

IBILL ANALYSIS

Senate Research Center
79R3465 CAS-D

S.B. 354
By: Fraser
Finance
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As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Under current law, the governing board of an institution of higher education is authorized to issue bonds or notes to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, and other infrastructure related to institutions. As proposed, S.B. 354 authorizes the Texas A&M University System board of regents to use tuition revenue bonds in an amount up to \$48 million to acquire, build, improve, renovate, enlarge, or equip facilities, including roads and related infrastructure for projects at Tarleton State University. S.B. 354 authorizes the issuance of bonds in the amount of \$48 million for the following projects:

- Construction of a nursing facility – This project is the number one priority for the institution. The project consists of constructing, furnishing, and equipping a new 50,000 gross square footage building; the project also includes renovating 9,168 gross square footage in the existing nursing building so it can be connected to the campus central plant utilities.
- Construction of a research park - Tarleton proposes to construct, furnish, and equip three new buildings to house the Texas Institute for Applied Environmental Research, the Center for Agribusiness Excellence, the Texas A&M Agricultural Research and Extension Center, and the Texas Data Mining Research Institute. This project would include: boardrooms; research laboratories; meeting rooms; and computer processing rooms.
- Renovation of the central plant loop - The current utility distribution system is outdated; the university reports that the central plant loop is a campus safety issue. A large portion of this project would replace an antiquated system that has been patched, repaired, and rebuilt several times. The project includes renovation of its central plant to contain: hot water boilers, controls; and associated piping. Many of the major buildings on campus would be equipped with controls and connections to this new system.

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 55.17512, as follows:

Sec. 55.17512. TEXAS A&M UNIVERSITY SYSTEM; ADDITIONAL BONDS. (a) Authorizes the board of regents of the Texas A&M University System (board), in addition to other authority granted by this subchapter, to take certain actions for the Tarleton State University nursing program, the Tarleton Research Park, and the Tarleton State University central physical plant and campus piping loop for distribution of utilities, to be financed by the issuance of bonds, 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 \$48 million.

(b) Authorizes the board to pledge irrevocable to the payment of those bonds all or any part of the revenue of an institution, branch, or entity of the Texas A&M University System, including student tuition charges. Prohibits the amount

pledged 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, 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 2. Effective date: September 1, 2005