

BILL ANALYSIS

C.S.S.J.R. 5
By: Ogden
Appropriations
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Recent legislation allows the General Land Office (GLO) to transfer money under its control in the permanent school fund directly to the available school fund. A subsequent attorney general's opinion, however, ruled that the provision allowing the transfer was likely unconstitutional. Among other provisions, C.S.S.J.R. 5 seeks to amend the Texas Constitution to allow the GLO or certain other entities to distribute revenue derived from permanent school fund land or properties to the available school fund and to increase the market value of the permanent school fund for the purpose of allowing increased distributions from the available school fund.

RULEMAKING AUTHORITY

It is the committee's opinion that this resolution does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.S.J.R. 5 proposes an amendment to the Texas Constitution, in a provision establishing the total amount distributed from the permanent school fund to the available school fund in each year of a state fiscal biennium, to specify that the market value of the permanent school fund used to calculate the total amount includes discretionary real assets investments and cash in the state treasury derived from property belonging to the fund. The resolution authorizes the General Land Office or an entity other than the State Board of Education that has responsibility for the management of permanent school fund land or other properties, in its sole discretion, to distribute to the available school fund each year revenue derived during that year from the land or properties, not to exceed \$300 million each year.

C.S.S.J.R. 5 adds a temporary provision, set to expire December 1, 2015, to make the resolution's provisions providing for an increase in the market value of the permanent school fund applicable to a distribution from the permanent school fund to the available school fund made on or after September 1, 2011. The resolution makes nonsubstantive changes relating to the terms used to describe the permanent school fund and sets out the required ballot language.

ELECTION DATE

The constitutional amendment proposed by this joint resolution will be submitted to the voters at an election to be held November 8, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.S.J.R. 5 contains provisions not included in the original making nonsubstantive changes relating to the terms used to describe the permanent school fund.

C.S.S.J.R. 5 contains a provision not included in the original authorizing the General Land Office or an entity other than the State Board of Education that has responsibility for the

management of permanent school fund land or other properties, in its sole discretion, to distribute to the available school fund each year revenue derived during that year from the land or properties, not to exceed \$300 million each year.

C.S.S.J.R. 5 makes corresponding changes to the ballot language for the proposed constitutional amendment.