

By: Wilson, et al.

H.B. No. 42

Substitute the following for H.B. No. 42:

By: Howard

C.S.H.B. No. 42

A BILL TO BE ENTITLED

AN ACT

relating to the amount and allocation of the annual constitutional appropriation to certain agencies and institutions of higher education and to the permissible uses of that money.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. (a) This section takes effect only if the constitutional amendment proposed by the 89th Legislature, Regular Session, 2025, providing for the creation of funds to support the capital needs of educational programs offered by the Texas State Technical College System is approved by the voters.

(b) Section 62.021, Education Code, is amended by amending Subsection (a) and adding Subsections (a-1) and (a-2) to read as follows:

(a) In each state fiscal year beginning with the state fiscal year ending August 31, 2027 [~~2021~~], an eligible institution is entitled to receive an amount allocated in accordance with this section from the funds appropriated for that year by Section 17(a), Article VII, Texas Constitution. The comptroller shall distribute funds allocated under this subsection only on presentation of a claim and issuance of a warrant in accordance with Section 403.071, Government Code. An eligible institution may not present a claim to be paid from any funds allocated under this subsection before the delivery of goods or services described in Section 17, Article VII, Texas Constitution, except for the payment of principal or interest

on bonds or notes or for a payment for a book or other published library material as authorized by Section 2155.386, Government Code. The allocation of funds under this subsection is made in accordance with an equitable formula consisting of the following elements: space deficit, facilities condition, and institutional complexity~~[, and a separate allocation for the Texas State Technical College System]~~. The annual amounts allocated by the formula are as follows:

(1) to the following component institutions of the University of North Texas System:

(A) \$92,119,685 ~~[\$38,473,304]~~ to the University of North Texas and its branch campus the University of North Texas at Frisco, allocated as determined by the board of regents of the system;

(B) \$28,108,950 ~~[\$15,581,837]~~ to the University of North Texas Health Science Center at Fort Worth; and

(C) \$9,088,243 ~~[\$3,455,644]~~ to the University of North Texas at Dallas;

(2) to the following component institutions of the Texas State University System:

(A) \$27,789,927 ~~[\$13,537,649]~~ to Lamar University;

(B) \$10,715,169 ~~[\$2,630,158]~~ to the Lamar Institute of Technology;

(C) \$6,430,700 ~~[\$1,533,301]~~ to Lamar State College--Orange;

(D) \$7,552,341 ~~[\$2,283,992]~~ to Lamar State

1 College--Port Arthur;  
2 (E) \$31,983,884 [~~\$18,787,013~~] to Sam Houston  
3 State University;  
4 (F) \$7,323,033 to Sam Houston State University  
5 College of Osteopathic Medicine;  
6 (G) \$76,560,292 [~~\$38,741,061~~] to Texas State  
7 University;  
8 (H) \$5,663,606 [~~(G) \$2,216,640~~] to Sul Ross  
9 State University; and  
10 (I) \$3,293,540 [~~(H) \$487,157~~] to Sul Ross State  
11 University-Rio Grande College;  
12 (3) \$19,416,816 [~~\$12,072,906~~] to Texas Southern  
13 University;  
14 (4) to the following component institutions of the  
15 Texas Tech University System:  
16 (A) \$114,112,643 [~~\$51,379,461~~] to Texas Tech  
17 University;  
18 (B) \$40,007,231 [~~\$22,305,642~~] to Texas Tech  
19 University Health Sciences Center;  
20 (C) \$13,533,380 [~~\$6,997,943~~] to Angelo State  
21 University;  
22 (D) \$14,047,840 [~~\$5,725,243~~] to Texas Tech  
23 University Health Sciences Center--El Paso; and  
24 (E) \$9,439,836 [~~\$5,082,034~~] to Midwestern State  
25 University;  
26 (5) \$27,307,881 [~~\$14,993,229~~] to the component  
27 institutions of the Texas Woman's University System, allocated as

determined by the board of regents of the system;

(6) to the following component institutions of the University of Houston System:

(A) \$104,551,313 [~~\$56,158,685~~] to the University of Houston;

(B) \$8,075,487 [~~\$3,649,703~~] to the University of Houston--Victoria;

