

House Joint Resolution 3
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Section 49-g, Article III, Texas Constitution, is amended by adding Subsections (p) and (q) to read as follows:

(p) On the first business day occurring on or after the 90th day of each state fiscal year, an amount equal to the interest income, dividends, and investment earnings attributable to the economic stabilization fund for the preceding state fiscal year, not to exceed the amount determined under Subsection (q) of this section, is appropriated from the economic stabilization fund to the comptroller of public accounts for the purpose of immediate deposit to the credit of the Texas University Fund. For purposes of this subsection, the amount of interest income, dividends, and investment earnings attributable to the economic stabilization fund for a state fiscal year is computed by:

(1) determining the amount of interest and dividends due to the fund for that fiscal year, including any interest credited to general revenue under Subsection (i) of this section;

(2) adding to the amount determined under Subdivision (1) of this subsection an amount equal to the increase, if any, in the fair market value of the fund between the last day of that fiscal year and the last day of the preceding state fiscal year; and

(3) subtracting from the amount determined under Subdivision (2) of this subsection the amount of any expenses of managing the investments of money in the fund that are paid from the fund during that fiscal year.

(q) The amount of the appropriation made under Subsection (p) of this section may not exceed:

(1) for the state fiscal year beginning September 1, 2023, \$100 million; or

(2) for a state fiscal year beginning on or after September 1, 2024, the amount determined under this subsection for the preceding state fiscal year adjusted by the increase, if any, in

SENATE VERSION (IE)

SECTION 1. Section 49-g, Article III, Texas Constitution, is amended by adding Subsection (p) to read as follows:

(p) On the first business day occurring on or after the 90th day of each state fiscal year, an amount, if the amount is greater than zero, equal to the lesser of \$100 million or the interest and other earnings attributable to the investment of money in the economic stabilization fund for the preceding state fiscal year is appropriated from the economic stabilization fund to the comptroller of public accounts for the purpose of immediate deposit to the credit of the Texas University Fund. For purposes of this subsection, the amount of interest and other earnings attributable to the investment of money in the economic stabilization fund for a state fiscal year is computed by:

(1) determining the amount of interest due to the fund for that fiscal year, including any interest credited to general revenue under Subsection (i) of this section;

(2) adding to the amount determined under Subdivision (1) of this subsection an amount equal to the change in the fair market value of the fund between the last day of that fiscal year and the last day of the preceding state fiscal year; and

(3) subtracting from the amount determined under Subdivision (2) of this subsection the amount of any expenses of managing the investments of money in the fund that are paid from the fund during that fiscal year.

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inflation during the preceding state fiscal year, as determined by the comptroller of public accounts on the basis of changes in the consumer price index published by the Bureau of Labor Statistics of the United States Department of Labor or a successor agency.

SECTION 2. Section 20, Article VII, Texas Constitution, is amended by amending Subsections (a) and (g) and adding Subsections (i) and (j) to read as follows:

(a) There is established the Texas University Fund [~~national research university fund~~] for the purpose of providing a dedicated, independent, and equitable source of funding to enable emerging research universities in this state to achieve national prominence as major research universities.

(g) The legislature shall establish criteria by which a state university may become eligible to receive a portion of the distributions from the fund. [~~A state university that becomes eligible to receive a portion of the distributions from the fund in a state fiscal biennium remains eligible to receive additional distributions from the fund in any subsequent state fiscal biennium.~~] The University of Texas at Austin and Texas A&M University are not eligible to receive money from the fund.

(i) For purposes of Section 22, Article VIII, of this constitution:

- (1) money in the fund is dedicated by this constitution; and
- (2) an appropriation of state tax revenues for the purpose of depositing money to the credit of the fund is treated as if it were an appropriation of revenues dedicated by this constitution.

(j) On January 1, 2024, the amount of \$3.5 billion is

SENATE VERSION (IE)

SECTION 2. Section 20, Article VII, Texas Constitution, is amended by amending Subsections (a) and (g) and adding Subsection (i) to read as follows:

(a) There is established the Texas University Fund [~~national research university fund~~] for the purpose of providing a dedicated, independent, and equitable source of funding to enable emerging research universities in this state to achieve national prominence as major research universities.

(g) The legislature shall establish criteria by which a state university may become eligible to receive a portion of the distributions from the fund. A state university that is entitled to participate in dedicated funding provided by Section 18 of this article is [~~becomes eligible to receive a portion of the distributions from the fund in a state fiscal biennium remains eligible to receive additional distributions from the fund in any subsequent state fiscal biennium.~~] The University of Texas at Austin and Texas A&M University are not eligible to receive money from the fund. [FA1]

(i) For purposes of Section 22, Article VIII, of this constitution:

- (1) money in the fund is dedicated by this constitution; and
- (2) an appropriation of state tax revenues for the purpose of depositing money to the credit of the fund is treated as if it were an appropriation of revenues dedicated by this constitution.

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appropriated from the general revenue fund to the comptroller of public accounts for the purpose of immediately depositing that amount to the credit of the Texas University Fund. This subsection expires February 1, 2024.

SECTION 3. The following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) This temporary provision applies to the constitutional amendment proposed by the 88th Legislature, Regular Session, 2023, renaming the national research university fund as the Texas University Fund, providing for the appropriation of certain investment income from the economic stabilization fund to the Texas University Fund, excepting appropriations to and from the Texas University Fund from the constitutional limit on the rate of growth of appropriations, and appropriating money from the general revenue fund to the Texas University Fund for purposes of providing funding to certain public institutions of higher education to achieve national prominence as major research universities and drive the state economy.

(b) Notwithstanding Section 49-g(p), Article III, of this constitution, as added by the amendment, for the state fiscal year beginning September 1, 2023, the amount described by that subsection is appropriated from the economic stabilization fund to the comptroller of public accounts for the purpose of immediate deposit to the credit of the Texas University Fund on January 1, 2024.

(c) This temporary provision expires February 1, 2024.

SECTION 4. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 7, 2023. The ballot shall be printed to permit voting for or

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No equivalent provision.

SECTION 3. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 7, 2023. The ballot shall be printed to permit voting for or

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against the proposition: "The constitutional amendment renaming the national research university fund as the Texas University Fund, providing for the appropriation of certain investment income from the economic stabilization fund to the Texas University Fund, excepting appropriations to and from the Texas University Fund from the constitutional limit on the rate of growth of appropriations, and appropriating money from the general revenue fund to the Texas University Fund for purposes of providing funding to certain public institutions of higher education to achieve national prominence as major research universities and drive the state economy."

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against the proposition: "The constitutional amendment relating to the Texas University Fund, which provides funding to certain institutions of higher education to achieve national prominence as major research universities and drive the state economy."

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