

BILL ANALYSIS

Senate Research Center
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S.B. 52
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Higher Education
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interest has been expressed across the state to provide Texas university systems with means to undertake capital projects on institution campuses. Tuition revenue bonds (TRBs) have been identified as a method the legislature favors for funding construction in higher education. S.B. 52 seeks to provide capital funding across Texas institutions to address the needs of students and necessary infrastructure developments.

S.B. 8, from the 87th Third Called Special Session, provides \$325 million to the Texas Higher Education Coordinating Board for university construction, providing for the issuance of tuition revenue bonds, contingent on the passage of a TRB bill. This proposal is in alignment with that provision in S.B. 8.

S.B. 52 fully funds projects with an emphasis on renovation, projects to replace inoperable buildings, and deferred maintenance and construction for regional campuses. This proposal provides funding within each Texas higher education system as well as for independent institutions and the Texas state technical colleges.

As proposed, S.B. 52 amends current law relating to authorizing the issuance of revenue bonds to fund capital projects at public institutions of higher education.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 55, Education Code, by adding Sections 55.1791, 55.1792, 55.1793, 55.1794, 55.1795, 55.1796, 55.1797, 55.1798, 55.1799, and 55.17991, as follows:

Sec. 55.1791. THE TEXAS A&M UNIVERSITY SYSTEM; ADDITIONAL BONDS.
(a) Authorizes the board of regents of The Texas A&M University System, in addition to the other authority granted by Subchapter B (Revenue Bonds and Facilities), to 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 of regents of The Texas A&M University System for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

- (1) Texas A&M University--Commerce, \$50 million for infrastructure upgrades to address accessibility for persons with disabilities and health and safety issues;
- (2) Texas A&M International University, \$80 million for construction of health science education and research centers;

(3) Texas A&M University--Kingsville, \$60 million to address deferred maintenance;

(4) Texas A&M University--Texarkana, \$46 million for construction of a business, engineering, and technology building; and

(5) West Texas A&M University, \$65,750,000 for infrastructure upgrades to address health and safety issues and renovation of an education building.

(b) Authorizes the board of regents of The Texas A&M University System to 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 A&M University System, including student tuition charges. Prohibits the amount of a pledge made under this subsection from being reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) Authorizes the board of regents of The Texas A&M University System, if sufficient funds are not available to the board of regents of The Texas A&M University System to meet its obligations under this section, to 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.

Sec. 55.1792. THE UNIVERSITY OF TEXAS SYSTEM; ADDITIONAL BONDS. (a) Authorizes the board of regents of The University of Texas System, in addition to the other authority granted by this subchapter, to 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 of regents of The University of Texas System for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) The University of Texas at Arlington, \$134 million for renovation of the Life Science Building;

(2) The University of Texas at El Paso, \$100 million for construction of an advanced teaching and learning complex; and

(3) The University of Texas at Tyler, \$76 million for construction of a sciences building.

(b) Authorizes the board of regents of The University of Texas System to 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. Prohibits the amount of a pledge made under this subsection from being reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) Authorizes the board of regents of The University of Texas System, if sufficient funds are not available to the board of regents of The University of Texas System to meet its obligations under this section, to transfer funds among institutions, branches, and entities of The University of 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. 55.1793. UNIVERSITY OF HOUSTON SYSTEM; ADDITIONAL BONDS. (a) Authorizes the board of regents of the University of Houston System, in addition to the

other authority granted by this subchapter, to 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 of regents of the University of Houston System for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) the University of Houston System, \$128 million for construction of a medical research facility;

(2) the University of Houston--Clear Lake, \$60 million for renovation of the Bayou Building, the Delta Building, and the Student Services and Classroom Building; and

(3) the University of Houston--Victoria, \$21,280,469 for renovation of the Northwest Building and North Building.

(b) Authorizes the board of regents of the University of Houston System to 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. Prohibits the amount of a pledge made under this subsection from being reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) Authorizes the board of regents of the University of Houston System, if sufficient funds are not available to the board of regents of the University of Houston System to meet its obligations under this section, to 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. 55.1794. TEXAS STATE UNIVERSITY SYSTEM; ADDITIONAL BONDS. (a) Authorizes the board of regents of the Texas State University System, in addition to the other authority granted by this subchapter, to 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 of regents of the Texas State University System for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) Lamar State College--Orange, \$42 million for construction of an academic building to house general academic instruction and information technology services;

(2) Lamar Institute of Technology, \$48 million for construction of a facility for workforce and allied health programs;

(3) Lamar University, \$75 million for renovation of a library; and

(4) Sam Houston State University, \$70 million for construction of an allied health building located in Conroe, Texas.

(b) Authorizes the board of regents of the Texas State University System to 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. Prohibits the amount of a pledge made under this subsection from being reduced or abrogated while the

bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) Authorizes the board of regents of the Texas State University System, if sufficient funds are not available to the board of regents of the Texas State University System to meet its obligations under this section, to 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. 55.1795. UNIVERSITY OF NORTH TEXAS SYSTEM; ADDITIONAL BONDS.

