

BILL ANALYSIS

Senate Research Center
78R17605 JSA-D

C.S.H.B. 1941
By: Woolley (Bivins)
Finance
5/23/2003
Committee Report (Substituted)

DIGEST AND PURPOSE

Currently, the board of regents of The University of Texas System cannot issue revenue bonds for The University of Texas Health Science Center at Houston for recovery from Tropical Storm Allison. C.S.H.B. 1941 authorizes the issuance of revenue bonds for The University of Texas Health Science Center at Houston for recovery from Tropical Storm Allison and exempts the property and projects financed by the bonds from prior approval by the Texas Higher Education Coordinating Board. This bill also authorizes the issuance of revenue bonds for The University of Texas Southwestern Medical Center at Dallas and for the University of Houston System and for Texas A&M International University.

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 Section 55.1732(a), Education Code, to authorize the board of regents of The University of Texas System, in addition to the other authority granted by this subchapter, to issue in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board bonds for certain institutions not to exceed certain aggregate principal amounts to finance specified projects.

SECTION 2. Amends Subchapter B, Chapter 55, Education Code, by adding Section 55.1741, as follows:

Sec. 55.1741. THE TEXAS A&M UNIVERSITY SYSTEM; ADDITIONAL REVENUE BONDS. (a) Authorizes the board of regents of The Texas A&M System, in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip facilities to support kinesiology and related programs, campus utility infrastructure facilities, and campus support services facilities (phase V), including roads and related infrastructure, for Texas A&M International University, to be financed by the issuance of bonds in accordance with this subchapter, including bonds issued in accordance with a systemwide revenue financing program and secured as provided by that program, in an aggregate principal amount not to exceed \$12.5 million.

(b) Authorizes the board of regents of The Texas A&M System to pledge irrevocably to the payment of the 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 System, if sufficient funds are not available to the board of regents of The Texas A&M 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.

SECTION 3. Amends Subchapter B, Chapter 55, Education Code, by adding Section 55.1742, as follows:

Sec. 55.1742. THE UNIVERSITY OF TEXAS SYSTEM; ADDITIONAL REVENUE BONDS. (a) Authorizes the board of regents of The University of Texas System (board), in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure for The University of Texas Health Science Center at Houston for recovery from the damage caused by Tropical Storm Allison, to be financed by the issuance of bonds in accordance with this subchapter, including bonds issued in accordance with a systemwide revenue financing program and secured as provided by that program in an aggregate principal amount not to exceed \$34.9 million.

(b) Authorizes the board, in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure for The University of Texas M.D. Anderson Cancer Center for biotechnology research and development facilities, to be financed by the issuance of bonds in accordance with its systemwide revenue financing program and secured as provided by that program, in an aggregate principal amount not to exceed \$20 million.

(c) Authorizes the board, in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, or other facilities, including roads and related infrastructure, for The University of Texas Southwestern Medical Center at Dallas, to be used primarily to conduct biomedical research and to be financed by the issuance of bonds in accordance with this subchapter, including bonds issued in accordance with a systemwide revenue financing program and secured as provided by that program, in an aggregate principal amount not to exceed \$56 million.

(d) Authorizes the board to pledge irrevocably to the payment of the bonds authorized by Subsection (a) 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 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.

(e) Authorizes the board, if sufficient funds are not available to the board 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.

(f) Prohibits the board from issuing bonds authorized by Subsection (c) at a time that would require the payment of any debt service on the bonds before September 1, 2004.

SECTION 4. Amends Subchapter B, Chapter 55, Education Code, by adding Section 55.1743, as follows:

Sec. 55.1743. THE UNIVERSITY OF HOUSTON SYSTEM. (a) Authorizes the board of regents of the University of Houston System (board), in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure for the

University of Houston System, including the individual campuses of the system, to be financed by the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board in an aggregate principal amount not to exceed \$25 million.

(b) Authorizes the board to pledge irrevocably to the payment of the bonds authorized by Subsection (a) 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 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, if sufficient funds are not available to the board 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.

SECTION 5. Amends Section 61.0572(e), Education Code, to make a conforming and a nonsubstantive change.

SECTION 6. Amends Section 61.058(b), Education Code, to make a conforming and a nonsubstantive change.

SECTION 7. Effective date: upon passage or September 1, 2003.