

SUBJECT: Use of school district resources for shared-use higher education facilities

COMMITTEE: Public Education — committee substitute recommended

VOTE: 8 ayes — Eissler, Hochberg, Allen, Aycock, Jackson, Patrick, Shelton, Weber
0 nays
3 absent — Dutton, Farias, Olivo

WITNESSES: For — None
Against — None
On — David Anderson, Texas Education Agency; Brad Parrott, University of Texas at San Antonio

BACKGROUND: Education Code, sec. 11.168 prohibits school districts from using district resources to design, construct, or renovate any property not owned or leased by the school district.
Education Code, sec. 45.109 permits school districts to contract with a corporation, municipality, or institution of higher education to use stadiums and athletic facilities owned by those entities.

DIGEST: CSHB 350 would amend Education Code, sec. 45.109 to permit a school district's board of trustees to contract with institutions of higher education located within the same county for the district to pay a portion of the cost to design or construct an instructional facility, athletic facility, or stadium to be owned by the institution of higher education.
This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009.

SUPPORTERS SAY: CSHB 350 would allow a school district and an institution of higher education to finance joint projects that would be mutually beneficial. The

facility would be owned by the institution of higher education, but the contract with the school district would dictate the terms for co-usage — for example, classroom laboratory use, access to a library, and use for events such as graduation ceremonies and athletic events. The higher education institution would not have sole discretion over a school district's access to the facility because a district would have the freedom to negotiate terms of use to the district's advantage before any contract was signed.

The bill would allow for the most cost-effective use of educational resources. Cost sharing would permit school districts and institutions of higher education to build needed facilities that otherwise might be too expensive for one entity to finance alone. School districts would be spared on-going maintenance and land-acquisition costs while having beneficial use of a higher education institution facility.

OPPONENTS
SAY:

Since the higher education institution would own or control a facility designed or built in part with school district resources, the institution should be required to contribute a portion of any revenue generated from the facility to the school district to repay district's costs, such as bond debt, incurred to construct the facility. The school district may not realize the full value of the investment made by local taxpayers without clear assurance the school district would have adequate access for its use. The bill should specify that any multi-party agreement to jointly finance a facility to be owned by a higher education institution contain a long-term commitment that would protect the school district's right to use the facility.

NOTES:

The committee substitute removed from the bill as filed a limitation that it would apply only to counties with a population of more than one million. The committee substitute would permit school districts to contribute payments for both athletic and instructional facilities, while the filed bill would have applied to athletic facilities only.