

BILL ANALYSIS

Senate Research Center
84R2349 JRJ-D

S.B. 150
By: Seliger
Higher Education
1/20/2015
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 150 authorizes capital construction at 64 public higher education campuses at a projected cost of \$2.86 billion. S.B. 150, as filed, provides for method of finance via the state's rainy day fund or state appropriations.

As proposed, S.B. 150 amends current law relating to authorizing the issuance of revenue bonds to fund capital projects at public institutions of higher education and makes an appropriation.

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 Sections 55.1781, 55.1782, 55.1783, 55.1784, 55.1785, 55.1786, 55.1787, 55.1788, 55.1789, 55.17891, and 55.17892, as follows:

Sec. 55.1781 THE TEXAS A&M UNIVERSITY SYSTEM; ADDITIONAL BONDS. (a) Authorizes the board of regents of the Texas A&M University System (TAMU board), in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the TAMU board for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

- (1) Texas A&M University--Commerce, \$40,500,000 for construction of a nursing and health sciences building;
- (2) Texas A&M University--Corpus Christi, \$67,500,000 for construction of a life sciences research and engineering building;
- (3) Texas A&M University--Kingsville, \$57,825,000 for construction of a music building;
- (4) Texas A&M University--Texarkana, \$30,000,000 for construction of an academic and student services building;
- (5) West Texas A&M University: \$7,500,000 for renovation of the Amarillo Center; and \$32,250,000 for construction of an agricultural sciences complex;
- (6) the Texas A&M University System Health Science Center: \$60,000,000 for construction of a multidisciplinary research and education facility in Bryan, Texas; and \$67,500,000 for construction of a dental clinic facility at the Baylor College of Dentistry;

(7) Texas A&M International University, \$41,698,125 for construction of an academic and laboratory building;

(8) Prairie View A&M University, \$11,250,000 for construction of a fabrication center;

(9) Tarleton State University \$56,250,000 for construction of an applied sciences building; and \$41,250,000 for construction of a southwest metroplex building for the campus in Midlothian;

(10) Texas A&M University, \$63,750,000 for construction of a biocontainment research facility;

(11) Texas A&M University at Galveston, \$62,250,000 for expansion of an instructional and teaching laboratory;

(12) Texas A&M University--Central Texas, \$30,000,000 for construction of a multipurpose building; and

(13) Texas A&M University--San Antonio, \$52,500,000 for construction of a science and technology building and infrastructure for campus development.

(b) Authorizes the TAMU board to pledge irrevocably to the payment of 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 TAMU board 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 if sufficient funds are not available to the TAMU board to meet its obligations under this section.

Sec. 55.1782. THE UNIVERSITY OF TEXAS SYSTEM; ADDITIONAL BONDS. (a) Authorizes the board of regents of The University of Texas System (UT board), in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the UT board for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) The University of Texas at Austin, \$67,500,000 for renovation of Robert A. Welch Hall;

(2) The University of Texas--Rio Grande Valley: \$37,950,000 for construction of a multipurpose academic center at the campus in Brownsville; and \$31,875,000 for construction of an interdisciplinary engineering and academic studies building at the campus in Edinburg;

(3) The University of Texas Southwestern Medical Center at Dallas, \$67,500,000 for the construction and renovation of a vivarium and academic and laboratory facilities;

(4) The University of Texas Health Science Center at San Antonio, \$67,500,000 for the renovation of a medical and dental education building and the School of Nursing;

(5) The University of Texas M. D. Anderson Cancer Center, \$52,500,000 for construction of the Sheikh Zayed Bin Sultan Al Nahyan building;

(6) The University of Texas Medical Branch at Galveston, \$50,850,000 for construction of a health education center;

(7) The University of Texas at Arlington, \$67,500,000 for construction of a science and engineering innovation and research building;

(8) The University of Texas at Dallas, \$67,500,000 for construction of an engineering building;

(9) The University of Texas at El Paso, \$67,500,000 for construction of an interdisciplinary research facility;

(10) The University of Texas at San Antonio, \$67,500,000 for construction of an instructional science and engineering building;

(11) The University of Texas at Tyler, \$57,000,000 for construction of a STEM building;

(12) The University of Texas Health Science Center at Houston, \$67,500,000 for the renovation and modernization of a medical school building, the School of Public Health, and University Center Tower;

(13) The University of Texas Health Science Center at Tyler, \$11,250,000 for the renovation of a facility for physician residents training; and

(14) The University of Texas of the Permian Basin, \$45,000,000 for construction of an engineering building.

