

BILL ANALYSIS

H.B. 4374
By: Castro
Higher Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Section 61.058 of the Texas Education Code requires the Texas Higher Education Coordinating Board to approve construction projects at institutions of higher education that are over \$1 million for new construction or over \$2 million for repair and rehabilitation.

These capital project approval levels were placed in statute in 1999.

The increase in construction inflation and complexity of building systems over the past 10 years has eroded the ability for institutions of higher education to handle building projects expeditiously. The current capital project approval levels require more staff time and effort to obtain all the necessary approvals for projects that in the past were exempt from Coordinating Board approval.

Increasing the capital project approval levels to \$4 million for new construction projects and \$4 million for repair and rehabilitation projects will allow for a more efficient process of bringing needed infrastructure online. Additionally, granting the Higher Education Coordinating Board the authority to increase these approval levels by rule will alleviate the need to change the statute in the future.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 of this bill.

ANALYSIS

This bill amends the Education Code by increasing capital project approval levels to \$4 million for new construction projects and \$4 million for repair and rehabilitation projects. Additionally, the bill grants the Higher Education Coordinating Board the authority to increase these approval levels by rule. The bill makes application of this Act prospective.

EFFECTIVE DATE

September 1, 2009.