

RESOLUTION ANALYSIS

H.J.R. 1
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Educational Opportunity & Enrichment, Select
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The governor's proclamation issued for the fourth special session of the 88th Legislature calls for legislation related to school safety measures and related state funding mechanisms. In addition, according to a November 2023 *Texas Tribune* article, many school officials have reported that the amount of money their school districts receive through the existing allotment for school safety expenses is insufficient to cover mandated safety measures and, in some cases, the need to hire additional full-time personnel. H.J.R. 1 seeks to address the insufficient level of funding for school safety by proposing a constitutional amendment that would create a state school safety fund as a special fund in the state treasury for the purpose of providing ongoing financial support for projects that ensure the safety of public schools in Texas. The resolution provides several sources of funding for the state school safety fund, including the annual allocation of up to \$1.1 billion dollars of oil and gas production tax revenue to the newly created fund and the appropriation or transfer of other money to the fund. The resolution requires the legislature to determine the manner in which money in the fund may be used by public school districts and open-enrollment charter schools.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this resolution does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

H.J.R. 1 proposes an amendment to the Texas Constitution to create the state school safety fund as a special fund in the state treasury outside the general revenue fund. The resolution requires money in the state school safety fund to be administered, without further appropriation, by the comptroller of public accounts and restricts the use of the state school safety fund to providing only ongoing financial support for projects that ensure the safety of public schools in Texas as provided by legislation. The resolution authorizes the legislature by general law to authorize the use of money from the state school safety fund only by an independent school district or open-enrollment charter school for such school safety projects. The resolution authorizes separate accounts to be established in the state school safety fund as necessary or convenient to administer the fund or the supported projects.

H.J.R. 1 requires the legislature by general law to provide for the manner in which money in the state school safety fund may be used, subject to the limitations provided by the resolution, and authorizes the legislature by general law to provide for costs of investment and administration to be paid from the fund. The state school safety fund consists of the following components:

- money appropriated to the fund;
- money transferred or deposited to the credit of the fund under the Texas Constitution or by general law;
- revenue from any source, including the proceeds of a fee or tax imposed under general law, that the legislature by statute dedicates for deposit to the credit of the fund;
- investment earnings and interest earned on amounts credited to the fund;
- money appropriated by the legislature for the purposes of funding public schools that is determined by the commissioner of education to exceed the amount required for the support and maintenance of public schools, including amounts to which Texas public schools are entitled under general law; and
- money transferred to the fund from another fund or account to which money from the fund was transferred, as authorized by general law.

H.J.R. 1 establishes that, for the purposes of the constitutional restriction on the rate of growth of appropriations, an appropriation of money from the economic stabilization fund (ESF), otherwise known as the Rainy Day Fund, for the purpose of depositing that money to the credit of the state school safety fund is considered to be an appropriation of state tax revenues dedicated by the Texas Constitution. The resolution's provisions creating the state school safety fund are expressly intended to establish a basic framework of the fund. The resolution authorizes the legislature by general law to provide for the implementation and effectuate the design and objects of those provisions and to delegate duties, responsibilities, functions, and authority granted under those provisions to another entity for those purposes.

H.J.R. 1 revises and makes conforming changes to provisions governing the transfer and allocation of oil and gas production tax revenue to the ESF and the state highway fund (SHF) in the following manner:

- changes the current allocation to the ESF from 50 percent of that revenue to the difference, if the difference is greater than zero, between 50 percent of that revenue and \$1.1 billion; and
- allocates to the state school safety fund the lesser of 50 percent of that revenue or \$1.1 billion.

The remainder of oil and gas production tax revenue not allocated to the ESF or the state school safety fund continues to be allocated to the SHF. The resolution provides for the transfer of remaining oil and gas production tax revenue to the state school safety fund following an adjustment to the amount transferred to the ESF in the same manner that such remaining revenue is transferred to the SHF. The resolution adds a temporary provision set to expire September 1, 2026, requiring the comptroller to reduce the amount allocated for transfer to the ESF and to increase the amount allocated for transfer to the state school safety fund for the state fiscal year beginning September 1, 2024, by the lesser of \$1.1 billion or the amount allocated for transfer to the ESF for that state fiscal year. The provisions described in this paragraph take effect September 1, 2024.

ELECTION DATE

The constitutional amendment proposed by this joint resolution will be submitted to the voters at an election to be held May 4, 2024.