

BILL ANALYSIS

S.B. 629
By: West
Higher Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The 79th Legislature, 3rd Called Session, 2006, passed H.B. 153, an omnibus tuition revenue bond bill for higher education. The bill authorized the issuance of \$1.8 billion in tuition revenue bonds for institutions of higher education to finance construction, infrastructure improvement, and tuition revenue bonds for university system centers located in Killeen, San Antonio, and Dallas but placed certain restrictions on that bonding authority to postpone the issuance of any bonds for a center until that center reached a specified full-time student equivalent (FTSE) enrollment threshold, at which point a center could begin operating as a general academic teaching institution. Currently, all three of the system centers have met the 1,000 FTSE enrollment threshold required for independence.

In Spring 2009, the UNT-Dallas Campus surpassed an enrollment equivalent of 1,000 full-time students, which is the threshold required to become an independent institution. If funding is not released for a second building, the UNT-Dallas Campus will face a long-term space deficit and the lack of classroom space may jeopardize accreditation by the Southern Association of Colleges and Schools, which requires an institution to have adequate physical resources to support its programs and services.

S.B. 629 amends current law relating to the operation of certain institutions of higher education as general academic teaching institutions and to the statutory limitation imposed on certain university systems to issue revenue bonds to fund facilities at certain institutions of higher education.

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

SECTION 1. Amends Section 87.841(d), Education Code, to prohibit Texas A&M University (TAMU)--San Antonio, notwithstanding any other provisions of this subchapter, from operating as a general academic teaching institution until the Texas Higher Education Coordinating Board (THECB) certifies that enrollment at the TAMU--Kingsville System Center--San Antonio has reached an enrollment equivalent of 1,000 full-time students for one semester, rather than 1,000 full-time students if the legislature authorizes revenue bonds to be issued to finance educational and related facilities for the institution, and the bonds are issued for that purpose, or 2,500 full-time students for one semester if the conditions specified by Subdivision (1) are not satisfied.

SECTION 2. Amends Section 105.501(d), Education Code, to authorize the University of North Texas (UNT) at Dallas, notwithstanding any other provision of this subchapter, to operate as a general academic teaching institution with its own chief executive officer, administration, and faculty only after THECB certifies that enrollment at the UNT System Center at Dallas has reached an enrollment equivalent to 1,000 full-time students for one semester. Authorizes THECB to operate a system center of UNT in the city of Dallas until that enrollment level is reached. Deletes existing text prohibiting UNT at Dallas, prior to reaching 2,500 full-time equivalent students, from receiving general revenue in excess of the 2003 expended amount with the exception of funding provided through the General Academic Instruction and Operations Formula for semester credit hour increases and the Tuition Revenue Bond debt service for bonds

approved in the 78th Legislature, and deleting existing text providing that the institution will not be eligible to receive the small school supplement in the General Academic Instruction and Operations Formula until it reaches 2,500 full-time equivalent student enrollment.

SECTION 3. Repealer: Sections 55.1751(d) (relating to prohibiting the TAMU System from issuing bonds under this section for facilities at TAMU--Central Texas until certain THECB requirements are met) and (e) (relating to prohibiting the TAMU System from issuing bonds under this section for facilities at TAMU--San Antonio until certain THECB requirements are met), Education Code. Repealer: Section 55.1755(d) (relating to prohibiting the UNT System from issuing bonds under this section for facilities at UNT--Dallas until certain THECB requirements are met), Education Code.

SECTION 4. This Act does not make an appropriation and takes effect only if a specific appropriation for the implementation is provided in a general appropriations act of the 81st Legislature.

EFFECTIVE DATE

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