

By: Wilson

H.J.R. No. 201

A JOINT RESOLUTION

1 proposing a constitutional amendment providing for the creation of  
2 the technical institution infrastructure fund and the available  
3 workforce education fund to support the capital needs of career and  
4 technical education programs offered by the Texas State Technical  
5 College System, the Lamar Institute of Technology, Lamar State  
6 College-Orange, and Lamar State College-Port Arthur.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

8 SECTION 1. Article VII, Texas Constitution, is amended by  
9 adding Section 23 to read as follows:

10 Sec. 23. (a) The technical institution infrastructure fund  
11 and the available workforce education fund are established as  
12 special funds in the state treasury for the purpose of providing  
13 funding for capital projects and equipment purchases related to  
14 career and technical education programs offered by the Texas State  
15 Technical College System, the Lamar Institute of Technology, Lamar  
16 State College - Orange, and Lamar State College - Port Arthur as  
17 provided by this section.

18 (b) The technical institution infrastructure fund consists  
19 of:

20 (1) money transferred or deposited to the credit of  
21 the fund; and

22 (2) any interest or other earnings attributable to the  
23 investment of money in the fund.

24 (c) The available workforce education fund consists of

1 money distributed to the fund from the technical institution  
2 infrastructure fund as provided by this section.

3 (d) The board of regents of the Texas State Technical  
4 College System shall administer the technical institution  
5 infrastructure fund, which shall be invested in the manner and  
6 according to the standards provided for investment of the permanent  
7 university fund. The expenses of managing the investments of the  
8 fund shall be paid from the fund.

9 (e) The legislature may not appropriate money from the  
10 technical institution infrastructure fund for any purpose.

11 (f) For each state fiscal year, the board of regents of the  
12 Texas State Technical College System shall distribute an amount  
13 from the interest and other earnings attributable to the investment  
14 of money in the technical institution infrastructure fund to the  
15 available workforce education fund for purposes of this section.  
16 The amount of the distribution:

17 (1) must be:

18 (A) at least equal to the amount necessary to pay  
19 the principal and interest due for that fiscal year on bonds and  
20 notes issued under this section; and

21 (B) determined in a manner intended to:

22 (i) provide the available workforce  
23 education fund with a stable and predictable stream of annual  
24 distributions; and

25 (ii) maintain over time the purchasing  
26 power of the technical institution infrastructure fund; and

27 (2) subject to Subdivision (1)(A) of this subsection,

1 may not exceed:

2 (A) if the purchasing power of the technical  
3 institution infrastructure fund for any rolling 10-year period is  
4 not preserved, the amount distributed for the preceding state  
5 fiscal year until the purchasing power of the fund is restored; or

6 (B) seven percent of the average net fair market  
7 value of the investment assets of the technical institution  
8 infrastructure fund, as determined by the board of regents.

9 (g) Subject to Subsection (i) of this section, the board of  
10 regents of the Texas State Technical College System may issue bonds  
11 and notes in a total amount not to exceed 20 percent of the cost  
12 value of the investments and other assets of the technical  
13 institution infrastructure fund, other than real estate, at the  
14 time of issuance, and may pledge all or any part of the system 's  
15 two-thirds interest in the available workforce education fund to  
16 secure the payment of principal and interest of those bonds and  
17 notes, for the purpose of supporting the system administration and  
18 career and technical education programs offered by component  
19 institutions of the system.

20 (h) Subject to Subsection (i) of this section, the board of  
21 regents of the Texas State University System may issue bonds and  
22 notes in a total amount not to exceed 10 percent of the cost value of  
23 the investments and other assets of the technical institution  
24 infrastructure fund, other than real estate, at the time of  
25 issuance, and may pledge all or any part of the system 's one-thirds  
26 interest in the available workforce education fund to secure the  
27 payment of principal and interest of those bonds and notes, for the

1 purpose of supporting career and technical education programs  
2 offered by the Lamar Institute of Technology, Lamar State College -  
3 Orange, and Lamar State College - Port Arthur as provided by this  
4 section.

5 (i) Bonds and notes may be issued under Subsection (g) of or  
6 (h) of this section only for the purpose of:

7 (1) acquiring land, either with or without permanent  
8 improvements;

9 (2) constructing and equipping buildings or other  
10 permanent improvements;

11 (3) major repair and rehabilitation of buildings and  
12 other permanent improvements;

13 (4) acquiring capital equipment, including  
14 instructional equipment, virtual reality or augmented reality  
15 equipment, heavy industrial equipment, and vehicles;

16 (5) acquiring library books and materials, including  
17 digital or electronic library books and materials; and

18 (6) refunding bonds or notes issued under this section  
19 or prior law.

