

BILL ANALYSIS

Senate Research Center
80R7456 KSD-D

S.B. 1382
By: Nichols
Finance
4/3/2007
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The school of nursing at Stephen F. Austin State University (SFA) has been given an opportunity for expansion due to a generous gift of land and buildings adjacent to the university valued at approximately \$1.4 million. However, the gift is contingent on construction and renovation of the existing facilities for the SFA School of Nursing within three years. If the project is not completed in three years, SFA will have to relinquish the donation.

As proposed, S.B. 1382 authorizes the issuance of tuition revenue bonds in the amount of \$13 million to fund an expansion of the School of Nursing at SFA.

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 Section 55.1768, as follows:

Sec. 55.1768. STEPHEN F. AUSTIN STATE UNIVERSITY; ADDITIONAL BONDS.

(a) Authorizes the board of regents (board) of Stephen F. Austin State University, in addition to the other authority granted under this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure for the expansion of the school of nursing facilities at Stephen F. Austin State University, to be financed by the issuance of bonds in accordance with this subchapter in an aggregate principal amount not to exceed \$13 million.

(b) Authorizes the board to pledge irrevocably to the payment of the bonds authorized by this section all or any part of the revenue funds of Stephen F. Austin State University, including student tuition charges. Prohibits an 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 any portion of the proceeds of bonds authorized by this section that is not required for the specified project for which the bonds are authorized to be used to renovate existing structures and facilities at the institution.

SECTION 2. Amends Section 61.0572(e), Education Code, to provide that approval of the board is not required to acquire real property that is financed by bonds issued under Section 55.1768, in addition to other sections listed, except that the board is required to review all real property to be financed by bonds issued under those sections to determine whether the property meets the standards adopted by the board for cost efficiency, and space use. Requires the board to notify the governor, the lieutenant governor, the speaker of the house of representatives, and the Legislative Budget Board if the property does not meet those standards.

SECTION 3. Amends Section 61.058(b), Education Code, to provide that this section does not apply to construction, repair, or rehabilitation, financed by bonds issued under Section 55.1768, in addition to other sections listed, except that the board is required to review all real property to

be financed by bonds issued under those sections to determine whether the property meets the standards adopted by the board for cost efficiency, and space use. Requires the board to notify the governor, the lieutenant governor, the speaker of the house of representatives, and the Legislative Budget Board if the property does not meet those standards.

SECTION 4. Effective date: upon passage or September 1, 2007.