

## **BILL ANALYSIS**

Senate Research Center  
79R2883 CAS-D

S.B. 295  
By: Madla  
Finance  
2/16/2005  
As Filed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

The Texas Higher Education Coordinating Board's (THECB) "Pathway Project" requires certain enrollment benchmarks prior to making financial investments. During the development stage, a host university partners with a local community college to offer upper division courses. The objective is, "If they come, then we will build it." Texas A&M University was selected as Palo Alto Community College's flagship partner to augment educational opportunities offered by The University of Texas at San Antonio and other institutions of higher education in the community--especially to the underserved South Side Community. Originally built for 2,500 students, now with a current enrollment of over 7,500, Palo Alto has one of the highest transfer rates of any community college in the country.

In 1997, THECB unanimously approved timeline and enrollment benchmarks for the Texas A&M University--Kingsville System Center--San Antonio (Center) to become the Texas A&M University--San Antonio.

In 1999, the 76th Legislature appropriated \$1.6 million for planning and development of a curriculum for the Center. The following fall semester, the Center opened with 126 students in the program areas of elementary education, nursing, psychology, criminology, science, and technology and business. During each of the following fall semesters, enrollment has doubled, and course offerings have followed suit. The curriculum now includes kinesiology, mathematics, history, English, accounting, and sociology. During the 2001 legislative session, the Center was appropriated \$4.2 million for infrastructure planning, curriculum development, and faculty recruitment.

Only in existence for three years, the explosion of student enrollment has forced the Center to utilize eight portable buildings in addition to fully maximizing existing classroom space. S.B. 800 (78R) attempted to address this issue by lowering the enrollment threshold from 3,500 to 2,500 students to fully transform the Center into a fully functional, four-year, stand-alone institution. S.B. 800 provided that, once the enrollment threshold is met, Texas A&M University System--Kingsville System Center--San Antonio will become Texas A&M University--San Antonio.

The program is making a major contribution to the goals of the THECB's goals of "Closing the Gaps." The campus is 67 percent Hispanic; the average age of students is 32; 48 percent of the students are full-time; and 350 students have graduated with bachelor's degrees since the Center opened its doors. In addition, the economic impact of the campus will complement the San Antonio's Southside Initiative and projected business development in this area.

As proposed, S.B. 295 requests Tuition Revenue Bond funding of \$80 million to create a new facility at a campus site already designated on San Antonio's south side. This facility will provide classrooms, laboratory space and offices for student support services, faculty and staff. In addition, the funds will be used to develop infrastructure such as utilities, parking, and landscaping.

Without these funds, the targeted dates to establish a full four-year comprehensive university in San Antonio Southside will be delayed from a projected 2008-2009 to 2012.

### **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 Subchapter B, Chapter 55, Education Code, by adding Section 55.17511, as follows:

Sec. 55.17511. TEXAS A&M UNIVERSITY--SAN ANTONIO; REVENUE BONDS.

(a) Authorizes the board of regents of the Texas A&M University System (board) to take certain actions relative to the property, buildings, structures, or other facilities, for the educational and related facilities for Texas A&M University-San Antonio, to be financed by the issuance of bonds, including bonds issued in accordance with a systemwide revenue financing program and secured in an aggregate principal amount not to exceed \$80 million.

(b) Authorizes the board to pledge irrevocably to the payment of bonds all or in any part of the revenue funds of an institution, branch, or entity of the Texas A&M University System, including tuition charges. Prohibits the amount of the pledge from being 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, if sufficient funds are not available to the board to meet its obligations, to 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 purpose.

SECTION 2. Amends Section 61.0572(e), Education Code, to provide that approval of the board is not required to acquire real property that is financed by bonds issued under Section 55.17511, Education Code.

SECTION 3. Amends Section 61.058(b), Education Code, to provide that this section is inapplicable to construction, repair, or rehabilitation financed by bonds issued under Section 55.17511, Education Code.

SECTION 4. Effective date: upon passage or September 1, 2005.