

BILL ANALYSIS

C.S.H.B. 59
By: Branch
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Dallas-Fort Worth area is one of the largest standard metropolitan statistical areas in the United States that does not have a public law school. Current studies show that Dallas imports nearly one-third of its attorneys from out-of-state law schools, and with the expected economic growth of the Dallas-Fort Worth area, the need for legal knowledge is only increasing. According to one population study, Texas' population has grown from more than 14 million in 1980 to approximately 22 million in 2003. Without the addition of new legal education institutions, Texas is potentially decreasing the number of legal educational classroom seats for those Texans who seek to attain an affordable public law education without leaving the state.

C.S.H.B. 59 establishes the University of North Texas College of Law and lists the conditions under which it may be funded.

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

C.S.H.B. 59 amends the Education Code to authorize the University of North Texas System board of regents to establish and operate a law school in the city of Dallas, to prescribe courses in custom with other leading American schools of law and to award customary law degrees. The bill requires the board of regents to administer the law school as a professional school of the system until the University of North Texas at Dallas has been administered as a general academic teaching institution for five years, at which time the law school is to become a professional school of the University of North Texas at Dallas. The bill specifies that, until then, the school is considered an institution of higher education under state law for all purposes under other law and is entitled to formula funding as if it were a professional school of a general academic teaching institution.

C.S.H.B. 59 requires the Texas Higher Education Coordinating Board (THECB), before the board of regents establishes a law school, but not later than June 1, 2010, to prepare a feasibility study to determine the actions the system must take to obtain accreditation of the law school and to deliver a copy of the study to the chair of each legislative standing committee or subcommittee with jurisdiction over higher education.

C.S.H.B. 59 authorizes the board of regents to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, or other facilities for the law school, including roads and other infrastructure and grants the board additional bond authority to finance these capital improvements through the issuance of revenue bonds in an aggregate principal amount not to exceed \$40 million. The bill allows the board of regents to back these bonds by pledging all or part of the revenue funds of an institution, branch, or entity of the system, including student tuition charges, and it prohibits the reduction or abrogation of a pledge while a bond for

which the pledge was made, or a subsequent refunding bond, is outstanding. The bill allows the board of regents to transfer funds among institutions, branches, and entities of the system to ensure the most equitable and efficient allocation of resources for each institution, branch, or entity to carry out its duties and purposes if sufficient funds are not available to the board of regents to meet the board's obligations in financing capital improvements for the law school.

C.S.H.B. 59 includes the University of North Texas College of Law in the statute listing the institutions that constitute the University of North Texas System and establishes that venue for a suit filed solely against the law school or against officers or employees of the law school is in Dallas County. The bill entitles the law school to participate in the higher education fund provided colleges and universities by the Texas Constitution, contingent on the bill receiving a vote of at least two-thirds of the membership of each house of the legislature.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 59 differs from the original by including the University of North Texas College of Law in the statute listing the institutions that constitute the University of North Texas System, establishing that venue for a suit filed solely against the law school or against officers or employees of the law school is in Dallas County and that the law school is considered an institution of higher education under state law for all purposes under other law during the period in which the law school is administered by the University of North Texas System board of regents as a professional school of the system and before the law school is to become a professional school of the University of North Texas at Dallas.

C.S.H.B. 59 differs from the original by authorizing the board of regents to finance capital improvements in the city of Dallas for the law school through the issuance of revenue bonds in an aggregate principal amount not to exceed \$40 million, rather than \$30 million, as in the original.

C.S.H.B. 59 differs from the original by removing a prohibition in the original against issuing bonds for the law school facilities until the school receives provisional or other appropriate accreditation by the Southern Association of Colleges and Schools or any other accrediting agency designated by THECB and that provided an expiration for the board's bonding authority if the law school did not receive such accreditation by January 1, 2012.

C.S.H.B. 59 differs from the original by providing that the law school is entitled to participate in the higher education fund established by the Texas Constitution, contingent on the bill receiving a vote of at least two-thirds of the membership of each house of the legislature, while the original does not.

C.S.H.B. 59 differs from the original by referring to the law school as the University of North Texas College of Law, whereas the original refers to it as the University of North Texas System School of Law, and makes conforming changes.