(C) \$13,952,505 [~~\$7,959,137~~] to the University of Houston--Clear Lake; ~~and~~

(D) \$20,375,683 [~~\$11,155,034~~] to the University of Houston--Downtown; and

(E) \$5,894,311 to the University of Houston College of Medicine; and

(7) to the following component institutions of The Texas A&M University System:

(A) \$20,929,630 [~~\$11,825,139~~] to Texas A&M University--Corpus Christi;

(B) \$15,959,500 [~~\$7,687,534~~] to Texas A&M International University;

(C) \$13,801,892 [~~\$9,125,307~~] to Texas A&M University--Kingsville;

(D) \$15,713,370 [~~\$7,671,155~~] to West Texas A&M University;

(E) \$18,034,440 [~~\$11,459,464~~] to East Texas A&M University [~~University--Commerce~~]; and

(F) \$5,716,872 [~~\$2,112,129~~] to Texas A&M University--Texarkana[~~, and~~

1           ~~[(8) \$8,662,500 to the Texas State Technical College~~  
2 ~~System Administration and the following component campuses, but not~~  
3 ~~its extension centers or programs.~~

4           ~~[(A) Texas State Technical College--Harlingen,~~  
5           ~~[(B) Texas State Technical College--Marshall,~~  
6           ~~[(C) Texas State Technical College--West Texas,~~  
7           ~~[(D) Texas State Technical College--Waco,~~  
8           ~~[(E) Texas State Technical College--Fort Bend,~~

9 and

10           ~~[(F) Texas State Technical College--North~~  
11 ~~Texas].~~

12       (a-1) In the state fiscal year ending August 31, 2026, an  
13 eligible institution is entitled to receive an amount allocated in  
14 accordance with this section from the funds appropriated for that  
15 year by Section 17(a), Article VII, Texas Constitution. The  
16 comptroller shall distribute funds allocated under this subsection  
17 only on presentation of a claim and issuance of a warrant in  
18 accordance with Section 403.071, Government Code. An eligible  
19 institution may not present a claim to be paid from any funds  
20 allocated under this subsection before the delivery of goods or  
21 services described in Section 17, Article VII, Texas Constitution,  
22 except for the payment of principal or interest on bonds or notes or  
23 for a payment for a book or other published library material as  
24 authorized by Section 2155.386, Government Code. The allocation  
25 of funds under this subsection is made in accordance with an  
26 equitable formula consisting of the following elements: space  
27 deficit, facilities condition, institutional complexity, and a

separate allocation for the Texas State Technical College System. The annual amounts allocated by the formula are as follows:

(1) to the following component institutions of the University of North Texas System:

(A) \$89,980,939 to the University of North Texas and its branch campus the University of North Texas at Frisco, allocated as determined by the board of regents of the system;

(B) \$27,502,778 to the University of North Texas Health Science Center at Fort Worth; and

(C) \$8,923,675 to the University of North Texas at Dallas;

(2) to the following component institutions of the Texas State University System:

(A) \$27,154,265 to Lamar University;

(B) \$10,512,021 to the Lamar Institute of Technology;

(C) \$6,327,832 to Lamar State College--Orange;

(D) \$7,423,432 to Lamar State College--Port Arthur;

(E) \$31,241,313 to Sam Houston State University;

(F) \$7,199,448 to Sam Houston State University College of Osteopathic Medicine;

(G) \$74,782,789 to Texas State University;

(H) \$5,578,548 to Sul Ross State University; and

(I) \$3,263,508 to Sul Ross State University-Rio Grande College;

1           (3) \$19,001,710 to Texas Southern University;

2           (4) to the following component institutions of the  
3 Texas Tech University System:

4                   (A) \$111,463,286 to Texas Tech University;

5                   (B) \$39,124,816 to Texas Tech University Health  
6 Sciences Center;

7                   (C) \$13,247,392 to Angelo State University;

8                   (D) \$13,768,124 to Texas Tech University Health  
9 Sciences Center--El Paso; and

10                   (E) \$9,266,572 to Midwestern State University;

11           (5) \$26,688,793 to the component institutions of the  
12 Texas Woman's University System, allocated as determined by the  
13 board of regents of the system;

14           (6) to the following component institutions of the  
15 University of Houston System:

