

Allowing Texas A&M and the University of North Texas to issue additional TRBs

HB 317 by Miller (Fraser)

DIGEST: HB 317 would have eliminated the statutory enrollment equivalent of 1,500 full-time students that is required before the Texas A&M University System and the University of North Texas System may issue tuition revenue bonds (TRBs) for Texas A&M University –Central Texas, Texas A&M University–San Antonio, and the University of North Texas at Dallas.

Under current law – HB 153 by Morrison, 79th Legislature, third called session – the Texas A&M University System is authorized to issue additional TRBs for \$25 million for its Central Texas campus and \$40 million for its San Antonio campus, and the University of North Texas System is authorized to issue TRBs for \$25 million for its Dallas campus. The bill would have allowed the systems to issue these bonds in fiscal 2008, rather than after the enrollment requirements had been met.

The bill also would have required the Texas Higher Education Coordinating Board to conduct a study to determine the merits of permitting a public higher education institution to issue bonds for funding capital projects at branch campuses, extension centers, system centers, and multi-institutional teaching centers, regardless of the level of student enrollment.

GOVERNOR'S REASON FOR VETO:

“House Bill No. 317 would repeal sections of the Texas Education Code that set enrollment requirements for the issuance of tuition revenue bonds (TRBs) for three small branch campuses, or ‘centers.’ The bill as filed would lower enrollment requirements for Tarleton State University Center – Central Texas. House Bill No. 317 was amended to remove requirements completely for that center, as well as the University of North Texas System Center at Dallas and the Texas A&M University System Center at San Antonio.

“The TRBs for the centers were authorized during the Third Called Special Session of the 79th Legislature with the understanding that the enrollment requirement necessary for their issuance would be set at 1,500 students for one semester, at which point they would have already become stand-alone institutions of higher education. It is my position that the centers should reach stand-alone status prior to the issuance of TRBs.

“Furthermore, the centers have not experienced significant growth. In fact, their enrollment has remained relatively flat. This indicates that the centers are appropriately serving their area’s educational needs without additional facilities. The repeal of the enrollment requirements necessary for the issuance of TRBs would result in greater state appropriations and sets a bad precedent for the future.”

RESPONSE: Rep. Sid Miller, the bill’s author, said: “Many central Texas soldiers, their families, and community leaders were very disappointed by the governor’s veto. The local community has put \$8 million cash into creating a stand-alone university, and Fort

Hood has set aside 661 acres for a site to build the campus at an estimated worth from \$2 million to \$4 million. It is a shame that everyone has done their part but the state. Our soldiers deserve better.

Sen. Troy Fraser, the Senate sponsor, was unavailable for comment.

NOTES: HB 317 was analyzed in Part One of the April 25 *Daily Floor Report*.