

BILL ANALYSIS

Senate Research Center
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S.B. 1796
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Higher Education
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current capitol project approval levels were established in 1999, but construction inflation and the complexity of building systems have increased greatly. This has slowed the approval process for institutions of higher education seeking approval by the Texas Higher Education Coordinating Board (THECB).

This bill would streamline the process for approving certain construction, repair, and rehabilitation projects.

As proposed, S.B. 1796 increases, from \$2 million to \$4 million the threshold for instances in which THECB approval would be necessary for certain projects, and increases, from \$1 million to \$4 million the amount over which THECB is required to approve for new construction projects.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 61.058, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 61.058, Education Code, by amending Subsection (a) and adding Subsection (c), as follows:

(a) Requires the Texas Higher Education Coordinating Board (THECB), except as provided by Subsection (b) (relating to the review of construction, repair, or rehabilitation financed by bonds) of this section, to approve or disapprove all new construction and repair and rehabilitation of all buildings and facilities at institutions of higher education financed from any source provided including that THECB's consideration and determination is required to be limited to the purpose for which the new or remodeled buildings are to be used to assure conformity with approved space utilization standards and the institution's approved programs and role and mission if the cost of the project is not more than \$4,000,000, rather than \$2,000,000, but THECB is authorized to consider cost factors and the financial implications of the project to the state if the total cost is in excess of \$4,000,000, rather than \$2,000,000; the requirement for approval for new construction applies only to projects the total cost of which is in excess of \$4,000,000, rather than \$1,000,000. Makes a conforming change.

(c) Authorizes THECB, as necessary to ensure that THECB is required to approve only substantial construction, repair, or rehabilitation projects at institutions of higher education, for all projects described by Subsection (a)(B) (relating to the approval for construction, repair, and rehabilitation for a certain project) or (a)(C) (relating to the authorization of THECB to consider cost factors and financial implications of certain projects), by rule to increase the total cost threshold required for board approval under this section.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2009.