

SENATE AMENDMENTS

2nd Printing

By: Miller, Aycock, Delisi

H.B. No. 317

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the student enrollment required for the issuance of
3 certain revenue bonds for facilities at Texas A&M
4 University--Central Texas.

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

6 SECTION 1. Section 55.1751(d), Education Code, is amended
7 to read as follows:

8 (d) Notwithstanding Subsection (a), The Texas A&M
9 University System may not issue bonds under this section for
10 facilities at Texas A&M University--Central Texas until the Texas
11 Higher Education Coordinating Board certifies that enrollment at
12 Texas A&M University--Central Texas has reached an enrollment
13 equivalent of 1,000 [~~1,500~~] full-time students for one semester.
14 If that enrollment is not reached by January 1, 2010, the system's
15 authority to issue bonds for Texas A&M University--Central Texas
16 under this section expires on that date.

17 SECTION 2. This Act takes effect immediately if it receives
18 a vote of two-thirds of all the members elected to each house, as
19 provided by Section 39, Article III, Texas Constitution. If this
20 Act does not receive the vote necessary for immediate effect, this
21 Act takes effect September 1, 2007.

ADOPTED

MAY 22 2007

Henry Spaw
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: FRASER

1 Amend H.B. No. 317 (Senate Committee Printing) by striking
2 all below the enacting clause and substituting the following:

3 SECTION 1. Subchapter C, Chapter 61, Education Code, is
4 amended by adding Section 61.0661 to read as follows:

5 Sec. 61.0661. STUDY REGARDING ISSUANCE OF REVENUE BONDS FOR
6 CERTAIN CAMPUSES AND CENTERS. (a) The board shall conduct a study
7 to determine:

8 (1) the merits of permitting public institutions of
9 higher education to issue revenue bonds or other obligations for
10 the purpose of funding capital projects at branch campuses,
11 extension centers, system centers, and multi-institutional
12 teaching centers, regardless of the level of student enrollment at
13 those campuses and centers; and

14 (2) any student enrollment levels at those campuses
15 and centers that may be appropriate to serve as a statutory
16 prerequisite for issuing revenue bonds or other obligations to fund
17 capital projects at those campuses and centers.

18 (b) Not later than January 1, 2009, the board shall report
19 to the legislature concerning the results of the study conducted
20 under Subsection (a). The report must include the board's
21 recommendations regarding the issuance of revenue bonds or other
22 obligations for campuses and centers described by Subsection (a).

23 (c) The board shall use existing resources to perform duties
24 imposed under this section.

25 (d) This section expires June 1, 2009.

26 SECTION 2. Sections 55.1751(d) and (e) and 55.1755(d),
27 Education Code, are repealed.

28 SECTION 3. This Act takes effect September 1, 2007.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 2, 2007

TO: Honorable Judith Zaffirini, Chair, Senate Committee on S/C on Higher Education

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB317 by Miller (Relating to the student enrollment required for the issuance of certain revenue bonds for facilities at Texas A&M University--Central Texas.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB317, As Engrossed: a negative impact of (\$4,359,228) through the biennium ending August 31, 2009.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$2,179,614)
2009	(\$2,179,614)
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE FUND</i> 1
2008	(\$2,179,614)
2009	(\$2,179,614)
2010	\$0
2011	\$0
2012	\$0

Fiscal Analysis

The bill would amend Section 55.1751(d) of Education Code to lower the threshold number of students enrolled at Texas A&M University - Central Texas at which time the Texas A&M University System would be authorized to issue additional revenue bonds in an amount not to exceed \$25,000,000. Passage of this bill would move issuance of these previously authorized Tuition Revenue Bonds to 2008. The debt service payments would be \$2,179,614 in each year of the 2008-09 biennium. The board of regents of the Texas A&M University System would acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, or other facilities, including roads and related infrastructure, for educational and related facilities to be financed with the proceeds of the bonds authorized in the subchapter.

While the bill does not specify issuance of tuition revenue bonds, Tuition Revenue Bonds are assumed to be issued in accordance with the Texas A&M University System revenue financing program.

Although tuition income is pledged against the bonds, historically the Legislature has appropriated general revenue to reimburse institutions for the tuition used to pay the debt service. This note assumes the Legislature would continue this policy.

Methodology

The cost to issue the bonds is based on an assumed 20-year, tax-exempt bond issue structured with level debt service with a 6% interest rate. The debt service payment for fiscal year 2008 would be \$2,179,614; fiscal year 2009 would be \$2,179,614.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 710 Texas A&M University System Administrative and General Offices

LBB Staff: JOB, MN, KJG, DB, CT, RT, SSh

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 19, 2007

TO: Honorable Geanie Morrison, Chair, House Committee on Higher Education

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB317 by Miller (Relating to the student enrollment required for the issuance of certain revenue bonds for facilities at Texas A&M University--Central Texas.), **As Introduced**

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