

1-1 By: Wilson, et al. (Senate Sponsor - Huffman, et al.) H.B. No. 42
1-2 (In the Senate - Received from the House May 6, 2025;
1-3 May 7, 2025, read first time and referred to Committee on Finance;
1-4 May 25, 2025, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 15, Nays 0; May 25, 2025,
1-6 sent to printer.)

1-7	COMMITTEE VOTE				
1-8		Yea	Nay	Absent	PNV
1-9	Huffman	X			
1-10	Hinojosa of Hidalgo	X			
1-11	Alvarado	X			
1-12	Bettencourt	X			
1-13	Campbell	X			
1-14	Creighton	X			
1-15	Flores	X			
1-16	Hall	X			
1-17	Kolkhorst	X			
1-18	Nichols	X			
1-19	Paxton	X			
1-20	Perry	X			
1-21	Schwertner	X			
1-22	West	X			
1-23	Zaffirini	X			

1-24 COMMITTEE SUBSTITUTE FOR H.B. No. 42 By: Huffman

1-25 A BILL TO BE ENTITLED
1-26 AN ACT

1-27 relating to the amount and allocation of the annual constitutional
1-28 appropriation to certain agencies and institutions of higher
1-29 education and to the permissible uses of that money.

1-30 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-31 SECTION 1. Section 62.021, Education Code, is amended by
1-32 amending Subsection (a) and adding Subsection (c-1) to read as
1-33 follows:

1-34 (a) In each state fiscal year beginning with the state
1-35 fiscal year ending August 31, 2026 ~~[2021]~~, an eligible institution
1-36 is entitled to receive an amount allocated in accordance with this
1-37 section from the funds appropriated for that year by Section 17(a),
1-38 Article VII, Texas Constitution. The comptroller shall distribute
1-39 funds allocated under this subsection only on presentation of a
1-40 claim and issuance of a warrant in accordance with Section 403.071,
1-41 Government Code. An eligible institution may not present a claim
1-42 to be paid from any funds allocated under this subsection before the
1-43 delivery of goods or services described in Section 17, Article VII,
1-44 Texas Constitution, except for the payment of principal or interest
1-45 on bonds or notes or for a payment for a book or other published
1-46 library material as authorized by Section 2155.386, Government
1-47 Code. The allocation of funds under this subsection is made in
1-48 accordance with an equitable formula consisting of the following
1-49 elements: space deficit, facilities condition, institutional
1-50 complexity, and a separate allocation for the Texas State Technical
1-51 College System. The annual amounts allocated by the formula are as
1-52 follows:

1-53 (1) to the following component institutions of the
1-54 University of North Texas System:

1-55 (A) \$65,142,741 ~~[\$38,473,304]~~ to the University
1-56 of North Texas and its branch campus the University of North Texas
1-57 at Frisco, allocated as determined by the board of regents of the
1-58 system;

1-59 (B) \$21,716,116 ~~[\$15,581,837]~~ to the University
1-60 of North Texas Health Science Center at Fort Worth; and

