

By: Branch

H.J.R. No. 139

A JOINT RESOLUTION

1 proposing a constitutional amendment establishing the national
2 research university fund to enable emerging research universities
3 in this state to achieve national prominence as major research
4 universities and transferring the balance of the higher education
5 fund to the national research university fund.

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 20 to read as follows:

9 Sec. 20. (a) There is established the national research
10 university fund for the purpose of providing a dedicated,
11 independent, and equitable source of funding to enable emerging
12 research universities in this state to achieve national prominence
13 as major research universities.

14 (b) The fund consists of money transferred or deposited to
15 the credit of the fund and any interest or other return on the
16 investment assets of the fund. The legislature may dedicate state
17 revenue to the credit of the fund.

18 (c) The legislature shall provide for administration of the
19 fund, which shall be invested in the manner and according to the
20 standards provided for investment of the permanent university fund.
21 The expenses of managing the investments of the fund shall be paid
22 from the fund.

23 (d) In each state fiscal biennium, the legislature may
24 appropriate as provided by Subsection (f) of this section all or a

1 portion of the total return on all investment assets of the fund to
2 carry out the purposes for which the fund is established.

3 (e) The legislature biennially shall allocate the amounts
4 appropriated under this section, or shall provide for a biennial
5 allocation of those amounts, to eligible state universities to
6 carry out the purposes of the fund. The money shall be allocated
7 based on an equitable formula established by the legislature or an
8 agency designated by the legislature. The legislature shall review
9 and as appropriate adjust, or provide for a review and adjustment,
10 of the allocation formula at the end of each state fiscal biennium.

11 (f) The portion of the total return on investment assets of
12 the fund that is available for appropriation in a state fiscal
13 biennium under this section is the portion necessary to provide as
14 nearly as practicable a stable and predictable stream of annual
15 distributions to eligible state universities and to maintain over
16 time the purchasing power of fund investment assets. If the
17 purchasing power of fund investment assets for any rolling 10-year
18 period is not preserved, the legislature may not appropriate money
19 from the fund until the purchasing power of the fund investment
20 assets is restored. The amount appropriated from the fund in any
21 fiscal year may not exceed an amount equal to seven percent of the
22 average net fair market value of the investment assets of the fund.

23 (g) The legislature shall establish criteria by which a
24 state university may become eligible to receive a portion of the
25 distributions from the fund. A state university that becomes
26 eligible to receive a portion of the distributions from the fund in
27 a state fiscal biennium remains eligible to receive additional

1 distributions from the fund in any subsequent state fiscal
2 biennium. The University of Texas at Austin, Texas A&M University,
3 and Prairie View A&M University are not eligible to receive money
4 from the fund.

5 (h) An eligible state university may use distributions from
6 the fund only for the support and maintenance of educational and
7 general activities that promote increased research capacity at the
8 university.

9 SECTION 2. Section 17(i), Article VII, Texas Constitution,
10 is repealed.

11 SECTION 3. The following temporary provision is added to
12 the Texas Constitution:

13 TEMPORARY PROVISION. (a) This temporary provision applies
14 to the constitutional amendment proposed by the 81st Legislature,
15 Regular Session, 2009, establishing the national research
16 university fund to enable emerging research universities in this
17 state to achieve national prominence as major research universities
18 and transferring the balance of the higher education fund to the
19 national research university fund.

20 (b) The amendment to add Section 20 to Article VII of this
21 constitution and to repeal Section 17(i), Article VII, of this
22 constitution takes effect January 1, 2010.

23 (c) On January 1, 2010, any amount in or payable to the
24 credit of the higher education fund established by Section 17(i),
25 Article VII, Texas Constitution, shall be transferred to the credit
26 of the national research university fund.

27 (d) This temporary provision expires January 1, 2011.

1 SECTION 4. This proposed constitutional amendment shall be
2 submitted to the voters at an election to be held November 3, 2009.
3 The ballot shall be printed to permit voting for or against the
4 proposition: "The constitutional amendment establishing the
5 national research university fund to enable emerging research
6 universities in this state to achieve national prominence as major
7 research universities and transferring the balance of the higher
8 education fund to the national research university fund."