(b) Authorizes the UT board to pledge irrevocably to the payment of bonds authorized by this section 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 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 UT board 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 and purposes if sufficient funds are not available to the UT board to meet its obligations under this section.

Sec. 55.1783. UNIVERSITY OF HOUSTON SYSTEM; ADDITIONAL BONDS. (a) Authorizes the board of regents of the University of Houston System (UH board), in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the UH board for the following institutions or entities, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) the University of Houston: \$90,000,000 for construction of a health and biomedical sciences center; and \$45,000,000 for construction of a new academic building located in Sugar Land, Texas;

(2) the University of Houston--Clear Lake: \$17,100,000 for construction of a health sciences and classroom building located in Pearland, Texas; and \$76,050,000 for construction of a STEM and classroom building;

(3) the University of Houston--Downtown, \$67,500,000 for construction of a science and technology building;

(4) the University of Houston--Victoria, \$64,065,000 for construction of a science, technology, and classroom building; and

(5) the University of Houston System, \$27,405,000 for construction of a Cinco Ranch building located in the area near Katy, Texas.

(b) Authorizes the UH board to pledge irrevocably to the payment of bonds authorized by this section 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 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 UH board 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 and purposes if sufficient funds are not available to the UH board to meet its obligations under this section.

Sec. 55.1784. TEXAS STATE UNIVERSITY SYSTEM; ADDITIONAL BONDS. (a) Authorizes the board of regents of the Texas State University System (TSUS board), in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the TSUS board for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) Lamar University, \$54,000,000 for construction of a science and technology building;

(2) Lamar State College--Orange, \$9,375,000 for construction of a multipurpose education building;

(3) Lamar State College--Port Arthur, \$7,200,000 for expansion of technology program facilities;

(4) Lamar Institute of Technology, \$6,480,000 for renovation of the technical arts buildings;

(5) Texas State University: \$67,500,000 for construction of an engineering and sciences building, and \$50,625,000 for construction of a health professions building in Round Rock, Texas;

(6) Sam Houston State University, \$45,000,000 for construction of a biology laboratory building; and

(7) Sul Ross State University, \$5,850,000 for renovation and modernization of educational and related facilities and infrastructure.

(b) Authorizes the TSUS board to pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution,

branch, or entity of the Texas State 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 TSUS board to transfer funds among institutions, branches, and entities of Texas State 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 if sufficient funds are not available to the TSUS board to meet its obligations under this section.

Sec. 55.1785. UNIVERSITY OF NORTH TEXAS SYSTEM; ADDITIONAL BONDS.

(a) Authorizes the board of regents of the University of North Texas System (UNT board), in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the UNT board for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) the University of North Texas System, \$42,000,000 for renovation of college of law buildings;

(2) the University of North Texas, \$62,100,000 for construction and renovation of college of visual arts and design facilities;

(3) the University of North Texas at Dallas, \$52,500,000 for construction of a student learning and success center; and

(4) the University of North Texas Health Science Center at Fort Worth, \$67,500,000 for construction of an interdisciplinary research building.

(b) Authorizes the UNT board to pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of the University of North Texas 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 UNT board to transfer funds among institutions, branches, and entities of University of North Texas to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes if sufficient funds are not available to the UNT board to meet its obligations under this section.

Sec. 55.1786. TEXAS WOMAN'S UNIVERSITY. (a) Authorizes the board of regents of the Texas Woman's University (TWU board), in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for a science and technology learning center, to be financed through the issuance of bonds in accordance with this subchapter, not to exceed the aggregate principal amount of \$32,297,450.

(b) Authorizes the TWU board to pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of Texas Woman's University, 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.

Sec. 55.1787. MIDWESTERN STATE UNIVERSITY; ADDITIONAL BONDS. (a) Authorizes the board of regents of the Midwestern State University (MSU board), in

addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for the Gunn College of Health Science and Human Services, to be financed through the issuance of bonds in accordance with this subchapter, not to exceed the aggregate principal amount of \$51,850,000.

(b) Authorizes the MSU board to pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of Midwestern State University, 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.