(a) Authorizes the board of regents of the University of North Texas System, in addition to the other authority granted by this subchapter, to 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 of regents of the University of North Texas System for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) the University of North Texas at Dallas, \$163 million for construction of a science building; and

(2) the University of North Texas Health Science Center at Fort Worth, \$84 million for campus space optimization and realignment.

(b) Authorizes the board of regents of the University of North Texas System to 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. Prohibits the amount of a pledge made under this subsection from being reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) Authorizes the board of regents of the University of North Texas System, if sufficient funds are not available to the board of regents of the University of North Texas System to meet its obligations under this section, to 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. 55.1796. TEXAS WOMAN'S UNIVERSITY; ADDITIONAL BONDS. (a) Authorizes the board of regents of Texas Woman's University, in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for renovation and repurposing of Brackenridge Hall health sciences center, to be financed through the issuance of bonds in accordance with this subchapter, not to exceed the aggregate principal amount of \$49 million.

(b) Authorizes the board of regents of Texas Woman's University to 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. Prohibits the amount of a pledge made under this subsection from being reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

Sec. 55.1797. STEPHEN F. AUSTIN STATE UNIVERSITY; ADDITIONAL BONDS.

(a) Authorizes the board of regents of Stephen F. Austin State University, in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related

infrastructure, for construction of an interdisciplinary and applied sciences building, to be financed through the issuance of bonds in accordance with this subchapter, not to exceed the aggregate principal amount of \$53 million.

(b) Authorizes the board of regents of Stephen F. Austin State University to 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. Prohibits the amount of a pledge made under this subsection from being reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

Sec. 55.1798. TEXAS TECH UNIVERSITY SYSTEM; ADDITIONAL BONDS. (a) Authorizes the board of regents of the Texas Tech University System, in addition to the other authority granted by this subchapter, to 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 of regents of the Texas Tech University System for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) Texas Tech University:

(A) \$72 million for renovations to address deferred maintenance for campus buildings; and

(B) \$8 million for renovations and construction at the Texas Tech University Center at Junction;

(2) Angelo State University, \$36 million for maintenance and renovation of a central plant; and

(3) Texas Tech University Health Sciences Center, \$90 million for maintenance and renovation of an existing facility.

(b) Authorizes the board of regents of the Texas Tech University System to 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. Prohibits the amount of a pledge made under this subsection from being reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) Authorizes the board of regents of the Texas Tech University System, if sufficient funds are not available to the board of regents of the Texas Tech University System to meet its obligations under this section, to 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. 55.1799. TEXAS SOUTHERN UNIVERSITY; ADDITIONAL BONDS. (a) Authorizes the board of regents of Texas Southern University, in addition to the other authority granted by this subchapter, to 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, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) \$22,800,000 for renovation of the Nabrit Building;

- (2) \$59 million for renovation of the Lanier East Building;
- (3) \$2,400,000 for upgrades to signage and wayfinding;
- (4) \$40 million for maintenance and renovation of a facility; and
- (5) \$30 million for construction of a health and wellness center.

(b) Authorizes the board of regents of Texas Southern University to 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. Prohibits the amount of a pledge made under this subsection from being reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

Sec. 55.17991. TEXAS STATE TECHNICAL COLLEGE SYSTEM. (a) Authorizes the board of regents of the Texas State Technical College System, in addition to the other authority granted by this subchapter, to 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 for the following entity and institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

- (1) Texas State Technical College System, \$33,300,000 for the Williamson County campus site phase II;
- (2) Texas State Technical College--Fort Bend, \$41,800,000 for construction of phase II of the campus site;
- (3) Texas State Technical College--Harlingen, \$37,800,000 for construction of an industrial technology performance learning center;
- (4) Texas State Technical College--Marshall, \$15 million for construction of an industrial technology performance learning center;
- (5) Texas State Technical College--North Texas, \$13.5 million for construction of phase II of the campus site;
- (6) Texas State Technical College--West Texas, \$13.5 million for construction of phase II of the campus site located in Abilene, Texas; and
- (7) Texas State Technical College--Waco, \$53,600,000 for construction of an industrial technology performance learning center.

(b) Authorizes the board of regents of the Texas State Technical College System to 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 Technical College System, including student tuition charges. Prohibits the amount of a pledge made under this subsection from being reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) Authorizes the board of regents of the Texas State Technical College System, if sufficient funds are not available to the board of regents of the Texas State Technical College System to meet its obligations under this section, to 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.

SECTION 2. Provides that this Act does not affect any authority or restriction regarding the activities that a public institution of higher education is authorized to conduct in connection with a facility financed by bonds authorized by this Act.

SECTION 3. Effective date: the 91st day after the last day of the legislative session.