

**Seventy-seventh Legislature Regular Session 2001  
Summary of Bills of Interest**

**I. TPFA and New Bonding Authority**

<b>Bill No.</b>	<b>Author</b>	<b>Subject Matter</b>
HB6	Dunnam	Reforms state law requirements for charter schools and requires TPFA to issue revenue bonds for eligible open-enrollment charter schools under the Higher Education Authority Act (ch.53, Ed Code). Filed without Governor's signature. Effective 9/1/01.
HB658	Junell	Authorizes a total of approximately \$1 billion tuition revenue bonds for most institutions of higher education, including \$79 million for TSU, \$8.9 million for Midwestern State, and \$14 million for Stephen F. Austin. The exact amount and timing of these bond issues will depend on how the appropriation of \$76,423,392 to the institutions to makeup revenue lost to operations due to debt service requirements is allocated. Effective 9/1/01.
HB2153	Averitt	Increases TPFA Board to 7 members and makes other technical amendments to clean-up chapter 1232, Government Code (TPFA's organic law.) Effective 9/1/01.
HB2277	Carter	Clarifies that state agencies may use MLPP to finance energy conservation projects. Effective 9/1/01.
HB3064/ HJR97	Junell	Contingent on voter approval of HJR97 in November, authorizes TPFA to issue up to \$850 million of G.O. Bonds for renovation, construction, and equipment acquisition on behalf of 13 state agencies: GSC, TYC, MHMR, TDCJ, TDH, THC, TDA, TPWD, TSD, DPS, SPB, Adjutant General, and TSBVH. The amount of bonds and the purposes for which the proceeds may be used will be specified in biennia appropriations acts. See Section VI for a listing of the amounts to be issued in the 2002-2003 biennium. Includes \$18.5 million for equipment acquisition to permit DPS to make grants to local law enforcement agencies to install equipment to comply with SB 1074 (re: racial profiling). Effective upon adoption of HJR 97.
HB3286	R. Lewis	Adds authority for state agencies to do water conservation projects and permits MLPP financing thereof. Effective 9/1/01.
SB1074	West	Imposes racial profiling reporting requirements on local agencies. Effective 9/1/01.
SB1173	Wentworth	Authorizes TPFA's issuance of \$9 million of revenue bonds on behalf of TPWD for the renovation of the Admiral Nimitz Museum in Fredricksburg. (This revenue authority is in addition to the \$9 million of GO authority included in HB3064.) Effective immediately (as of 6/14/01.)
SB1296/ SJR37	Lucio	Contingent on voter approval, authorizes TPFA to issue up to \$175 million of GO Bonds for colonia roadway projects. TxDot and Governor's office are to determine the projects, amounts, and timing of bond issue(s). Effective upon adoption of SJR37.

SB1839	Moncrief	Nursing home quality of care and liability insurance reform. Provides for insurance of last resort from the Joint Underwriting Association, with TPFAs issuing \$75 million of revenue bonds to fund a stabilization reserve fund for the association. Debt service is to be met by a tax surcharge on all liability insurance premiums. Generally effective 9/1/01, except mandatory liability insurance which is effective 9/1/03.
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**II. Bond Issuing Procedures**

HB2190	Junell	Bond Review Board is required to adopt debt management policies and guidelines for structuring state debt issues. Effective immediately.
SB565	Armbrister	Exempts municipal bonds and related agreements from UCC, Article IX, effective July 1, 2001.
SB1759	Armbrister	Technical improvements and clarifications of the general bond issuance requirements in chapters 1201, 1207, and 1371, Government Code. Effective 9/1/01.

**III. General State Business Matters**

HB609	Hochberg	Repeals small agency exemption from internal audit requirements. TPFAs will have to either hire or contract for internal audit services. Internal auditor must report directly to board. (Appropriations Act, Art. IX, §10.102, contingency rider provides appropriations to implement.) Effective 9/1/01.
HB1203	Brimer	Requires SORM to be full-service risk manager and insurance manager for most state agencies. Effective 9/1/02.
HB2589	Hochberg	DIR is required to establish a clearinghouse for security of state's information; provide a best practices model; adopt a policy governing state agencies' use of Internet and confidentiality of information. Effective 9/1/01.
HB2809	Wolens	Reiterates the policy of codification project: legislative council makes non-substantive changes to law to codify articles. Legislatively reverses Tx. Supreme Court's <u>Fleming Foods</u> decision. <b>VETOED.</b>
HB2914	Bonnen	State fiscal matters; CPA may authorize digital signatures for electronic voucher approval and other purposes; provides for protection of state's intellectual property; transfers energy office from GSC to CPA; includes GO Bonds for biotech business incubators and product development; revises Texas Treasury Safekeeping Trust Co. law; increases state employees' longevity pay to \$20/3 years (now \$20/5 years); establishes compensation task force to make recommendations to 77 <sup>th</sup> Legislature; amends requirements for AIR's, advisory committees, payments owed to state, prompt pay law, emissions reduction, and collection of fees for 911. Various effective dates.

