

BILL ANALYSIS

Senate Research Center

S.B. 1076
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Finance
4/19/2005
As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

The University of Texas at San Antonio (UTSA) continues to experience rapid growth both in enrollment and in the complexity of its academic programs. The College of Engineering has contributed significantly to this growth and has matured into a dynamic college serving not only South Texas, but the entire state.

Over the last four years, enrollment in engineering has grown by 75 percent and retention rates are increasing. The college of engineering is now ranked 16th in the United States in producing Hispanic engineers. This progress in increasing the number of Hispanic engineers is critical since demographic trends demonstrate that the Hispanic population is the fastest growing ethnic group in the country.

To support its enrollment growth, the college of engineering has added 22 new tenure-track faculty over the last four years and will add 50 more over the next five years. Research has increased ten-fold, from approximately \$500,000 to \$5.6 million in 2003-2004 and will increase exponentially as new faculty are added. Plans are also underway to add degree programs in the college. All these efforts support the critical need to reduce the shortage of engineering professionals in the state as highlighted by the Texas Higher Education Coordinating Board and the Texas Engineering and Technology Consortium.

As proposed, S.B. 1076 provides for the issuance of \$78 million in bonds for financing a project to enhance the ability of the college to serve the state. This project would consist of a 150,000 gross square foot engineering building to include seminar rooms and conferencing facilities, research laboratories, faculty and staff offices, and student and faculty support facilities. This building would include sophisticated information technology features designed and installed for an information intensive environment. Additional engineering facilities will assist the university in meeting the *Closing the Gaps'* goals related to student participation and success, university excellence, and faculty research.

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 55.175, as follows:

Sec. 55.175. THE UNIVERSITY OF TEXAS SYSTEM; ADDITIONAL 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, or other facilities, including roads and related infrastructure for The University of Texas at San Antonio, including the Loop 1604 Campus Engineering Phase II Project, to be financed by the issuance of bonds in accordance with this subchapter, including bonds issued in accordance with a systemwide revenue financing program and secured as provided by that program, in an aggregate principal amount not to exceed \$78 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. Prohibits the amount of the pledge made under this subsection 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 meet its obligations under this section, to 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.

SECTION 2. Amends Section 61.0572(e), Education Code, to provide that the approval of the board is not required to acquire real property that is financed by bonds issued under Section 55.175.

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 55.175.

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