16                   (A) \$102,123,941 to the University of Houston;

17                   (B) \$7,934,433 to the University of  
18 Houston--Victoria;

19                   (C) \$13,665,066 to the University of  
20 Houston--Clear Lake;

21                   (D) \$19,920,869 to the University of  
22 Houston--Downtown; and

23                   (E) \$5,803,896 to the University of Houston  
24 College of Medicine;

25           (7) to the following component institutions of The  
26 Texas A&M University System:

27                   (A) \$20,472,015 to Texas A&M University--Corpus

Christi;  
(B) \$15,625,322 to Texas A&M International  
University;  
(C) \$13,523,079 to Texas A&  
University--Kingsville;  
(D) \$15,382,514 to West Texas A&M University;  
(E) \$17,642,046 to East Texas A&M University; and  
(F) \$5,630,578 to Texas A&  
University--Texarkana; and  
(8) \$17,325,000 to the Texas State Technical College  
System Administration and the following component campuses, but not  
its extension centers or programs:  
(A) Texas State Technical College--Harlingen;  
(B) Texas State Technical College--Marshall;  
(C) Texas State Technical College--West Texas;  
(D) Texas State Technical College--Waco;  
(E) Texas State Technical College--Fort Bend  
County;  
(F) Texas State Technical College--North Texas;  
and  
(G) Texas State Technical College--East  
Williamson County.  
(a-2) Subsection (a-1) and this subsection expire September  
1, 2027.

SECTION 2. (a) This section takes effect only if the constitutional amendment proposed by the 89th Legislature, Regular Session, 2025, providing for the creation of funds to support the



capital needs of educational programs offered by the Texas State Technical College System is not approved by the voters.

(b) Section 62.021(a), Education Code, is amended to read as follows:

(a) In each state fiscal year beginning with the state fiscal year ending August 31, 2026 [~~2021~~], an eligible institution is entitled to receive an amount allocated in accordance with this section from the funds appropriated for that year by Section 17(a), Article VII, Texas Constitution. The comptroller shall distribute funds allocated under this subsection only on presentation of a claim and issuance of a warrant in accordance with Section 403.071, Government Code. An eligible institution may not present a claim to be paid from any funds allocated under this subsection before the delivery of goods or services described in Section 17, Article VII, Texas Constitution, except for the payment of principal or interest on bonds or notes or for a payment for a book or other published library material as authorized by Section 2155.386, Government Code. The allocation of funds under this subsection is made in accordance with an equitable formula consisting of the following elements: space deficit, facilities condition, institutional complexity, and a separate allocation for the Texas State Technical College System. The annual amounts allocated by the formula are as follows:

(1) to the following component institutions of the University of North Texas System:

(A) \$89,980,939 [~~\$38,473,304~~] to the University of North Texas and its branch campus the University of North Texas

1 at Frisco, allocated as determined by the board of regents of the  
2 system;

3 (B) \$27,502,778 [~~\$15,581,837~~] to the University  
4 of North Texas Health Science Center at Fort Worth; and

5 (C) \$8,923,675 [~~\$3,455,644~~] to the University of  
6 North Texas at Dallas;

7 (2) to the following component institutions of the  
8 Texas State University System:

9 (A) \$27,154,265 [~~\$13,537,649~~] to Lamar  
10 University;

11 (B) \$10,512,021 [~~\$2,630,158~~] to the Lamar  
12 Institute of Technology;

13 (C) \$6,327,832 [~~\$1,533,301~~] to Lamar State  
14 College--Orange;

15 (D) \$7,423,432 [~~\$2,283,992~~] to Lamar State  
16 College--Port Arthur;

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18 State University;

19 (F) \$7,199,448 to Sam Houston State University  
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21 (G) \$74,782,789 [~~\$38,741,061~~] to Texas State  
22 University;

23 (H) \$5,578,548 [~~(C) \$2,216,640~~] to Sul Ross State  
24 University; and

25 (I) \$3,263,508 [~~(H) \$487,157~~] to Sul Ross State  
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5 University;

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7 University Health Sciences Center;

8 (C) \$13,247,392 [~~\$6,997,943~~] to Angelo State  
9 University;

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20 of Houston;

21 (B) \$7,934,433 [~~\$3,649,703~~] to the University of  
22 Houston--Victoria;

