

By: Ogden

S.J.R. No. 11

A JOINT RESOLUTION

1 proposing a constitutional amendment providing for the
2 continuation of the constitutional appropriation of money to
3 certain higher education entities and for the allocation of income
4 from the higher education fund to those entities, and extending the
5 period of maturity for certain bonds and notes issued by those
6 entities.

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

8 SECTION 1. Sections 17(b), (e), and (i), Article VII, Texas
9 Constitution, are amended to read as follows:

10 (b) The funds appropriated under Subsections [~~Subsection~~
11 (a) and (i) of this section shall be for the use of the following
12 eligible agencies and institutions of higher education (even though
13 their names may be changed):

14 (1) Texas A&M University--Commerce;

15 (2) Texas A&M University--Texarkana [~~East Texas State~~
16 ~~University including East Texas State University at Texarkana~~];

17 (3) [~~(2)~~] Lamar University including Lamar State
18 College--Orange [~~University at Orange~~] and Lamar State
19 College--Port Arthur [~~University at Port Arthur~~];

20 (4) [~~(3)~~] Midwestern State University;

21 (5) [~~(4)~~] University of North Texas;

22 (6) [~~(5)~~] The University of Texas--Pan American;

23 (7) [~~including~~] The University of Texas at
24 Brownsville;

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

1 (20) [~~26~~] Texas State Technical College System and
2 its campuses, but not its extension centers or programs.

3 (e) Each governing board authorized to participate in the
4 distribution of money under this section is authorized to expend
5 all money distributed to it for any of the purposes enumerated in
6 Subsection (a). In addition, such governing board may issue bonds
7 and notes for the purposes of refunding bonds or notes issued under
8 this section or prior law, acquiring land either with or without
9 permanent improvements, constructing and equipping buildings or
10 other permanent improvements, acquiring capital equipment, library
11 books, and library materials, paying for acquiring, constructing,
12 or equipping or for major repair or rehabilitation of buildings,
13 facilities, other permanent improvements, or capital equipment
14 used jointly for educational and general activities and for
15 auxiliary enterprises to the extent of their use for educational
16 and general activities, and for major repair and rehabilitation of
17 buildings or other permanent improvements, and may pledge up to 50
18 percent of the money allocated to such governing board pursuant to
19 this section to secure the payment of the principal and interest of
20 such bonds or notes. Proceeds from the issuance of bonds or notes
21 under this subsection shall be maintained in a local depository
22 selected by the governing board issuing the bonds or notes. The
23 bonds and notes issued under this subsection shall be payable
24 solely out of the money appropriated by this section and shall
25 mature serially or otherwise in not more than 20 [~~10~~] years from
26 their respective dates. All bonds issued under this section shall
27 be sold only through competitive bidding and are subject to

1 approval by the attorney general. Bonds approved by the attorney
2 general shall be incontestable. The permanent university fund may
3 be invested in the bonds and notes issued under this section.

4 (i) The legislature by general law may dedicate portions of
5 the state's revenues to the creation of a dedicated fund ("the
6 higher education fund") for the purposes expressed in Subsection
7 (a) of this section. The legislature shall provide for
8 administration of the fund, which shall be invested in the manner
9 provided for investment of the permanent university fund. The
10 income from the investment of the higher education fund shall be
11 credited to the higher education fund until such time as the fund
12 totals \$2 billion. The principal of the higher education fund shall
13 never be expended. ~~[At the beginning of the fiscal year after the~~
14 ~~fund reaches \$2 billion, as certified by the comptroller of public~~
15 ~~accounts, the dedication of general revenue funds provided for in~~
16 ~~Subsection (a) of this section shall cease.]~~ At the beginning of
17 each ~~[the]~~ fiscal year after the fund reaches \$2 billion, ~~[and each~~
18 ~~year thereafter,]~~ 10 percent of the interest, dividends, and other
19 income accruing from the investments of the higher education fund
20 during the previous fiscal year shall be deposited to the credit of
21 the fund and become part of the principal of the fund, and out of the
22 remainder of the annual income from the investment of the principal
23 of the fund there shall be appropriated an annual sum sufficient to
24 pay the principal and interest due on the bonds and notes issued
25 under this section and the balance of the income shall be allocated
26 and ~~[~~ distributed by equitable formula as provided by general
27 law ~~[~~ and may be expended only for the same purposes as provided

1 for the appropriations made under Subsection (a).

2 SECTION 2. This proposed constitutional amendment shall be
3 submitted to the voters at an election to be held November 7, 2006.
4 The ballot shall be printed to permit voting for or against the
5 proposition: "The constitutional amendment providing for the
6 continuation of the constitutional appropriation of money to
7 certain higher education entities and for the allocation of income
8 from the higher education fund to those entities, and extending the
9 period of maturity for certain bonds and notes issued by those
10 entities."