20 (j) Out of the annual distribution from the technical  
21 institution infrastructure fund to the available workforce  
22 education fund:

23 (1) two-thirds are appropriated to the board of  
24 regents of the Texas State Technical College System for:

25 (A) payment of the principal and interest due on  
26 the bonds and notes issued by the board of regents under this  
27 section and prior law; and

1           (B) if any money remains after the payment of  
2 principal and interest under Subdivision (A) of this subsection, a  
3 purpose described by Subsection (i) of this section for the support  
4 of the system administration and career and technical education  
5 programs offered by component institutions of the system; and

6           (2) one-third is appropriated to the board of regents  
7 of the Texas State University System for:

8           (A) payment of the principal and interest due on  
9 the bonds and notes issued by the board of regents under this  
10 section and prior law; and

11           (B) if any money remains after the payment of  
12 principal and interest under Subdivision (A) of this subsection, a  
13 purpose described by Subsection (i) of this section for the support  
14 of the career and technical education programs offered by the Lamar  
15 Institute of Technology, Lamar State College - Orange, and Lamar  
16 State College - Port Arthur.

17           (k) The bonds and notes issued under this section shall be  
18 payable solely out of the available workforce education fund,  
19 mature serially or otherwise in not more than 30 years from the date  
20 of issuance, and, except for refunding bonds, be sold only through  
21 competitive biddings. Each bond or note is subject to approval by  
22 the attorney general and, when so approved, is incontestable.  
23 Money in the technical institution infrastructure fund may be  
24 invested in these bonds and notes.

25           (l) Money appropriated under Subsection (j) of this section  
26 that is not spent during the state fiscal year for which the  
27 appropriation is made is retained by the receiving system and may be

1 spent in a subsequent state fiscal year for a purpose for which the  
2 appropriation was made.

3 (m) The Texas State Technical College System and the Texas  
4 State University System may not receive money from the general  
5 revenue fund for a purpose for which the board of regents of the  
6 system may issue bonds or notes under this section, except that:

7 (1) in the case of fire, natural disaster, or man-made  
8 disaster, the legislature by majority vote of the membership of  
9 each house may appropriate to the system from the general revenue  
10 fund an amount sufficient to replace the uninsured loss of a  
11 building or other permanent improvement; and

12 (2) the legislature by two-thirds vote of the  
13 membership of each house may, in cases of demonstrated need clearly  
14 expressed in the act, appropriate to the system money from the  
15 general revenue fund for a purpose for which the board of regents of  
16 the systems may issue bonds or notes under this section.

17 (m-1) Subsection (m) of this section does not apply to money  
18 appropriated before January 1, 2024, or for the payment of  
19 principal and interest due on bonds and notes issued under other law  
20 before January 1, 2024. This subsection expires January 1, 2054.

21 (n) Notwithstanding any other provision of this section,  
22 bonds and notes issued under this section, and money appropriated  
23 from the available workforce education fund under this section, may  
24 not be used for the purpose of constructing, equipping, repairing,  
25 or rehabilitating buildings or other permanent improvements that  
26 are to be used for intercollegiate athletics or auxiliary  
27 enterprises.

1       (o) An institution that is entitled to participate in  
2 dedicated funding provided by Section 17 or 18 of this article may  
3 not be entitled to participate in the funding provided by this  
4 section.

5       (p) This section does not impair any obligation created by  
6 the issuance of bonds or notes in accordance with prior law,  
7 including bonds or notes issued under Section 17 of this article  
8 before January 1, 2024, and all outstanding bonds and notes shall be  
9 paid in full, both principal and interest, in accordance with their  
10 terms. If this section conflicts with any other provision of this  
11 constitution, this section prevails.

12       (p-1) On January 1, 2024, the comptroller of public accounts  
13 shall transfer \$1.5 billion of the unencumbered balance of the  
14 general revenue fund that exists on that date to the technical  
15 institution infrastructure fund. This subsection expires December  
16 31, 2024.

