1-1 By: Zaffirini, Eltife, Seliger S.B. No. 16
1-2 (In the Senate - Filed March 6, 2013; March 12, 2013, read
1-3 first time and referred to Committee on Finance; April 16, 2013,
1-4 reported adversely, with favorable Committee Substitute by the
1-5 following vote: Yeas 14, Nays 0; April 16, 2013, sent to printer.)

1-6 COMMITTEE VOTE

1-7		Yea	Nay	Absent	PNV
1-8	Williams	X			
1-9	Hinojosa	X			
1-10	Deuell	X			
1-11	Duncan			X	
1-12	Eltife	X			
1-13	Estes	X			
1-14	Hegar	X			
1-15	Huffman	X			
1-16	Lucio	X			
1-17	Nelson	X			
1-18	Patrick	X			
1-19	Seliger	X			
1-20	West	X			
1-21	Whitmire	X			
1-22	Zaffirini	Х			

1-23 COMMITTEE SUBSTITUTE FOR S.B. No. 16

By: Zaffirini

1-24 A BILL TO BE ENTITLED AN ACT

relating to authorizing the issuance of revenue bonds to fund capital projects at public institutions of higher education.

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

SECTION 1. Subchapter B, Chapter 55, Education Code, is amended by adding Sections 55.1781, 55.1782, 55.1783, 55.1784, 55.1785, 55.1786, 55.1787, 55.1788, 55.1789, 55.17891, and 55.17892 to read as follows:

Sec. 55.1781. THE TEXAS A&M UNIVERSITY SYSTEM; ADDITIONAL BONDS. (a) In addition to the other authority granted by this subchapter, the board of regents of The Texas A&M University System may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) Texas A&M University--Commerce, \$45 million for a

library and technology center;
(2) Texas A&M University--Corpus Christi, \$75 million
for a life sciences research building:

for a life sciences research building;
(3) Texas A&M University--Kingsville, \$42 million for music building expansion and renovation of Jones Auditorium;

(4) Texas A&M University--Texarkana, \$46 million for

an academic and laboratory learning center;

(5) West Texas A&M University, \$12 million for the Amarillo Center;

1-52 Amarillo Center 1-53 (6)

(6) The Texas A&M University System Health Science Center:

1-54 <u>Centers</u> 1-55

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(A) \$9 million for facilities in Round Rock,

1-56 <u>Texas;</u> 1-57

(B) \$45 million for a research building in Temple, Texas; and (C) \$80 million for an education center and

1-59 (C) \$80 million for 1-60 research building in Dallas, Texas; and

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C.S.S.B. No. 16
                         Texas A&M International University:
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                                      million
                                                                     renovati<u>on,</u>
 2-2
                               $52
                                                 for library
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      additional instructional
                                    spaces, and a support services building;
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      and
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                               $11 million for an addition to the science
                          (B)
       center.
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              (b)
                   If the board of regents of The Texas A&M University
       System provides funds from additional sources available to the
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      board, including the proceeds of bonds issued under Section 55.13,
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      but not including the proceeds of bonds issued under this section, in an amount equal to one-half of the amount specified for each
       project authorized below, the board may, in addition to the other
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                               bу
                                           subchapter,
                                                           acquire,
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                    granted
                                    this
                              renovate,
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       construct,
                    improve,
                                            enlarge, or equip property and
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                                                related
                                                           infrastructure,
      facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance
       facilities,
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       with this subchapter and in accordance with a systemwide revenue
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       financing program adopted by the board for the
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institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows: (1) Prairie View A&M University, \$5,333,333 for

critical deferred maintenance;

(2) Tarleton State University, \$43,333,333 for the Gates Agriculture and Business Building;

Texas University, \$53,333,333 A&Mfor biocontainment research facility;

(4) Texas A&M University at Galveston, \$30,666,667 for an academic building;

(5) Texas A&M University--Central Texas, \$33,333,333 for a science, health science, and wellness building; and

Texas A&M University--San Antonio: (6)

\$46,666,667 for a science and technology (A)

building; and

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(B) \$11 million for a central and physical plant building.

