

By: Lambert

H.J.R. No. 85

A JOINT RESOLUTION

1 proposing a constitutional amendment providing for the creation of
2 funds to support the capital needs of educational programs offered
3 by the Texas State Technical College System and certain component
4 institutions of the Texas State University System and repealing the
5 limitation on the allocation to the Texas State Technical College
6 System and its campuses of the annual appropriation of certain
7 constitutionally dedicated funding for public institutions of
8 higher education.

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

10 SECTION 1. Article VII, Texas Constitution, is amended by
11 adding Section 21 to read as follows:

12 Sec. 21. (a) In this section:

13 (1) "Available fund" means the available instruction
14 in manufacturing and technical workforce operations fund.

15 (2) "Permanent fund" means the permanent instruction
16 in manufacturing and technical workforce operations fund.

17 (b) The permanent instruction in manufacturing and
18 technical workforce operations fund and the available instruction
19 in manufacturing and technical workforce operations fund are
20 established as special funds in the state treasury outside the
21 general revenue fund to be administered as provided by this section
22 without further appropriation for the purpose of providing a
23 dedicated source of funding for capital projects and equipment
24 purchases related to educational programs offered by the Texas

1 State Technical College System and component institutions of the
2 Texas State University System described by Subsection (k) of this
3 section.

4 (c) The permanent fund consists of:

5 (1) money appropriated, credited, transferred, or
6 deposited to the credit of the fund by this section or as authorized
7 by other law;

8 (2) any interest or other earnings attributable to the
9 investment of money in the fund; and

10 (3) gifts, grants, and donations made to the fund.

11 (d) The available fund consists of:

12 (1) money distributed to the fund from the permanent
13 fund as provided by this section;

14 (2) money appropriated, credited, transferred, or
15 deposited to the credit of the fund by this section or as authorized
16 by other law;

17 (3) any interest or other earnings attributable to the
18 investment of money in the fund; and

19 (4) gifts, grants, and donations made to the fund.

20 (e) The comptroller of public accounts, the board of regents
21 of the Texas State Technical College System, or the board of regents
22 of the Texas State University System may establish accounts in the
23 available fund as necessary to administer the fund or pay for
24 projects authorized under this section.

25 (f) The comptroller of public accounts shall hold, manage,
26 and invest the permanent fund. In managing the assets of the fund,
27 the comptroller may acquire, exchange, sell, supervise, manage, or

1 retain any kind of investment that a prudent investor, exercising
2 reasonable care, skill, and caution, would acquire or retain in
3 light of the purposes, terms, distribution needs, and other
4 circumstances of the fund, taking into consideration the investment
5 of all the assets of the fund rather than a single investment. The
6 expenses of managing the investments of the fund shall be paid from
7 the fund.

8 (g) Money may not be appropriated or transferred from the
9 permanent fund or the available fund except as provided by this
10 section.

11 (h) The comptroller of public accounts shall determine the
12 amount available for distribution from the permanent fund to the
13 available fund for each fiscal year. The amount available for
14 distribution:

15 (1) must be determined in a manner intended to:

16 (A) provide the available fund with a stable and
17 predictable stream of annual distributions; and

18 (B) preserve over a rolling 10-year period the
19 purchasing power of the permanent fund; and

20 (2) may not exceed 5.5 percent of the fair market value
21 of the investment assets of the permanent fund, as determined by the
22 comptroller.

23 (i) For each state fiscal year, on request of the board of
24 regents of the Texas State Technical College System or the board of
25 regents of the Texas State University System, the comptroller of
26 public accounts shall distribute an amount that does not exceed the
27 amount determined under Subsection (h) of this section from the

1 permanent fund to the available fund for purposes of this section.

2 (j) Out of the distribution from the permanent fund to the
3 available fund under Subsection (i) of this section, two-thirds is
4 appropriated to the board of regents of the Texas State Technical
5 College System and, subject to Subsection (k) of this section,
6 one-third is appropriated to the board of regents of the Texas State
7 University System for:

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

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

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

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

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

19 (6) payment of the principal and interest due on the
20 bonds and notes issued by the respective board of regents to finance
21 permanent improvements as authorized by other law; and

22 (7) any other purpose authorized by general law.

23 (k) The board of regents of the Texas State University
24 System may use money appropriated under Subsection (j) of this
25 section only for the benefit of:

26 (1) the Lamar Institute of Technology;

27 (2) Lamar State College--Orange;

1 (3) Lamar State College--Port Arthur; or

2 (4) pursuant to a majority vote of the legislature, an
3 institution of higher education created as a part of or added to the
4 system on or after January 1, 2026.