SB187	Shapleigh	Creates a Texasonline Authority within DIR to coordinate state and local governments' use of automated information resources. Effective immediately (as of Governor's signature on 5/26/01).
SB276	Shapleigh	Notary seal not required on electronic documents. Effective immediately (as of Governor's signature on 5/14/01).
SB393	Carona	Adopts the Uniform Electronic Transactions Act. Effective 1/1/02.
SB1458	Duncan	Establishes Electronic Government Program Management Office as part of DIR to establish, support, coordinate business practices, development and standards for electronic government projects. Effective immediately.

#### IV. Open Meetings

HB35	McClendon	Meeting may be held by videoconference only if a majority of a quorum is physically present at one location. Effective 9/1/01.
HB1056	Wentworth	A quorum of the board attending a legislative committee or agency hearing is not an open meeting of the board. Effective 9/1/01.

#### V. State Employees

HB569	Gallego	Amends procedures for contributing to sick leave pool. Effective 9/1/01.
SB12	Nelson	Prohibits discrimination based on genetic information/medical characteristics. Effective 9/1/01.
SB799	Duncan	Requires state agencies to do exit interviews. Effective 9/1/01.
SB1	Various	Salary and longevity pay increases. All employees with 12 months continuous service before 9/1/01 will receive 4% increase or at least \$100 per month for FY'02 and all employees who begin work by 3/1/03 will receive the increase beginning FY'03. Employees will receive longevity pay increase of \$20/per 3 years of service. (Appropriations Act, page IX-76, §10.12.)  For FY'03, contingent on Comptroller's certification of sufficient revenues, Schedule B employees will receive 3% increase with a minimum of \$65/month, and Schedule A and C employees will receive a \$65/month increase. (Appropriations Act, page IX-79, §10.13.)

**TPFA FINANCINGS APPROVED**  
**By 77<sup>th</sup> Legislature under HJR97/HB3064**

AGENCY	PROCEEDS		DEBT SERVICE		SB 1 REFERENCE	COMMENTS/ PROJECT
	FY02	FY03	FY02	FY03		
<b>GO BONDS</b>						
<i>HB3064/HJR97</i>						Contingent on voter approval of HJR97 in November
GSC	0	\$16,484,500	0	\$576,975	IX-107, §10.87	Critical Repairs & Compliance Repairs at state office buildings
Historical Commission	0	\$45,000,000	0	\$1,575,000	IX-107, §10.87	County Courthouses VETOED
SPB	0	0	0	0	--	Repair and Maintenance of State Capitol Building and Grounds; No bonds in FY 02-03; Bonds in future biennia
TDH (Health Dept.)	33,900,000	0	\$678,000	\$3,678,150	II-29 II-45, Rider 68	Construction of 2 chest hospitals in San Antonio and Harlingen. Debt service paid from Tobacco settlement receipts
MHMR	0	\$35,000,000	0	\$1,225,000	IX-107, §10.87; II-96, Rider 29	Deferred maintenance; System Renewal
TSBVH (School for the Blind)	0	\$5,134,000	0	\$179,725	III-31 III-37, Rider 9	Renovation & Maintenance
TSD (School for the Deaf)	\$7,085,000	0	\$141,700	\$769,450	III-34 III-35, Rider 3 III-37, Rider 9	Construction, Renovation & Maintenance Work must be complete by August 31, 2003
Adjutant General	0	\$3,038,252	0	\$106,175	IX-107, §10.87	D/S estimated from end of Article V
TDCJ	0	\$80,000,000	0	\$2,800,000	V-10, V-12 V-13, projects listed in Rider 1, section b(2) and c.	Construction and Repair of Facilities; Expansion of Western Regional Medical Facility
TYC	UB	\$10,792,136	0	\$377,825	V-59, V-60 V-63, Rider 22 projects listed in Rider 1, Section (a) and ( b)	Evins Regional Juvenile Center Education Bldg; Various Renovation and Repair
DPS	0	\$18,500,000	0	\$647,500	V-45 V-46, V-56, Rider 56	Grants to local law enforcement agencies to install video/audio equipment in compliance with SB1074
Department of Agriculture	0	\$45,000	0	0	IX-107, §10.87	Giddings Seed Laboratory Maintenance/Repairs
TPWD (Parks)	0	\$36,680,000	0	\$1,283,800	VI-34 VI-38, Rider 30	Repairs statewide; San Jacinto, Battleship Texas, Nimitz Museum, Sheldon
Equipment Acquisition	0	\$31,500,000	0	\$1,102,500	IX-107 § 10.87	Agency not specified
<b>SUBTOTAL</b>	40,985,000	\$237,173,888	\$819,700	14,215,925		Excludes \$45m Historical Comm veto
SB1296/SJR37 Colonia Roadways	\$175,000,000		0	0		Contingent on SJR37 Debt service not funded

