exceed \$65,450,000.

Provides that the board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of Stephen F. Austin State University, including student tuition charges. 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.

Texas Tech University System - Provides that the board of regents of the Texas Tech University System may acquire, purchase, construct, improve, renovate, enlarge, or equip facilities, including roads and related infrastructure, for the Texas Tech University Health Sciences Center, to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board not to exceed the following aggregate principal amounts for the projects specified as follows:

- (1) \$3,500,000 for facilities in the City of Midland for the Texas Tech University Health Sciences Center School of Medicine's Permian Basin OB-GYN residency program; and
- (2) \$10 million for facilities in the City of Midland for the Texas Tech University Health Sciences Center's physician's assistant program and the Department of Internal Medicine residency program.

Provides that the board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of the Texas Tech University System, including student tuition charges. 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.

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 Tech 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.

Texas Southern University - Provides that the board of regents of Texas Southern University may acquire, purchase, construct, improve, renovate, enlarge, or equip facilities, including roads and related infrastructure, for a multipurpose university center, a fine arts building, a building for the school of technology, the Robert J. Terry Library, and deferred maintenance of campus facilities and infrastructure, to be financed through the issuance of bonds in accordance with this subchapter in an aggregate principal amount not to exceed \$109,560,000.

Provides that the board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of Texas Southern University, including student tuition charges. 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.

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

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

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

(b) This section does not apply to construction, repair, or rehabilitation financed by bonds issued under Section 55.17(e)(3) or (4), 55.1713-55.1718, 55.1721-55.1728, 55.174, 55.1742, 55.1743, 55.1744, or 55.1751-55.17591, except that the board shall review all construction, repair, or rehabilitation to be financed by bonds issued under those sections to determine whether the construction, rehabilitation, or repair meets the standards adopted by board rule for cost, efficiency, and space use. If the construction, rehabilitation, or repair does

not meet those standards, the board shall notify the governor, the lieutenant governor, the speaker of the house of representatives, and the Legislative Budget Board.

SECTION 4. Expands the definition of issuer under Section 1371.001 (4), Government Code to include a junior college district that has a total headcount enrollment of 40,000 or more based on enrollment in the most recent regular semester.

SECTION 5. Effective Date

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, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The original bill only provided for tuition revenue bonds for the University of Houston System. The substitute adds the remaining tuition revenue bond requests from the University of Texas System, the Texas A&M University System, the Texas Tech University System, the Texas State University System, the University of North Texas System, and Texas Woman's University, Midwestern State University, Stephen F. Austin State University, and Texas Southern University into the legislation. The substitute provides for corresponding conforming and technical changes.

The substitute also adds language to allow junior college districts that have a total headcount enrollment of 40,000 or more based on enrollment in the most recent regular semester to issue tuition revenue bonds.