17       SECTION 2. Sections 17(b) and (c), Article VII, Texas  
18 Constitution, are amended to read as follows:

19       (b) The funds appropriated under Subsection (a) of this  
20 section shall be for the use of the following eligible agencies and  
21 institutions of higher education (even though their names may be  
22 changed):

23               (1) Texas A&M University - Commerce [~~East Texas State~~  
24 ~~University including East Texas State University at Texarkana~~];

25               (2) Lamar University [~~including Lamar University at~~  
26 ~~Orange and Lamar University at Port Arthur~~];

27               (3) Midwestern State University;

- 1 (4) University of North Texas;
- 2 (5) The University of Texas Rio Grande Valley
- 3 [~~Texas-Pan American including The University of Texas at~~
- 4 ~~Brownville~~]
- 5 (6) Stephen F. Austin State University;
- 6 (7) Texas College of Osteopathic Medicine;
- 7 (8) Texas State University System Administration and
- 8 the following component institutions:
- 9 (9) Sam Houston State University;
- 10 (10) [~~Southwest~~] Texas State University;
- 11 (11) Sul Ross State University including Rio Grande
- 12 College [~~Uvalde Study Center~~];
- 13 (12) Texas Southern University;
- 14 (13) Texas Tech University;
- 15 (14) Texas Tech University Health Sciences Center;
- 16 (15) Angelo State University;
- 17 (16) Texas Woman 's University;
- 18 (17) University of Houston System Administration and
- 19 the following component institutions:
- 20 (18) University of Houston;
- 21 (19) University of Houston--Victoria;
- 22 (20) University of Houston--Clear Lake;
- 23 (21) University of Houston--Downtown;
- 24 (22) Texas A&M University--Corpus Christi;
- 25 (23) Texas A&M International University;
- 26 (24) Texas A&M University--Kingsville;
- 27 (25) West Texas A&M University; and

1           (26) Texas A&M University - Texarkana [~~Texas State~~  
2 ~~Technical College System and its campuses, but not its extension~~  
3 ~~centers or programs~~].

4           (c) Pursuant to a two-thirds vote of the membership of each  
5 house of the legislature, institutions of higher education may be  
6 created at a later date by general law, and, when created, such an  
7 institution shall be entitled to participate in the funding  
8 provided by this section if it is not created as a part of The  
9 University of Texas System or The Texas A&M University System. An  
10 institution that is entitled to participate in dedicated funding  
11 provided by [~~Article VII,~~] Section 18 or 23[~~7~~] of this article  
12 [~~constitution~~] may not be entitled to participate in the funding  
13 provided by this section.

14           SECTION 3. Section 18(c), Article VII, Texas Constitution,  
15 is amended to read as follows:

16           (c) Pursuant to a two-thirds vote of the membership of each  
17 house of the legislature, institutions of higher education may be  
18 created at a later date as a part of The University of Texas System  
19 or The Texas A&M University System by general law, and, when  
20 created, such an institution shall be entitled to participate in  
21 the funding provided by this section for the system in which it is  
22 created. An institution that is entitled to participate in  
23 dedicated funding provided by [~~Article VII,~~] Section 17 or 23[~~7~~] of  
24 this article [~~constitution~~] may not be entitled to participate in  
25 the funding provided by this section.

26           SECTION 4. Section 17(d-1), Article VII, Texas  
27 Constitution, is repealed.

1 SECTION 5. Article VII, Texas Constitution, is amended by  
2 adding Section 23A to read as follows:

3 Sec. 23A. TEMPORARY PROVISION. (a) The transfer of the  
4 Texas State Technical College System, Lamar Institute of  
5 Technology, Lamar State College- Orange, and Lamar State  
6 College-Port Arthur from Section 17 of this article to Section 23 of  
7 this article by the constitutional amendment proposed by the 88th  
8 Legislature, Regular Session, 2023, applies beginning with the  
9 state fiscal year that begins September 1, 2025.

10 (b) Beginning with the state fiscal year that begins  
11 September 1, 2025, the funds allocated as provided by Section 17(d)  
12 of this article to the Texas State Technical College System, Lamar  
13 Institute of Technology, Lamar State College- Orange, and Lamar  
14 State College-Port Arthur shall be allocated to the other agencies  
15 and institutions eligible to receive funds under Section 17 of this  
16 article in proportion to the other funds allocated to those  
17 agencies and institutions as provided by Section 17(d) of this  
18 article, until the legislature or designated agency eliminates the  
19 Texas State Technical College System, Lamar Institute of  
20 Technology, Lamar State College- Orange, and Lamar State  
21 College-Port Arthur from the formula and allocations made under  
22 Section 17(d) of this article.

23 (c) This section expires September 1, 2031.

24 SECTION 6. This proposed constitutional amendment shall be  
25 submitted to the voters at an election to be held November 7, 2023.  
26 The ballot shall be printed to permit voting for or against the  
27 proposition: "The constitutional amendment providing for the

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1 creation of the technical institution infrastructure fund and the  
2 available workforce education fund to support the capital needs of  
3 career and technical education programs offered by the Texas State  
4 Technical College System, Lamar Institute of Technology, Lamar  
5 State College-Orange, and Lamar State College-Port Arthur."