

## **BILL ANALYSIS**

Senate Research Center  
79R4624 KEL-D

S.B. 1041  
By: Janek  
Finance  
4/22/2005  
As Filed

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

Due to genome and molecular medicine, Texas stands at the threshold of the next era of medicine. Yet the choice needs to be made to either embrace or ignore revolutionary treatments.

One of the most promising areas of genetics-based research today involves adult stem cells. Not to be confused with embryonic stem cell research, a hot-button issue, adult stem cells are derived from an adult person's own tissue.

For more than a decade, researchers at the Texas Heart Institute (THI) have set the pace for studying the use of adult stem cells to treat heart disease. The findings of Dr. James T. Willerson, Dr. Emerson Perin, and other THI leaders believe that these cells can be used to help "grow" heart muscle and blood tissue. The encouraging results have helped THI become the first institution to receive FDA approval to study these effects on patients.

Texas has reached a crossroads on adult stem cell research. By embracing this revolutionary treatment, Texas will maintain its global leadership position and potentially help thousands of patients prevent and recover from heart disease.

The stakes for Texas are clear. Cardiovascular disease is America's leading cause of death, claiming a life every 34 seconds, 2,600 lives each day, and more than one million lives each year. The estimated cost of cardiovascular disease in 2005 alone will be \$394 billion, or more than one billion dollars per day.

Other states across the country have started to invest more aggressively in research facilities. To capitalize on its unique leadership position and to accelerate our progress in the war against heart disease, S.B. 1041 authorizes \$ 41.1 million in tuition revenue bonds to allow The University of Texas System to build an 80,000 square foot research space.

The University of Texas Health Science Center at Houston and THI have already been setting the global pace and the creation of this Stem Cell Center will build on this work by focusing on adult stem cell research; offering a home to the visionaries and scholars who will define the future of molecular medicine; and developing strong research relationships among scientists across the state, supported by public and private funds.

Given the proper resources, scientists can create therapies that repair an injured heart, brain, or other organ. To make this vision a reality, the State of Texas can step forward and take an active leadership role in adult stem cell research.

### **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 55.1752, as follows:

Sec. 55.1752. 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, facilities, roads, or related infrastructure for The University of Texas Health Science Center at Houston (UT-Houston) to establish an adult stem cell research center at the Texas Medical Center to conduct stem cell and related biomedical research in collaboration with other participating institutions and entities, to be financed by the issuance of bonds in accordance with this subchapter, 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 \$41.1 million.

(b) Authorizes the board to pledge irrevocably to the payment of the bonds authorized by this section 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 institution, branches, and entities of the UT 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: upon passage or September 1, 2005.