23 (C) \$13,665,066 [~~\$7,959,137~~] to the University  
24 of Houston--Clear Lake; ~~and~~

25 (D) \$19,920,869 [~~\$11,155,034~~] to the University  
26 of Houston--Downtown; and

27 (E) \$5,803,896 to the University of Houston

1 College of Medicine;

2 (7) to the following component institutions of The  
3 Texas A&M University System:

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6 (B) \$15,625,322 [~~\$7,687,534~~] to Texas A&M  
7 International University;

8 (C) \$13,523,079 [~~\$9,125,307~~] to Texas A&M  
9 University--Kingsville;

10 (D) \$15,382,514 [~~\$7,671,155~~] to West Texas A&M  
11 University;

12 (E) \$17,642,046 [~~\$11,459,464~~] to East Texas A&M  
13 University [~~University--Commerce~~]; and

14 (F) \$5,630,578 [~~\$2,112,129~~] to Texas A&M  
15 University--Texarkana; and

16 (8) \$17,325,000 [~~\$8,662,500~~] to the Texas State  
17 Technical College System Administration and the following  
18 component campuses, but not its extension centers or programs:

19 (A) Texas State Technical College-Harlingen;

20 (B) Texas State Technical College--Marshall;

21 (C) Texas State Technical College--West Texas;

22 (D) Texas State Technical College--Waco;

23 (E) Texas State Technical College--Fort Bend  
24 County; [~~and~~]

25 (F) Texas State Technical College--North Texas;  
26 and

27 (G) Texas State Technical College--East

Williamson County.

SECTION 3. Section 62.021, Education Code, is amended by adding Subsection (c-1) to read as follows:

(c-1) Each governing board participating in the distribution of funds as described in this section may in its sole discretion use the funds to pay the principal and interest of bonds that were issued under Chapter 55 and the proceeds of which were spent for a purpose described in Section 17(a), Article VII, Texas Constitution.

SECTION 4. Section 62.024, Education Code, is amended to read as follows:

Sec. 62.024. AMOUNT OF ALLOCATION INCREASED. In accordance with Section 17(a), Article VII, Texas Constitution, for each state fiscal year beginning with the state fiscal year ending August 31, 2026 [~~2017~~], the amount of the annual constitutional appropriation under that subsection is increased to \$787.5 [~~\$393.75~~] million. [~~Before the state fiscal year ending August 31, 2017, the amount of the annual constitutional appropriation under that subsection is \$262.5 million.~~]

SECTION 5. Section 62.027(c), Education Code, is amended to read as follows:

(c) The increase provided by the amendment to Section 62.024 enacted by the 89th [~~84th~~] Legislature, Regular Session, 2025 [~~2015~~], in the amount of the appropriation made under Section 17(a), Article VII, Texas Constitution, for each state fiscal year beginning with the state fiscal year ending August 31, 2026 [~~2017~~], constitutes the increase in accordance with Section 17(a) that the

1 legislature considers appropriate for the five-year period  
2 beginning September 1, 2025 [~~2015~~].

3 SECTION 6. Section [62.021](#)(e-2), Education Code, is  
4 repealed.

5 SECTION 7. The amounts allocated under Section [62.021](#),  
6 Education Code, as amended by this Act, apply to each state fiscal  
7 year beginning with the state fiscal year beginning September 1,  
8 2025.

9 SECTION 8. Contingent on the passage and becoming law of  
10 S.B. 2361 or similar legislation of the 89th Legislature, Regular  
11 Session, 2025, relating to the transfer of the University of  
12 Houston--Victoria to The Texas A&M University System, the amounts  
13 allocated to the University of Houston--Victoria under Section  
14 [62.021](#), Education Code, as amended by this Act, are allocated to the  
15 university as transferred to The Texas A&M University System.

16 SECTION 9. (a) Except as provided by Subsection (b) of  
17 this section, this Act takes effect September 1, 2025.

18 (b) Sections 4 and 5 of this Act take effect as provided by  
19 Subsection (a) of this section only if this Act is approved by a  
20 vote of two-thirds of the membership of each house of the  
21 legislature as required by Section [17](#)(a), Article VII, Texas  
22 Constitution.