

By: Birdwell, et al.

S.J.R. No. 81

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.

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

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

9 Sec. 23. (a) The technical institution infrastructure fund
10 and the available workforce education fund are established as
11 special funds in the state treasury for the purpose of providing
12 funding for capital projects and equipment purchases related to
13 career and technical education programs offered by the Texas State
14 Technical College System.

15 (b) The technical institution infrastructure fund consists
16 of:

17 (1) money transferred or deposited to the credit of
18 the fund; and

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

21 (c) The available workforce education fund consists of
22 money distributed to the fund from the technical institution
23 infrastructure fund as provided by this section.

24 (d) The board of regents of the Texas State Technical

1 College System shall administer the technical institution
2 infrastructure fund, which shall be invested in the manner and
3 according to the standards provided for investment of the permanent
4 university fund. The expenses of managing the investments of the
5 fund shall be paid from the fund.

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

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

14 (1) must be:

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

18 (B) determined in a manner intended to:

19 (i) provide the available workforce
20 education fund with a stable and predictable stream of annual
21 distributions; and

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

24 (2) subject to Subdivision (1)(A) of this subsection,
25 may not exceed:

26 (A) if the purchasing power of the technical
27 institution infrastructure fund for any rolling 10-year period is

1 not preserved, the amount distributed for the preceding state
2 fiscal year until the purchasing power of the fund is restored; or

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

6 (g) Subject to Subsection (h) of this section, the board of
7 regents of the Texas State Technical College System may issue bonds
8 and notes in a total amount not to exceed 30 percent of the cost
9 value of the investments and other assets of the technical
10 institution infrastructure fund, other than real estate, at the
11 time of issuance, and may pledge all or any part of the system's
12 interest in the available workforce education fund to secure the
13 payment of principal and interest of those bonds and notes, for the
14 purpose of supporting the system administration and career and
15 technical education programs offered by component institutions of
16 the system.

17 (h) Bonds and notes may be issued under Subsection (g) of
18 this section only for the purpose of:

19 (1) acquiring land, either with or without permanent
20 improvements;

21 (2) constructing and equipping buildings or other
22 permanent improvements;

23 (3) major repair and rehabilitation of buildings and
24 other permanent improvements;

25 (4) acquiring capital equipment, including
26 instructional equipment, virtual reality or augmented reality
27 equipment, heavy industrial equipment, and vehicles;

1 (5) acquiring library books and materials, including
2 digital or electronic library books and materials; and

3 (6) refunding bonds or notes issued under this section
4 or prior law.

5 (i) The total amount of the annual distribution from the
6 technical institution infrastructure fund to the available
7 workforce education fund is appropriated to the board of regents of
8 the Texas State Technical College System for:

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

12 (2) if any money remains after the payment of
13 principal and interest under Subdivision (1) of this subsection, a
14 purpose described by Subsection (h) of this section for the support
15 of the system administration and career and technical education
16 programs offered by component institutions of the system.

17 (j) 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 (k) Money appropriated under Subsection (i) of this section
26 that is not spent during the state fiscal year for which the
27 appropriation is made is retained by the Texas State Technical

1 College System and may be spent in a subsequent state fiscal year
2 for a purpose for which the appropriation was made.

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

17 (1-1) Subsection (1) 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 (m) 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 (n) 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 (o) 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 (o-1) On January 1, 2024, the comptroller of public accounts
13 shall transfer \$750 million 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 State College -
26 [~~University at~~] Orange and Lamar State College - [~~University at~~]
27 Port Arthur;

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

1 (24) [~~(25)~~] West Texas A&M University; and
2 (25) Texas A&M University - Texarkana [~~(26)~~ ~~Texas~~
3 ~~State Technical College System and its campuses, but not its~~
4 ~~extension centers or programs~~].

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

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

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

27 SECTION 4. Section 17(d-1), Article VII, Texas

1 Constitution, is repealed.

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

4 Sec. 23A. TEMPORARY PROVISION. (a) The transfer of the
5 Texas State Technical College System from Section 17 of this
6 article to Section 23 of this article by the constitutional
7 amendment proposed by the 88th Legislature, Regular Session, 2023,
8 applies beginning with the state fiscal year that begins September
9 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 shall be
13 allocated to the other agencies and institutions eligible to
14 receive funds under Section 17 of this article in proportion to the
15 other funds allocated to those agencies and institutions as
16 provided by Section 17(d) of this article, until the legislature or
17 designated agency eliminates the Texas State Technical College
18 System from the formula and allocations made under Section 17(d) of
19 this article.

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

21 SECTION 6. This proposed constitutional amendment shall be
22 submitted to the voters at an election to be held November 7, 2023.
23 The ballot shall be printed to permit voting for or against the
24 proposition: "The constitutional amendment providing for the
25 creation of the technical institution infrastructure fund and the
26 available workforce education fund to support the capital needs of
27 career and technical education programs offered by the Texas State

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1 Technical College System."