AGENCY	PROCEEDS		DEBT SERVICE		SB 1 REFERENCE	COMMENTS/ PROJECT
	FY02	FY03	FY02	FY03		
<b>TOTAL GO</b>	215,985,000	\$237,173,888	819,700	14,215,925		
<b>REVENUE BONDS</b>						
<i>HB 1</i>						
GSC	\$8,600,000		1,520,000	UB	IX -10.02	Revenue bond proceeds to renovate Old Insurance Building (portion of authorization used)
GSC	---				IX - 72 § 10.01	REJ unused construction funds carry forward
TMFC/Adj. Gen.	\$2,567,182	2,154,398	566,139	802,094	V-37, V-1	Revenue bond proceeds for construction & renovation
TDA	\$1,800,000		63,000	156,000	VI-6, Rider 15	Revenue bond or note proceeds for metrology lab
TPWD	\$350,000	\$350,000			VI-33	Existing bond proceeds re-appropriated
DHS	\$34,900,000		7,398,800	UB	II-79, Rider 43	TIERS project
<i>HB6</i> Charter Schools						Requires TPFA to issue revenue bonds for eligible open-enrollment charter schools under the higher education authority act (ch. 53, Ed. Code)
<i>HB658</i> Tuition Revenue Bonds						
TOTAL	1,081,755,576		76,423,393	UB	IX - 87 § 10.19	Debt service was not allocated to each university in Appropriations Act
Midwestern State		\$8,967,500				
Stephen F Austin		14,072,000				
Texas Southern		79,000,000				
Subtotal TPFA		\$102,039,500				TSU: \$14.5m not before 3/1/03
<i>SB1173</i> Nimitz Museum	\$9,000,000		0	0		Debt service not funded
<i>SB1839</i> Nursing Home Liability Insurance	\$75,000,000					Provides for insurance of last resort from the Joint Underwriting Association, with TPFA issuing \$75 million of revenue bonds to fund a stabilization reserve fund for the Association. Debt service is to be met by a tax surcharge on all liability insurance premiums.
<b>SUBTOTAL</b>	236,061,080					
<b>MASTER LEASE</b>						
HB2277						Clarifies that state agencies may use MLPP to finance energy conservation projects
HB3286						Adds authority for state agencies to do water conservation projects and permits MLPP financing thereof

**VI. Appropriations Act Provisions Relating to TPFAs Bond Issues**

<b>Page No./ Section</b>	<b>Agency</b>	<b>Amount FY02</b>	<b>Amount FY03</b>	<b>Purpose, Source, Contingency(ies)</b>
II-29	TDH	\$33,900,000	0	GO proceeds; new hospital construction contingent on HJR97/H3064.
III-31	TSBVH	0	\$5,134,000	GO proceeds; renovation, contingent on HJR97/H3064.
III-34	TSD	\$7,085,000	0	GO proceeds; renovation contingent on HJR97/H3064
V-12	TDCJ	0	\$80,000,000	GO proceeds; renovation contingent on HJR97/H3064
V-37	TMFC	\$2,567,182	\$2,154,398	Revenue bond proceeds for construction/renovation
V-45	DPS	0	\$18,500,000	GO proceeds; equipment acquisitions for grants contingent on HJR97/H3064 and SB1074.
V-59	TYC	0	\$10,792,136	GO proceeds; renovation contingent on HJR97/H3064.
VI-6	TDA	\$1,800,000	0	Revenue bond or note proceeds for metrology lab.
		\$63,000	\$156,000	Lease payments on metrology lab.
VI-33	TPWD	0	\$36,800,000	GO proceeds for renovation contingent on HJR97/H3064
		\$350,000	\$350,000	Revenue proceeds
Art. IX, §10.01	GSC	----	----	REJ unused construction funds carry forward
Art. IX, §10.02	GSC	\$8,600,000	UB	Revenue bond proceeds to renovate Old Insurance Building (a portion of authorization already used.)
Art. IX, §10.19	Institutions of Higher Education (See HB658 noted above.)	\$76,423,392	UB	GR to offset institutions of higher education debt service expense contingent on H658. (Division of appropriation among institutions not identified.)

Art. IX, §10.87	THC	0	\$45,000,000	Construction, renovation, or equipment acquisition contingent on HJR97/H3064
	MHMR	0	\$35,000,000	
	Equipment	0	\$31,500,000	[Note: specific agencies/purposes is not identified.]
	GSC	0	\$16,484,500	
	Adjutant General	0	\$3,038,252	
	TDA	0	\$45,000	