

BILL ANALYSIS

Senate Research Center
80R6892 KEL-F

S.B. 1640
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Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, the Texas Higher Education Coordinating Board has authorization to issue \$400 million in general obligation bonds to finance educational loans through the Hinson- Hazlewood College Student Loan Program (program). The program provides low-interest loans to eligible students seeking undergraduate, graduate, or professional education through public and independent institutions of higher education in Texas. There is \$250 million in general obligation bonds remaining and it is projected to be exhausted by spring of 2009.

As proposed, S.B. 1640 authorizes the issuance of up to \$500 million in general obligation bonds to finance education loans of the program.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 52.01, Education Code, as follows:

Sec. 52.01. ADMINISTRATION. Requires the Texas Higher Education Coordinating Board (THECB), or its successor, to administer the student loan program authorized by this chapter pursuant to Sections 50b-4, 50b-5, and 50b-6, Article III, Texas Constitution and any former provision of the Texas Constitution authorizing bonds to finance educational loans to students. Deletes existing text referring Sections 50b, 50b-1, 50b-2, and 50b-3, Article III, Texas Constitution.

SECTION 2. Amends Section 52.501(4), Education Code, to redefine "bond."

SECTION 3. Amends Section 52.81(2), Education Code, to make conforming changes.

SECTION 4. Amends Section 52.82(a), Education Code, to authorize the THECB to authorize by resolution the issuance of general obligation bonds in total aggregate amounts not to exceed \$500 million under Section 50b-6, Article III, Texas Constitution. Makes a conforming change.

SECTION 5. Amends Section 52.87, Education Code, to make conforming changes.

SECTION 6. Provides that this Act takes effect on the date on which the constitutional amendment proposed by the 80th Legislature, Regular Session, 2007, providing for the issuance of \$500 million in general obligation bonds to finance educational loans to students and authorizing bond enhancement agreements with respect to such bonds takes effect. Provides that if that amendment is not approved by the voters, this Act has no effect.