By: Ogden S.J.R. No. 5

1 SENATE JOINT RESOLUTION

- 2 proposing a constitutional amendment relating to determination of
- 3 the market value of the permanent school fund and providing for
- 4 certain transfers from the permanent school fund to the available
- 5 school fund.
- 6 WHEREAS, The purpose of this proposed amendment is to provide
- 7 for the long term support of public schools by increasing the size
- 8 of the permanent school fund corpus and by protecting the balance of
- 9 the available school fund; now, therefore,
- 10 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:
- 11 SECTION 1. Section 5, Article VII, Texas Constitution, is
- 12 amended by amending Subsection (a) and adding Subsections (g), (h),
- 13 (i), (j), and (k) to read as follows:
- 14 (a) The permanent school fund consists of all land
- 15 appropriated for public schools by this constitution or the other
- 16 laws of this state, other properties belonging to the permanent
- 17 school fund, and all revenue derived from the land or other
- 18 properties. The available school fund consists of the
- 19 distributions made to it from the total return on all [investment]
- 20 assets of the permanent school fund, the taxes authorized by this
- 21 constitution or general law to be part of the available school fund,
- 22 and appropriations made to the available school fund by the
- 23 legislature. The total amount distributed from the permanent
- 24 school fund to the available school fund:

- 1 in each year of a state fiscal biennium must be an (1)2 amount that is not more than six percent of the average of the market value of the permanent school fund, including [excluding] 3 4 real property belonging to the fund that is managed, sold, or acquired under Section 4 of this article and proceeds from sales of 5 that property, on the last day of each of the 16 state fiscal 6 7 quarters preceding the regular session of the legislature that begins before that state fiscal biennium, in accordance with the 8
- 10 (A) a vote of two-thirds of the total membership
 11 of the State Board of Education, taken before the regular session of
 12 the legislature convenes; or

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rate adopted by:

- (B) the legislature by general law or appropriation, if the State Board of Education does not adopt a rate as provided by Paragraph (A) of this subdivision; and
- 16 (2) over the 10-year period consisting of the current 17 state fiscal year and the nine preceding state fiscal years may not 18 exceed the total return on all investment assets of the permanent 19 school fund over the same 10-year period.
- 20 (g) Notwithstanding any other provision of this
 21 constitution, for the state fiscal biennium beginning September 1,
 22 2011, the General Land Office or an entity other than the State
 23 Board of Education that has responsibility for the management of
 24 permanent school fund land or other properties shall distribute to
 25 the permanent school fund all revenue derived from the land or
 26 properties.
- 27 (h) Notwithstanding any other provision of this

- 1 constitution, for the state fiscal biennium beginning September 1,
- 2 2013, the General Land Office or an entity other than the State
- 3 Board of Education that has responsibility for the management of
- 4 permanent school fund land or other properties may distribute to
- 5 the available school fund all revenue derived from the land or
- 6 properties.
- 7 (i) Notwithstanding Subsection (a) of this section, the
- 8 total amount distributed from the permanent school fund to the
- 9 available school fund for the state fiscal biennium beginning
- 10 September 1, 2011, shall be an amount equal to \$2 billion.
- 11 (j) Subsections (g) and (i) of this section and this
- 12 subsection expire December 1, 2014.
- 13 (k) Subsection (h) of this section and this subsection
- 14 expire December 1, 2016.
- 15 SECTION 2. This proposed constitutional amendment shall be
- 16 submitted to the voters at an election to be held November 8, 2011.
- 17 The ballot shall be printed to permit voting for or against the
- 18 proposition: "The constitutional amendment providing for the
- 19 restructuring of the permanent and available school funds for the
- 20 long-term support of public schools."