

By: Turner of Harris

H.J.R. No. 115

A JOINT RESOLUTION

1 proposing a constitutional amendment to entitle the University of
2 Houston to participate in the income and other benefits of the
3 permanent university fund.

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

5 SECTION 1. Section 18, Article VII, Texas Constitution, is
6 amended by amending Subsections (b) and (f) and adding Subsections
7 (b-1), (b-2), and (f-1) to read as follows:

8 (b) The Board of Regents of The University of Texas System
9 may issue bonds and notes not to exceed a total amount of 10 ~~[20]~~
10 percent of the cost value of investments and other assets of the
11 permanent university fund (exclusive of real estate) at the time of
12 issuance thereof, and may pledge all or any part of its one-third
13 ~~[two-thirds]~~ interest in the available university fund to secure
14 the payment of the principal and interest of those bonds and notes,
15 for the purpose of acquiring land either with or without permanent
16 improvements, constructing and equipping buildings or other
17 permanent improvements, major repair and rehabilitation of
18 buildings and other permanent improvements, acquiring capital
19 equipment and library books and library materials, and refunding
20 bonds or notes issued under this section or prior law, at or for The
21 University of Texas System administration and the following
22 component institutions of the system:

23 (1) The University of Texas at Arlington;

24 (2) The University of Texas at Austin;

- 1 (3) The University of Texas at Dallas;
- 2 (4) The University of Texas at El Paso;
- 3 (5) The University of Texas of the Permian Basin;
- 4 (6) The University of Texas at San Antonio;
- 5 (7) The University of Texas at Tyler;
- 6 (8) The University of Texas Southwestern Medical
- 7 ~~[Health Science]~~ Center ~~[at Dallas]~~;
- 8 (9) The University of Texas Medical Branch at
- 9 Galveston;
- 10 (10) The University of Texas Health Science Center at
- 11 Houston;
- 12 (11) The University of Texas Health Science Center at
- 13 San Antonio;
- 14 (12) The University of Texas M. D. Anderson ~~[System]~~
- 15 Cancer Center;
- 16 (13) The University of Texas Health Northeast ~~[Center~~
- 17 ~~at Tyler]~~; and
- 18 (14) The University of Texas Institute of Texan
- 19 Cultures at San Antonio.

20 (b-1) The University of Houston may issue bonds and notes
21 not to exceed a total amount of 10 percent of the cost value of the
22 investments and other assets of the permanent university fund
23 (exclusive of real estate) at the time of the issuance thereof, and
24 may pledge all or any part of its one-third interest in the
25 available university fund to secure the payment of the principal
26 and interest of those bonds and notes, for the purpose of acquiring
27 land either with or without permanent improvements, constructing

1 and equipping buildings or other permanent improvements, major
2 repair and rehabilitation of buildings and other permanent
3 improvements, acquiring capital equipment and library books and
4 library materials, and refunding bonds or notes issued under this
5 section or prior law, at or for the University of Houston.

6 **(b-2)** In applying a portion of its one-third interest in the
7 available university fund to the payment of the principal of and
8 interest on bonds and notes issued under Subsection (b-1) of this
9 section for the benefit of the University of Houston, the Board of
10 Regents of the University of Houston System shall include
11 sufficient funds to pay the principal of and interest on all bonds
12 and notes, including refunding bonds and notes, previously issued
13 for the benefit of the University of Houston under Section 17(b) of
14 this article.

15 **(f)** Out of one-third of the annual distribution from the
16 permanent university fund to the available university fund, there
17 shall be appropriated an annual sum sufficient to pay the principal
18 and interest due on the bonds and notes issued by the Board of
19 Regents of The Texas A&M University System under this section and
20 prior law, and the remainder of that one-third of the annual
21 distribution to the available university fund shall be appropriated
22 to the Board of Regents of The Texas A&M University System which
23 shall have the authority and duty in turn to appropriate an
24 equitable portion of the same for the support and maintenance of The
25 Texas A&M University System administration, Texas A&M University,
26 and Prairie View A&M University. The Board of Regents of The Texas
27 A&M University System, in making just and equitable appropriations