The board may pledge irrevocably to the payment of bonds (c)authorized by this section all or any part of the revenue funds of an institution, branch, or entity of The Texas A&M University The amount of a pledge System, including student tuition charges. made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(d) If sufficient funds are not available to the board to meet its obligations under this section, the board may transfer funds among institutions, branches, and entities of The Texas A&M University System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.

(e) The board may not issue bonds under Subsection (a) until ard makes the pledge of additional funds required to issue board bonds under Subsection (b).

Sec. 55.1782. THE UNIVERSITY OF TEXAS SYSTEM; ADDITIONAL (a) In addition to the other authority granted by this subchapter, the board of regents of The University of Texas System may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions, not to exceed the following principal amounts for the projects specified, as follows:

(1) The University of Texas at Austin, \$95 million for

an engineering education and research center;

(2) The University of Texas at Brownsville, \$60 million for a new campus;

(3) The University of Texas--Pan American, \$98 million for Science Building II;

The University of Texas Southwestern Medical (4) 2-68 Center at Dallas, \$60 million for north campus Phase VI vivarium and 2-69

Branch

at

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3-68 3-69 research facilities;
(5) The University of Texas Health Science Center at \$6 million for a South Texas diabetes institute;

The University of Texas M. D. Anderson (6)Center, \$50 million for a personalized cancer care building; and

(7) The University of Texas Medical \$40 million for a health education center. Galveston,

- If the board of regents of The University System provides funds from additional sources available to the board, including the proceeds of bonds issued under Section 55.13, but not including the proceeds of bonds issued under this section, in an amount equal to the amount specified for each project authorized below, the board may, in addition to the other authority granted by this subchapter, acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed renovate, through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions, not to exceed following aggregate principal amounts for the projects specified, as follows:
- (1) The University of Texas at Arlington, \$32,150,000 for renovation of and addition to a life science building;
- The University of Texas at Dallas, \$47,500,000 for an engineering building;
- The University of Texas at El Paso, \$40 million for (3) an interdisciplinary research facility;
- Te<u>xas</u> San (4) The University of at \$46,375,000 for an experimental science instructional building;
- (5) The University of Texas at Tyler, \$24,250,000 for and business complex and renovation of the business STEM building;
- (6) The University of Texas Health Science Center at \$58,450,000 for the renovation and modernization of Houston, educational and research facilities;
 (7) The University of Texas Health Science Center
- San Antonio, \$4 million for an enhanced performance laboratory for the Barshop Institute for Longevity and Aging Studies;
- (8) The University of Texas Health Science Center at Tyler, \$2,502,500 for the Riter Center Primary Care Training Center renovation; and
- (9) The University of Texas of the Permian Basin, \$30 million for an engineering building.
- (c) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of The University of Texas System, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.
- (d) If sufficient funds are not available to the board to its obligations under this section, the board may transfer funds among institutions, branches, and entities of The University Texas System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.
- (e) The board may not issue bonds under Subsection (a) until the board makes the pledge of additional funds required to issue bonds under Subsection (b).
- UNIVERSITY OF (a) In addition to the other authority granted by this subchapter, the board of regents of the University of Houston System may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions, not to exceed the following aggregate principal amounts for the projects specified,

4-1 as follows:

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the University of Houston, \$70 million for a pharmacy and biomedical sciences building;

(2) the University of Houston--Clear Lake, \$75,600,000 for a science and academic support building;
(3) the University of Houston--Downtown, \$41,429,000

for a science and technology building; and

(4) the University of Houston--Victoria, \$70 million

4-9 for campus expansion.