2-1 (C) \$7,150,950 [~~\$3,455,644~~] to the University of
 2-2 North Texas at Dallas;
 2-3 (2) to the following component institutions of the
 2-4 Texas State University System:
 2-5 (A) \$20,427,341 [~~\$13,537,649~~] to Lamar
 2-6 University;
 2-7 (B) \$7,956,305 [~~\$2,630,158~~] to the Lamar
 2-8 Institute of Technology;
 2-9 (C) \$5,556,444 [~~\$1,533,301~~] to Lamar State
 2-10 College--Orange;
 2-11 (D) \$6,949,525 [~~\$2,283,992~~] to Lamar State
 2-12 College--Port Arthur;
 2-13 (E) \$22,817,382 [~~\$18,787,013~~] to Sam Houston
 2-14 State University;
 2-15 (F) \$7,555,972 to Sam Houston State University
 2-16 College of Osteopathic Medicine;
 2-17 (G) \$57,704,160 [~~\$38,741,061~~] to Texas State
 2-18 University;
 2-19 (H) \$4,699,091 [~~(G) \$2,216,640~~] to Sul Ross State
 2-20 University; and
 2-21 (I) \$2,886,904 [~~(H) \$487,157~~] to Sul Ross State
 2-22 University--Rio Grande College;
 2-23 (3) \$12,750,829 [~~\$12,072,906~~] to Texas Southern
 2-24 University;
 2-25 (4) to the following component institutions of the
 2-26 Texas Tech University System:
 2-27 (A) \$82,671,774 [~~\$51,379,461~~] to Texas Tech
 2-28 University;
 2-29 (B) \$29,075,466 [~~\$22,305,642~~] to Texas Tech
 2-30 University Health Sciences Center and its branch campuses Texas
 2-31 Tech University Health Sciences Center at Abilene and Texas Tech
 2-32 University Health Sciences Center at Dallas, allocated as
 2-33 determined by the board of regents of the system;
 2-34 (C) \$10,250,544 [~~\$6,997,943~~] to Angelo State
 2-35 University;
 2-36 (D) \$11,548,153 [~~\$5,725,243~~] to Texas Tech
 2-37 University Health Sciences Center--El Paso; and
 2-38 (E) \$7,261,812 [~~\$5,082,034~~] to Midwestern State
 2-39 University;
 2-40 (5) \$19,536,274 [~~\$14,993,229~~] to the component
 2-41 institutions of the Texas Woman's University System, allocated as
 2-42 determined by the board of regents of the system;
 2-43 (6) to the following component institutions of the
 2-44 University of Houston System:
 2-45 (A) \$70,708,909 [~~\$56,158,685~~] to the University
 2-46 of Houston;
 2-47 (B) \$6,030,405 [~~\$3,649,703~~] to the University of
 2-48 Houston--Victoria;
 2-49 (C) \$10,015,183 [~~\$7,959,137~~] to the University
 2-50 of Houston--Clear Lake; [and]
 2-51 (D) \$14,094,619 [~~\$11,155,034~~] to the University
 2-52 of Houston--Downtown; and
 2-53 (E) \$5,746,678 to the University of Houston
 2-54 College of Medicine;
 2-55 (7) to the following component institutions of The
 2-56 Texas A&M University System:
 2-57 (A) \$16,228,184 [~~\$11,825,139~~] to Texas A&M
 2-58 University--Corpus Christi;
 2-59 (B) \$11,686,588 [~~\$7,687,534~~] to Texas A&M
 2-60 International University;
 2-61 (C) \$10,453,123 [~~\$9,125,307~~] to Texas A&M
 2-62 University--Kingsville;
 2-63 (D) \$11,465,897 [~~\$7,671,155~~] to West Texas A&M
 2-64 University;
 2-65 (E) \$12,812,330 [~~\$11,459,464~~] to East Texas A&M
 2-66 University [University--Commerce]; and
 2-67 (F) \$4,731,552 [~~\$2,112,129~~] to Texas A&M
 2-68 University--Texarkana; and
 2-69 (8) \$12,993,750 [~~\$8,662,500~~] 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, a collective unit in Nolan, Taylor, Brown, and Stephens Counties;

(B) Texas State Technical College--Harrison County [College--Harlingen];

(C) [~~(B)~~] Texas State Technical College--McLennan County [College--Marshall];

(D) [~~(C)~~] Texas State Technical College, a collective unit of one or more locations in Ellis County [College--West Texas];

(E) [~~(D)~~] Texas State Technical College, a collective unit in Comal and Guadalupe Counties [College--Waco];

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

(G) [~~(F)~~] Texas State Technical College--Denton County;

(H) Texas State Technical College, a collective unit of one or more locations in East Williamson County; and

(I) Texas State Technical College in Cameron County [College--North Texas].

(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 2. 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 \$590,625,000 [~~\$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 3. 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 legislature considers appropriate for the five-year period beginning September 1, 2025 [~~2015~~].

SECTION 4. Section 62.021(e-2), Education Code, is repealed.

SECTION 5. The amounts allocated under Section 62.021, Education Code, as amended by this Act, apply to each state fiscal year beginning with the state fiscal year beginning September 1, 2025.

SECTION 6. Contingent on the passage and becoming law of S.B. 2361 or similar legislation of the 89th Legislature, Regular Session, 2025, relating to the transfer of the University of Houston--Victoria to The Texas A&M University System, the amounts allocated to the University of Houston--Victoria under Section 62.021, Education Code, as amended by this Act, are allocated to the university as transferred to The Texas A&M University System.

SECTION 7. (a) Except as provided by Subsection (b) of this section, this Act takes effect September 1, 2025.

(b) Sections 2 and 3 of this Act take effect as provided by Subsection (a) of this section only if this Act is approved by a vote of two-thirds of the membership of each house of the legislature as required by Section 17(a), Article VII, Texas Constitution.

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