

## **BILL ANALYSIS**

Senate Research Center

S.B. 858  
By: Van de Putte  
Finance  
4/20/2005  
As Filed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Currently, The University of Texas Health Science Center at San Antonio (UTHSC-SA) has a 325,000 square feet deficit in academic and research space, making it difficult to recruit and retain outstanding faculty. This huge space deficit requires the institution to lease more than 90,000 square feet off campus at an annual cost of 1.67 million dollars.

To address this deficit the UTHSC-SA seeks tuition revenue bonds of 20 million dollars to build a modern faculty office building on the main campus.

The faculty office building will be the first facility to address faculty office space on the main campus in over 20 years. The proposed facility will provide 55,000 square feet to partially address the space deficit. It will improve faculty morale, facilitate recruitment and retention of talented individuals, and increase interactions between faculty and students. It will also allow the institution to hire the additional faculty necessary for the continuing expansion of academic offerings.

This proposed building will replace some abysmal faculty space assignments. The nationally acclaimed Department of Orthopedics has been housed in a temporary structure on campus for over three decades. No greater justification for the facility is possible.

As proposed, S.B. 858 provides for the issuance of \$20 million in bonds for a faculty office building and other projects at UTHSC-SA.

### **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 55.175, as follows:

Sec. 55.175. THE UNIVERSITY OF TEXAS SYSTEM; ADDITIONAL BONDS. (a) Authorizes the board of regents (board) of The University of Texas System (UT System), 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 Health Science Center at San Antonio, including the Faculty Office Building, to be financed by the issuance of bonds in accordance with a systemwide revenue financing program and secured as provided by that program, in the aggregate principal amount of \$20 million.

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

SECTION 2. Amends Section 61.0572(e), Education Code, to make a conforming change.

SECTION 3. Amends Section 61.058(b), Education Code, to make a conforming change.

SECTION 4. Effective date: upon passage or September 1, 2005.