- (b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of the University of Houston System, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.
- (c) If sufficient funds are not available to the board to its obligations under this section, the board may transfer funds among institutions, branches, and entities of the University of Houston System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.
- Sec. 55.1784. TEXAS STATE UNIVERSITY SYSTEM; ADDITIONAL (a) In addition to the other authority granted by this BONDS. subchapter, the board of regents of the Texas State University System may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted the board for the following institutions, not to exceed by the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:
- (1)Lamar University, \$40 million for a science building;
- Lamar State College--Orange, \$21 million for a (2) multipurpose education building;
- (3) Lamar State College--Port Arthur, \$2,500,000 for
- an addition to the allied health building;

 (4) Lamar Institute of Technology, \$12 mill renovation and replacement of the technical arts buildings;

(5) Texas State University--San Marcos:

(A) \$56 million for a joint project with The Texas A&M University System Health Science Center for a medical education and research building in Round Rock, Texas; and

(B) \$83 million for an engineering and science

building; and

Sam Houston State University, \$9,800,000 for an (6)

- agriculture engineering technology building.

 (b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of the Texas State University System, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.
- (c) If sufficient funds are not available to the board to its obligations under this section, the board may transfer funds among institutions, branches, and entities of the Texas State University System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.
- Sec. 55.1785. UNIVERSITY OF NORTH TEXAS SYSTEM; ADDITIONAL BONDS. (a) In addition to the other authority granted by this subchapter, the board of regents of the University of North Texas System may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in

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accordance with a systemwide revenue financing program adopted by 5-1 the board for the following institutions, not to exceed the 5-2 following aggregate principal amounts for the projects specified, 5-3 5-4 as follows: 5**-**5 5**-**6

the University of North Texas System, \$25 million (1)

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for college of law building renovations;
(2) the University of North Texas, \$48 million for a science and technology research facility;
(3) the University of North Texas at Dallas, \$70

million for a library and student success center; and

(4) of North Texas Health Science the University Center at Fort Worth, \$66,600,000 for an interdisciplinary research building.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of the University of North Texas System, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) If sufficient funds are not available to the board to its obligations under this section, the board may transfer funds among institutions, branches, and entities of the University of North Texas System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.

Sec. 55.1786. TEXAS WOMAN'S UNIVERSITY. (a) In addition

to the other authority granted by this subchapter, the board of regents of Texas Woman's University may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for a science and technology learning center, to be financed through the issuance of bonds in accordance with this subchapter, not to exceed

the aggregate principal amount of \$37,996,928.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of Texas Woman's University, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds

issued to refund those bonds, are outstanding.
Sec. 55.1787. MIDWESTERN STATE UNIVERSITY; ADDITIONAL (a) In addition to the other authority granted by this subchapter, the board of regents of Midwestern State University may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for library, College of Education, and information technology facilities at Midwestern State University, to be financed through the issuance of bonds in accordance with this subchapter, not to exceed the aggregate principal amount of \$29,990,000.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of Midwestern State University, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

Sec. 55.1788. STEPHEN F. AUSTIN STATE UNIVERSITY. (a) In

addition to the other authority granted by this subchapter, the board of regents of Stephen F. Austin State University may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for a science, technology, engineering, and mathematics research building at Stephen F. Austin State University, to be financed through the issuance of bonds in accordance with this subchapter, not to exceed the aggregate principal amount of \$50 million.

(b) The board may pledge irrevocably to the payment of bonds

authorized by this section all or any part of the revenue funds of Stephen F. Austin State University, including student tuition charges. The amount of a pledge made under this subsection may not

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made, or bonds issued to refund those bonds, are outstanding. 6-2

TEXAS TECH UNIVERSITY SYSTEM; ADDITIONAL 55.1789. In addition to the other authority granted by this BONDS (a) subchapter, Tech University the board of regents of the Texas system may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions, not to exceed following aggregate principal amounts for the projects specified, as follows:

(1)Texas Tech University Health Sciences Center:

\$40,500,000 for Lubbock education, research, (A)

and technology facilities;

(B) \$75 million for the El Paso Medical Science

Building II; and

(C) \$17,010,000 for the Permian Basin academic

facility;

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(2)Texas Tech University, \$78,975,000 for a research building; and

(3) Angelo State University, \$16,758,000 for a health

and human services building.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of the Texas Tech University System, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) If sufficient funds are not available to the board to its obligations under this section, the board may transfer funds among institutions, branches, and entities of the Texas Tech University System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or

entity to carry out its duties and purposes.