1 to Texas A&M University and Prairie View A&M University, shall
2 exercise its discretion with due regard to such criteria as the
3 board may deem appropriate from year to year. Out of one-third [~~the~~
4 ~~other two-thirds~~] of the annual distribution from the permanent
5 university fund to the available university fund there shall be
6 appropriated an annual sum sufficient to pay the principal and
7 interest due on the bonds and notes issued by the Board of Regents
8 of The University of Texas System under this section and prior law,
9 and the remainder of that one-third [~~such two-thirds~~] of the annual
10 distribution to the available university fund, shall be
11 appropriated for the support and maintenance of The University of
12 Texas at Austin and The University of Texas System administration.
13 Out of one-third of the annual distribution from the permanent
14 university fund to the available university fund, there shall be
15 appropriated an annual sum sufficient to pay the principal and
16 interest due on the bonds and notes issued by the University of
17 Houston under this section, and the remainder of that one-third of
18 the annual distribution to the available university fund shall be
19 appropriated for the support and maintenance of the University of
20 Houston.

21 (f-1) Notwithstanding Subsection (f) of this section, the
22 amount of the annual distribution from the permanent university
23 fund to The University of Texas System under that subsection may not
24 be less than the amount necessary to pay the principal and interest
25 due on bonds and notes issued under Subsection (b) of this section
26 by the Board of Regents of The University of Texas System before
27 September 1, 2015, not to exceed two-thirds of the annual

1 distribution from the permanent university fund, and the amount of
2 the annual distribution from the permanent university fund to the
3 University of Houston shall be adjusted accordingly.

4 SECTION 2. Section 17(b), Article VII, Texas Constitution,
5 is amended to read as follows:

6 (b) The funds appropriated under Subsection (a) of this
7 section shall be for the use of the following eligible agencies and
8 institutions of higher education (even though their names may be
9 changed):

10 (1) East Texas State University including East Texas
11 State University at Texarkana;

12 (2) Lamar University including Lamar University at
13 Orange and Lamar University at Port Arthur;

14 (3) Midwestern State University;

15 (4) University of North Texas;

16 (5) The University of Texas-Pan American including The
17 University of Texas at Brownsville;

18 (6) Stephen F. Austin State University;

19 (7) Texas College of Osteopathic Medicine;

20 (8) Texas State University System Administration and
21 the following component institutions:

22 (9) Sam Houston State University;

23 (10) Southwest Texas State University;

24 (11) Sul Ross State University including Uvalde Study
25 Center;

26 (12) Texas Southern University;

27 (13) Texas Tech University;

1 (14) Texas Tech University Health Sciences Center;
2 (15) Angelo State University;
3 (16) Texas Woman's University;
4 (17) University of Houston System Administration and
5 the following component institutions:

6 (18) ~~[University of Houston,~~
7 ~~[(19)]~~ University of Houston-Victoria;
8 (19) ~~[(20)]~~ University of Houston-Clear Lake;
9 (20) ~~[(21)]~~ University of Houston-Downtown;
10 (21) ~~[(22)]~~ Texas A&M University-Corpus Christi;
11 (22) ~~[(23)]~~ Texas A&M International University;
12 (23) ~~[(24)]~~ Texas A&M University-Kingsville;
13 (24) ~~[(25)]~~ West Texas A&M University; and
14 (25) ~~[(26)]~~ Texas State Technical College System and
15 its campuses, but not its extension centers or programs.

16 SECTION 3. Article VII, Texas Constitution, is amended by
17 adding Section 17A to read as follows:

18 Sec. 17A. TEMPORARY PROVISION. (a) The transfer of the
19 University of Houston from Section 17 of this article to Section 18
20 of this article by the constitutional amendment proposed by the
21 84th Legislature, Regular Session, 2015, applies beginning with the
22 state fiscal year that begins September 1, 2016.

23 (b) Beginning with the state fiscal year that begins
24 September 1, 2016, the funds allocated as provided by Section 17(d)
25 of this article to the University of Houston shall be allocated to
26 the other agencies and institutions eligible to receive funds under
27 Section 17 of this article in proportion to the other funds

1 allocated to those agencies and institutions as provided by Section
2 17(d) of this article, until the legislature or designated agency
3 eliminates the University of Houston from the formula and
4 allocations made under Section 17(d) of this article.

5 (c) This section expires September 1, 2023.

6 SECTION 4. This proposed constitutional amendment shall be
7 submitted to the voters at an election to be held November 3, 2015.
8 The ballot shall be printed to permit voting for or against the
9 proposition: "The constitutional amendment to entitle the
10 University of Houston to participate in the income and other
11 benefits of the permanent university fund."