

By: Perry

S.J.R. No. 49

A JOINT RESOLUTION

1 proposing a constitutional amendment creating a university  
2 research fund to support emerging research universities in The  
3 University of Texas System or The Texas A&M University System and  
4 disqualifying all component institutions of those university  
5 systems from receiving money from the national research university  
6 fund.

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

8 SECTION 1. Section 18, Article VII, Texas Constitution, is  
9 amended by adding Subsection (f-1) to read as follows:

10 (f-1) Notwithstanding Subsection (f) of this section, the  
11 boards of regents of The University of Texas System and The Texas  
12 A&M University System may deposit to the credit of the university  
13 research fund established under Section 21 of this article all or  
14 part of the portion of the applicable system's share of the annual  
15 distribution from the permanent university fund to the available  
16 university fund remaining after the payment of principal and  
17 interest on bonds and notes described by Subsection (f) of this  
18 section.

19 SECTION 2. Section 20(g), Article VII, Texas Constitution,  
20 is amended to read as follows:

21 (g) The legislature shall establish criteria by which a  
22 state university may become eligible to receive a portion of the  
23 distributions from the fund. A state university that becomes  
24 eligible to receive a portion of the distributions from the fund in

1 a state fiscal biennium remains eligible to receive additional  
2 distributions from the fund in any subsequent state fiscal  
3 biennium. A component institution of The University of Texas System  
4 or The [at Austin and] Texas A&M University System is [are] not  
5 eligible to receive money from the fund.

6 SECTION 3. Article VII, Texas Constitution, is amended by  
7 adding Section 21 to read as follows:

8 Sec. 21. (a) There is established the university research  
9 fund for the purpose of providing a dedicated, independent, and  
10 equitable source of funding to enable emerging research  
11 universities in The University of Texas System or The Texas A&M  
12 University System to achieve national prominence as major research  
13 universities.

14 (b) The fund consists of money transferred or deposited to  
15 the credit of the fund and any interest or other return on the  
16 investment assets of the fund. The legislature may dedicate state  
17 revenue to the credit of the fund.

18 (c) The legislature shall provide for administration of the  
19 fund, which shall be invested in the manner and according to the  
20 standards provided for investment of the permanent university fund.  
21 The expenses of managing the investments of the fund shall be paid  
22 from the fund.

23 (d) In each state fiscal biennium, the legislature may  
24 appropriate as provided by Subsection (f) of this section all or a  
25 portion of the total return on all investment assets of the fund to  
26 carry out the purposes for which the fund is established.

27 (e) The legislature biennially shall allocate the amounts

1 appropriated under this section, or shall provide for a biennial  
2 allocation of those amounts, to eligible component institutions of  
3 The University of Texas System or The Texas A&M University System to  
4 carry out the purposes of the fund. The money shall be allocated  
5 based on an equitable formula established by the legislature or an  
6 agency designated by the legislature. The legislature shall review  
7 and as appropriate adjust, or provide for a review and adjustment,  
8 of the allocation formula at the end of each state fiscal biennium.

9 (f) The portion of the total return on investment assets of  
10 the fund that is available for appropriation in a state fiscal  
11 biennium under this section is the portion determined by the  
12 legislature, or an agency designated by the legislature, as  
13 necessary to provide as nearly as practicable a stable and  
14 predictable stream of annual distributions to eligible component  
15 institutions of The University of Texas System or The Texas A&M  
16 University System and to maintain over time the purchasing power of  
17 fund investment assets. If the purchasing power of fund investment  
18 assets for any rolling 10-year period is not preserved, the  
19 distributions may not be increased until the purchasing power of  
20 the fund investment assets is restored. The amount appropriated  
21 from the fund in any fiscal year may not exceed an amount equal to  
22 seven percent of the average net fair market value of the investment  
23 assets of the fund, as determined by law. Until the fund has been  
24 invested for a period of time sufficient to determine the  
25 purchasing power over a 10-year period, the legislature may provide  
26 by law for means of preserving the purchasing power of the fund.

27 (g) The legislature shall establish criteria by which a

1 component institution of The University of Texas System or The  
2 Texas A&M University System may become eligible to receive a  
3 portion of the distributions from the fund. An institution that  
4 becomes eligible to receive a portion of the distributions from the  
5 fund in a state fiscal biennium remains eligible to receive  
6 additional distributions from the fund in any subsequent state  
7 fiscal biennium. Only a component institution of The University of  
8 Texas System or The Texas A&M University System may be eligible to  
9 receive money from the fund.

10 (h) An eligible component institution of The University of  
11 Texas System or The Texas A&M University System may use  
12 distributions from the fund only for the support and maintenance of  
13 educational and general activities that promote increased research  
14 capacity at the institution.

15 SECTION 4. The following temporary provision is added to  
16 the Texas Constitution:

17 TEMPORARY PROVISION. (a) This temporary provision applies  
18 to the constitutional amendment proposed by the 88th Legislature,  
19 Regular Session, 2023, creating a university research fund to  
20 support emerging research universities in The University of Texas  
21 System or The Texas A&M University System and disqualifying all  
22 component institutions of those university systems from receiving  
23 money from the national research university fund.

24 (b) The amendment to Section 20(g), Article VII, of this  
25 constitution takes effect September 1, 2025.

26 (c) This temporary provision expires September 1, 2026.

27 SECTION 5. This proposed constitutional amendment shall be

1 submitted to the voters at an election to be held November 7, 2023.  
2 The ballot shall be printed to permit voting for or against the  
3 proposition: "The constitutional amendment creating a university  
4 research fund to support emerging research universities in The  
5 University of Texas System or The Texas A&M University System and  
6 disqualifying all component institutions of those university  
7 systems from receiving money from the national research university  
8 fund."