

RESOLUTION ANALYSIS

C.S.H.J.R. 5
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Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

There are few effective treatments or cures for brain diseases and disorders that may be devastating for individuals and families, including conditions like Alzheimer's disease, autism, stroke, depression, substance abuse, and addiction. These diseases and disorders may significantly impact individuals and families and the impact to the economy may be equally substantial. Nine of the most common neurological diseases, including Alzheimer's disease, Parkinson's disease, and epilepsy, cost the nation hundreds of billions of dollars per year. The addition of the observed impact of COVID-19 on brain health, both physical and mental, underscores the need for more understanding of the brain. C.S.H.J.R. 5 provides for the funding necessary to establish the Brain Institute of Texas.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this resolution 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 resolution does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.J.R. 5 proposes an amendment to the Texas Constitution to authorize the legislature by general law to authorize the Texas Public Finance Authority (TPFA) to provide for, issue, and sell general obligation bonds of the State of Texas on behalf of the Brain Institute of Texas in an amount not to exceed \$3 billion and to enter into related credit agreements. The resolution caps the amount in bonds that TPFA may issue in a year at \$300 million. The resolution requires the bonds to be executed in the form, on the terms, and in the denominations, to bear interest, and to be issued in installments as prescribed by TPFA. The resolution requires proceeds from the sale of the bonds to be deposited in separate funds or accounts, as provided by general law, within the state treasury to be used by the institute.

C.S.H.J.R. 5 authorizes the institute to use proceeds from the bonds for the following:

- grants to institutions of higher education in Texas for brain research;
- brain disease and disorder prevention health care;
- recruitment and development of brain researchers;
- activities identified in the Texas Brain Research Plan;
- research facilities in Texas that conduct brain research;
- the purchase, subject to approval by the institute, of research facilities by or for a grant recipient; and
- the operation of the institute.

The bond proceeds may be used to pay the costs of issuing the bonds and any administrative expense related to the bonds. The resolution provides for the appropriation of money from the state treasury to make certain payments related to the bonds and establishes that bonds issued under the resolution's provisions, after approval by the attorney general, registration by the comptroller of public accounts, and delivery to the purchasers, are incontestable and are general obligations of the State of Texas under the Texas Constitution. The resolution requires TPFA to consider using a business whose principal place of business is located in Texas to issue the bonds and to include using a historically underutilized business as defined by general law.

ELECTION DATE

The constitutional amendment proposed by this joint resolution will be submitted to the voters at an election to be held November 2, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.J.R. 5 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the resolution.

The substitute does not include a provision that was included in the original establishing the Brain Institute of Texas research fund and setting out the components of the fund.

The substitute changes the authorization included in the original for money deposited in the research fund to be used for certain purposes to an authorization for the institute to use bond proceeds for those purposes.

The substitute changes from \$5 billion in the original to \$3 billion the cap on the amount of general obligation bonds TPFA may provide for, issue, and sell on behalf of the institute and changes from \$500 million in the original to \$300 million the cap on the amount of bonds TPFA may issue in a year.

The substitute includes a requirement that was not included in the original for proceeds from the sale of bonds to be deposited in separate funds or accounts within the state treasury.

The substitute includes specifications not included in the original that the institute is established by general law, that money is deposited to the state treasury whereas the original specified the money was coming into the state treasury, and that a fiscal year is a state fiscal year.