5 (1) Notwithstanding any other provision of this section,
6 money appropriated from the available fund under this section may
7 not be used for the purpose of constructing, equipping, repairing,
8 or rehabilitating buildings or other permanent improvements that
9 are to be used for intercollegiate athletics or auxiliary
10 enterprises.

11 (m) An institution, other than a component institution of
12 the Texas State Technical College System or a component institution
13 of the Texas State University System described by Subsection (k) of
14 this section, that is entitled to participate in dedicated funding
15 provided by Section 17 or 18 of this article may not be entitled to
16 participate in the funding provided by this section.

17 (n) This section does not impair any obligation created by
18 the issuance of bonds or notes in accordance with prior law,
19 including bonds or notes issued under Section 17 of this article,
20 and all outstanding bonds and notes shall be paid in full, both
21 principal and interest, in accordance with their terms. If this
22 section conflicts with any other provision of this constitution,
23 this section prevails.

24 (o) Money appropriated under Subsection (j) of this section
25 that is not spent during the state fiscal year for which the
26 appropriation is made is retained by the Texas State Technical
27 College System or the Texas State University System, as applicable,

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

3 (o-1) On January 1, 2026, the amount of \$1,500,000,000 is
4 appropriated from the general revenue fund to the comptroller of
5 public accounts for the purpose of immediate deposit to the credit
6 of the permanent fund. This subsection expires December 31, 2026.

7 (p) For purposes of Section 22, Article VIII, of this
8 constitution:

9 (1) money in the permanent fund and the available fund
10 is dedicated by this constitution; and

11 (2) an appropriation of state tax revenues for the
12 purpose of depositing money to the credit of the permanent fund or
13 the available fund is treated as if it were an appropriation of
14 revenues dedicated by this constitution.

15 (q) If a board of regents of a higher education system,
16 higher education system, institution of higher education, or state
17 office referenced in this section is merged with another entity or
18 dissolved or otherwise eliminated by law, the rights, privileges,
19 benefits, entitlements, funding, duties, and obligations assigned
20 to that board of regents, system, institution, or state office by
21 this section pass to its successor in function.

22 SECTION 2. Section 17(j), Article VII, Texas Constitution,
23 is amended to read as follows:

24 (j) The state systems and institutions of higher education
25 designated in this section may not receive any additional funds
26 from the general revenue of the state, other than money
27 appropriated under Section 21 of this article, for acquiring land

1 with or without permanent improvements, for constructing or
2 equipping buildings or other permanent improvements, or for major
3 repair and rehabilitation of buildings or other permanent
4 improvements except that:

5 (1) in the case of fire or natural disaster the
6 legislature may appropriate from the general revenue an amount
7 sufficient to replace the uninsured loss of any building or other
8 permanent improvement; and

9 (2) the legislature, by two-thirds vote of each house,
10 may, in cases of demonstrated need, which need must be clearly
11 expressed in the body of the act, appropriate additional general
12 revenue funds for acquiring land with or without permanent
13 improvements, for constructing or equipping buildings or other
14 permanent improvements, or for major repair and rehabilitation of
15 buildings or other permanent improvements.

16 This subsection does not apply to legislative appropriations
17 made prior to the adoption of this amendment.

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

20 (c) Pursuant to a two-thirds vote of the membership of each
21 house of the legislature, institutions of higher education may be
22 created at a later date as a part of The University of Texas System
23 or The Texas A&M University System by general law, and, when
24 created, such an institution shall be entitled to participate in
25 the funding provided by this section for the system in which it is
26 created. An institution that is entitled to participate in
27 dedicated funding provided by [~~Article VII,~~] Section 17 or 21[~~7~~] of

1 this article [~~constitution~~] may not be entitled to participate in
2 the funding provided by this section.

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

5 SECTION 5. This proposed constitutional amendment shall be
6 submitted to the voters at an election to be held November 4, 2025.
7 The ballot shall be printed to permit voting for or against the
8 proposition: "The constitutional amendment providing for the
9 creation of the permanent instruction in manufacturing and
10 technical workforce operations fund and the available instruction
11 in manufacturing and technical workforce operations fund to support
12 the capital needs of educational programs offered by the Texas
13 State Technical College System and certain component institutions
14 of the Texas State University System and repealing the limitation
15 on the allocation to the Texas State Technical College System and
16 its campuses of the annual appropriation of certain
17 constitutionally dedicated funding for public institutions of
18 higher education."