

BILL ANALYSIS

C.S.S.B. 52
By: Creighton
Appropriations
Committee Report (Substituted)

BACKGROUND AND PURPOSE

There have been calls to provide university systems in Texas with greater flexibility to undertake capital projects on the campuses of their institutions. It has been noted that providing these systems the authority to acquire and improve certain facilities for projects to be financed through the issuance of bonds and system-wide revenue financing programs would help offer the flexibility needed to build new facilities, update existing projects, and ensure Texas is on track to meet the higher education needs of its students. C.S.S.B. 52 seeks to address this issue by providing for the issuance of revenue bonds to fund capital projects at public institutions of higher education in Texas.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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.S.B. 52 amends the Education Code to authorize the boards of regents of the following public higher education entities to acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities for specified capital projects to be financed through the issuance of bonds and any applicable system-wide revenue financing program:

- The Texas A&M University System;
- The University of Texas System;
- the University of Houston System;
- the Texas State University System;
- the University of North Texas System;
- Texas Woman's University;
- Stephen F. Austin State University;
- the Texas Tech University System;
- Texas Southern University; and
- certain components of the Texas State Technical College System.

The bill sets out, for each institution, the specified projects that may be financed by the bonds and the maximum aggregate principal amounts that may be financed for each project.

C.S.S.B. 52 provides for the following:

- the authority of each applicable board of regents to pledge revenue funds to the payment of the bonds;

- the transfer of funds among each system's institutions, branches, and entities, as applicable, if sufficient funds are not available to meet the board's obligations under the bill's provisions;
- the authority of each applicable board of regents to finance an alternative project for deferred maintenance or infrastructure at the same institution or entity and a requirement for each board to notify the Texas Higher Education Coordinating Board of any such alternative project; and
- the designation of certain funds allocated from the appropriation of general revenue to an institution of higher education to supplement revenue funds as "Capital Improvement Debt Assistance."

EFFECTIVE DATE

91st day after the last day of the legislative session.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 52 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

The engrossed provided the maximum aggregate principal amounts that may be financed by the bonds for each project authorized under the bill's provisions, whereas the substitute revises those amounts and further specifies the projects for which the bonds may be used.

The substitute provides aggregate principal amounts for the following institutions, which did not receive any amounts in the engrossed:

- in The Texas A&M System:
 - Tarleton State University; and
 - Texas A&M University at Galveston;
- in The University of Texas System:
 - The University of Texas at San Antonio;
 - The University of Texas Health Science Center at Houston;
 - The University of Texas Health Science Center at San Antonio; and
 - The University of Texas Southwestern Medical Center;
- in the Texas State University System:
 - Lamar State College Port Arthur;
 - Sul Ross State University; and
 - Sul Ross State University Rio Grande College; and
- in the Texas Tech University System, Texas Tech University Health Sciences Center at El Paso.

The substitute includes provisions absent in the engrossed that do the following:

- provide for the authority of each applicable board of regents to finance an alternative project for deferred maintenance or infrastructure at the same institution or entity; and
- require each board to notify the Texas Higher Education Coordinating Board of any such alternative project.

Whereas the engrossed provided for the designation of certain funds allocated from the appropriation of general revenue to an institution of higher education to supplement revenue funds as "Capital Construction Assistance Projects," the substitute provides for the designation of those funds as "Capital Improvement Debt Assistance."