

1-1 By: Duncan, Shapiro S.J.R. No. 35  
1-2 (In the Senate - Filed March 9, 2009; March 13, 2009, read  
1-3 first time and referred to Committee on Finance; March 31, 2009,  
1-4 reported favorably by the following vote: Yeas 14, Nays 0;  
1-5 March 31, 2009, sent to printer.)

1-6 SENATE JOINT RESOLUTION

1-7 proposing a constitutional amendment establishing the national  
1-8 research university fund to enable emerging research universities  
1-9 in this state to achieve national prominence as major research  
1-10 universities and transferring the balance of the higher education  
1-11 fund to the national research university fund.

1-12 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Article VII, Texas Constitution, is amended by  
1-14 adding Section 20 to read as follows:

1-15 Sec. 20. (a) There is established the national research  
1-16 university fund for the purpose of providing a dedicated,  
1-17 independent, and equitable source of funding to enable emerging  
1-18 research universities in this state to achieve national prominence  
1-19 as major research universities.

1-20 (b) The fund consists of money transferred or deposited to  
1-21 the credit of the fund and any interest or other return on the  
1-22 investment assets of the fund. The legislature may dedicate state  
1-23 revenue to the credit of the fund.

1-24 (c) The legislature shall provide for administration of the  
1-25 fund, which shall be invested in the manner and according to the  
1-26 standards provided for investment of the permanent university fund.  
1-27 The expenses of managing the investments of the fund shall be paid  
1-28 from the fund.

1-29 (d) In each state fiscal biennium, the legislature may  
1-30 appropriate as provided by Subsection (f) of this section all or a  
1-31 portion of the total return on all investment assets of the fund to  
1-32 carry out the purposes for which the fund is established.

1-33 (e) The legislature biennially shall allocate the amounts  
1-34 appropriated under this section, or shall provide for a biennial  
1-35 allocation of those amounts, to eligible state universities to  
1-36 carry out the purposes of the fund. The money shall be allocated  
1-37 based on an equitable formula established by the legislature or an  
1-38 agency designated by the legislature. The legislature shall review  
1-39 and as appropriate adjust, or provide for a review and adjustment,  
1-40 of the allocation formula at the end of each state fiscal biennium.

1-41 (f) The portion of the total return on investment assets of  
1-42 the fund that is available for appropriation in a state fiscal  
1-43 biennium under this section is the portion necessary to provide as  
1-44 nearly as practicable a stable and predictable stream of annual  
1-45 distributions to eligible state universities and to maintain over  
1-46 time the purchasing power of fund investment assets. If the  
1-47 purchasing power of fund investment assets for any rolling 10-year  
1-48 period is not preserved, the legislature may not appropriate money  
1-49 from the fund until the purchasing power of the fund investment  
1-50 assets is restored. The amount appropriated from the fund in any  
1-51 fiscal year may not exceed an amount equal to seven percent of the  
1-52 average net fair market value of the investment assets of the fund.

1-53 (g) The legislature shall establish criteria by which a  
1-54 state university may become eligible to receive a portion of the  
1-55 distributions from the fund. A state university that becomes  
1-56 eligible to receive a portion of the distributions from the fund in  
1-57 a state fiscal biennium remains eligible to receive additional  
1-58 distributions from the fund in any subsequent state fiscal  
1-59 biennium. The University of Texas at Austin, Texas A&M University,  
1-60 and Prairie View A&M University are not eligible to receive money  
1-61 from the fund.

1-62 (h) An eligible state university may use distributions from  
1-63 the fund only for the support and maintenance of educational and  
1-64 general activities that promote increased research capacity at the

2-1 university.

2-2 SECTION 2. Subsection (i), Section 17, Article VII, Texas  
2-3 Constitution, is repealed.

2-4 SECTION 3. The following temporary provision is added to  
2-5 the Texas Constitution:

2-6 TEMPORARY PROVISION. (a) This temporary provision applies  
2-7 to the constitutional amendment proposed by the 81st Legislature,  
2-8 Regular Session, 2009, establishing the national research  
2-9 university fund to enable emerging research universities in this  
2-10 state to achieve national prominence as major research universities  
2-11 and transferring the balance of the higher education fund to the  
2-12 national research university fund.

2-13 (b) The amendment to add Section 20 to Article VII of this  
2-14 constitution and to repeal Section 17(i), Article VII, of this  
2-15 constitution takes effect January 1, 2010.

2-16 (c) On January 1, 2010, any amount in or payable to the  
2-17 credit of the higher education fund established by Section 17(i),  
2-18 Article VII, Texas Constitution, shall be transferred to the credit  
2-19 of the national research university fund.

2-20 (d) This temporary provision expires January 1, 2011.

2-21 SECTION 4. This proposed constitutional amendment shall be  
2-22 submitted to the voters at an election to be held November 3, 2009.  
2-23 The ballot shall be printed to permit voting for or against the  
2-24 proposition: "The constitutional amendment establishing the  
2-25 national research university fund to enable emerging research  
2-26 universities in this state to achieve national prominence as major  
2-27 research universities and transferring the balance of the higher  
2-28 education fund to the national research university fund."

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