Sec. 55.17891. TEXAS SOUTHERN UNIVERSITY; ADDITIONAL (a) BONDS. In addition to the other authority granted by this subchapter, the board of regents of Texas Southern University may acquire, purchase, construct, improve, renovate, enlarge, or equip facilit<u>ies</u>, including related roads and and infrastructure, for the Robert J. Terry Library at Texas Southern University, to be financed through the issuance of bonds in accordance with this subchapter, not to exceed the aggregate principal amount of \$66,017,661.

(b) The board may pledge irrevocably to the payment of bonds

authorized by this section all or any part of the revenue funds of Texas Southern University, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds

issued to refund those bonds, are outstanding.

Sec. 55.17892. TEXAS STATE TECHNICAL COLLEGE (a) In addition to the other authority granted by this subchapter, the board of regents of the Texas State Technical College System may acquire, purchase, construct, improve, renovate, enlarge, or equip facilities, including roads and property and infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter for the following institutions, not to exceed the tollowing amounts for the projects specified, as follows: aggregate

Texas State Technical College--Harlingen for Phase II of the Engineering Technology Center million

renovation; 6-64

(2) Texas State Technical College--Marshall, \$1,500,000 for renovation of aviation technology facilities; and

(3) Texas State Technical College--Waco, \$5 million for water system infrastructure replacement.
(b) The board may pledge irrevocably to the payment of those

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bonds all or any part of the revenue funds of an institution, branch, or entity of the Texas State Technical College System, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) If sufficient funds are not available to the board to meet its obligations under this section, the board may transfer funds among institutions, branches, and entities of the Texas State Technical College System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.

entity to carry out its duties and purposes.

SECTION 2. Subsection (e), Section 61.0572, Education Code, is amended to read as follows:

(e) Approval of the board is not required to acquire real property that is financed by bonds issued under Section 55.17(e)(3) or (4), 55.1713-55.1718, 55.1721-55.1728, 55.1735(a)(1), 55.174, 55.1742, 55.1743, 55.1744, 55.1751-55.17592, 55.1768, 55.1771, [ex] 55.17721, or 55.1781-55.17892, except that the board shall review all real property to be financed by bonds issued under those sections to determine whether the property meets the standards adopted by the board for cost, efficiency, and space use. If the property does not meet those standards, the board shall notify the governor, the lieutenant governor, the speaker of the house of representatives, and the Legislative Budget Board.

SECTION 3. Subsection (b), Section 61.058, Education Code, is amended to read as follows:

(b) This section does not apply to construction, repair, or rehabilitation financed by bonds issued under Section 55.17(e)(3) or (4), 55.1713-55.1718, 55.1721-55.1728, 55.174, 55.1742, 55.1743, 55.1744, 55.1751-55.17592, 55.1768, 55.1771, [ex] 55.17721, or 55.1781-55.17892, except that the board shall review all construction, repair, or rehabilitation to be financed by bonds issued under those sections to determine whether the construction, rehabilitation, or repair meets the standards adopted by board rule for cost, efficiency, and space use. If the construction, rehabilitation, or repair does not meet those standards, the board shall notify the governor, the lieutenant governor, the speaker of the house of representatives, and the Legislative Budget Board.

SECTION 4. This Act does not affect any authority or restriction regarding the activities that a public institution of higher education may conduct in connection with a facility financed by bonds authorized by this Act.

SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

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