Sec. 55.1788. STEPHEN F. AUSTIN STATE UNIVERSITY. (a) Authorizes the board of regents of Stephen F. Austin State University (SFA board), in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for a science, technology, engineering, and mathematics research building at Stephen F. Austin State University, to be financed through the issuance of bonds in accordance with this subchapter, not to exceed the aggregate principal amount of \$49,300,000.

(b) Authorizes the SFA board to pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of Stephen F. Austin State University, 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.

Sec. 55.1789. TEXAS TECH UNIVERSITY SYSTEM; ADDITIONAL BONDS. (a) Authorizes the board of regents of the Texas Tech University System (TTU board), in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the TTU board for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) Texas Tech University Health Sciences Center: \$56,497,500 for renovation and expansion of Lubbock education, research, and technology facilities; \$13,365,000 for construction of the Permian Basin academic facility; and \$4,762,500 for construction of the Amarillo Panhandle Clinical/Hospital Simulation;

(2) Texas Tech University Health Sciences Center at El Paso, \$63,720,000 for construction of the El Paso Medical Science Building II;

(3) Texas Tech University, \$65,947,500 for construction of an experimental sciences building; and

(4) Angelo State University, \$18,022,500 for construction of a College of Health and Human Services building.

(b) Authorizes the TTU board to pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of the Texas Tech 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 TTU board to transfer funds among institutions, branches, and entities of the Texas Tech 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 if sufficient funds are not available to the TTU board to meet its obligations under this section.

Sec. 55.17891. TEXAS SOUTHERN UNIVERSITY; ADDITIONAL BONDS. (a) Authorizes the board of regents of Texas Southern University (TSU board), in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for the Robert J. Terry Library at Texas Southern University, to be financed through the issuance of bonds in accordance with this subchapter, not to exceed the aggregate principal amount of \$59,710,680.

(b) Authorizes the TSU board to pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of Texas Southern University, 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.

Sec. 55.17892. TEXAS STATE TECHNICAL COLLEGE SYSTEM. (a) Authorizes the board of regents of the Texas State Technical College System (TSTC board) in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) Texas State Technical College--West Texas, \$9,967,270 for construction of an industrial technology center;

(2) Texas State Technical College--Harlingen, \$3,114,772 for Phase II of the Engineering Technology Center renovation;

(3) Texas State Technical College--Marshall, \$7,875,400 for construction of a North Texas technology building; and

(4) Texas State Technical College--Waco, \$12,417,558 for construction of the Fort Bend Technical Center.

(b) Authorizes the TSTC board to pledge irrevocably to the payment of bonds all or any part of the revenue funds of an institution, branch, or entity of the Texas State Technical College 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 TSTC board to transfer funds among institutions, branches, and entities of the Texas State Technical College 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 if sufficient funds are not available to the TSTC board to meet its obligations under this section.

SECTION 2. Provides that this Act does not affect any authority or restriction regarding the activities that a public institution of higher education may conduct in connection with a facility financed by bonds authorized by this Act.

SECTION 3. (a) Provides that the amount of \$2.86 billion be appropriated out of the economic stabilization fund to the comptroller of public accounts of the State of Texas (comptroller) for the state fiscal biennium ending August 31, 2017, for distribution to for debt service on revenue bonds authorized by this Act. Provides that this subsection takes effect only if this Act receives a vote of two-thirds of the members present in each house of the legislature.

(b) Provides that this subsection takes effect only if Subsection (a) does not take effect. Provides that the amount of \$2.86 billion be appropriated out of the general revenue fund to the comptroller for the state fiscal biennium ending August 31, 2017, for distribution to institutions of higher education for debt service on revenue bonds authorized by this Act.

(c) Requires the comptroller distribute a portion of the amount appropriated by Subsection (a) or (b) of this section, as applicable, to each institution of higher education or university system, as applicable, in accordance with calculations made by the Legislative Budget Board (LBB) of each institution's or system's proportionate share of the amount appropriated based on the amount of revenue bonds authorized by this Act for each institution or system.

(d) Requires the LBB to make the initial calculations under this section and notify the comptroller and the applicable institutions of higher education and university systems of the respective shares to be distributed under this section as soon as practicable. Authorizes the LBB to make adjustments to those calculations and provide a final determination of those shares.

SECTION 4. Effective date, except as provided by Sections 3(a) and (b) of this Act: September 1, 2015.