By: Ogden

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S.J.R. No. 5

## SENATE JOINT RESOLUTION

2 proposing a constitutional amendment relating to increasing the 3 market value of the permanent school fund for the purpose of 4 allowing increased distributions from the available school fund.

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

6 SECTION 1. Subsection (a), Section 5, Article VII, Texas 7 Constitution, is amended to read as follows:

8 The permanent school fund consists of all (a) land appropriated for public schools by this constitution or the other 9 10 laws of this state, other properties belonging to the permanent school fund, and all revenue derived from the land or other 11 The available school fund consists of 12 properties. the distributions made to it from the total return on all investment 13 assets of the permanent school fund, the taxes authorized by this 14 15 constitution or general law to be part of the available school fund, and appropriations made to the available school fund by the 16 17 legislature. The total amount distributed from the permanent school fund to the available school fund: 18

(1) in each year of a state fiscal biennium must be an amount that is not more than six percent of the average of the market value of the permanent school fund, excluding real property belonging to the fund that is managed, sold, or acquired under Section 4 of this article, but including discretionary real assets investments and cash in the state treasury derived from property

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<u>belonging to the fund</u>, on the last day of each of the 16 state fiscal quarters preceding the regular session of the legislature that begins before that state fiscal biennium, in accordance with the rate adopted by:

5 (A) a vote of two-thirds of the total membership 6 of the State Board of Education, taken before the regular session of 7 the legislature convenes; or

8 (B) the legislature by general law or 9 appropriation, if the State Board of Education does not adopt a rate 10 as provided by Paragraph (A) of this subdivision; and

11 (2) over the 10-year period consisting of the current 12 state fiscal year and the nine preceding state fiscal years may not 13 exceed the total return on all investment assets of the permanent 14 school fund over the same 10-year period.

15 SECTION 2. The following temporary provision is added to 16 the Texas Constitution:

17 <u>TEMPORARY PROVISION. (a)</u> This temporary provision applies 18 to the constitutional amendment proposed by S.J.R. No. 5, 82nd 19 <u>Legislature, Regular Session, 2011, providing for an increase in</u> 20 the market value of the permanent school fund for the purpose of 21 <u>allowing increased distributions from the available school fund.</u>

(b) The change to Section 5(a), Article VII, of this constitution made by the amendment applies to a distribution from the permanent school fund to the available school fund made on or after September 1, 2011.

26 (c) This temporary provision expires December 1, 2015.
 27 SECTION 3. This proposed constitutional amendment shall be

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submitted to the voters at an election to be held November 8, 2011.
The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment providing for an increase in the market value of the permanent school fund for the purpose of allowing increased distributions from the available school fund."