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H.J.R. No. 5

A JOINT RESOLUTION

1 proposing a constitutional amendment providing for the creation of
2 funds to support the capital needs of educational programs offered
3 by the Texas State Technical College System and removing that
4 system and its campuses from the annual appropriation of certain
5 constitutionally dedicated funding for public institutions of
6 higher education.

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

8 SECTION 1. Article VII, Texas Constitution, is amended by
9 adding Section 21 to read as follows:

10 Sec. 21. (a) In this section:

11 (1) "Available fund" means the available workforce
12 education fund.

13 (2) "Permanent fund" means the permanent technical
14 institution infrastructure fund.

15 (b) The permanent technical institution infrastructure fund
16 and the available workforce education fund are established as
17 special funds in the state treasury outside the general revenue
18 fund to be administered as provided by this section without further
19 appropriation for the purpose of providing a dedicated source of
20 funding for capital projects and equipment purchases related to
21 educational programs offered by the Texas State Technical College
22 System.

23 (c) The permanent fund consists of:

24 (1) money appropriated, credited, transferred, or

1 deposited to the credit of the fund by this section or as authorized
2 by other law;

3 (2) any interest or other earnings attributable to the
4 investment of money in the fund; and

5 (3) gifts, grants, and donations made to the fund.

6 (d) The available fund consists of:

7 (1) money distributed to the fund from the permanent
8 fund as provided by this section;

9 (2) money appropriated, credited, transferred, or
10 deposited to the credit of the fund by this section or as authorized
11 by other law;

12 (3) any interest or other earnings attributable to the
13 investment of money in the fund; and

14 (4) gifts, grants, and donations made to the fund.

15 (e) The comptroller of public accounts or the board of
16 regents of the Texas State Technical College System may establish
17 accounts in the available fund as necessary to administer the fund
18 or pay for projects authorized under this section.

19 (f) The comptroller of public accounts shall hold, manage,
20 and invest the permanent fund. In managing the assets of the fund,
21 the comptroller may acquire, exchange, sell, supervise, manage, or
22 retain any kind of investment that a prudent investor, exercising
23 reasonable care, skill, and caution, would acquire or retain in
24 light of the purposes, terms, distribution needs, and other
25 circumstances of the fund, taking into consideration the investment
26 of all the assets of the fund rather than a single investment. The
27 expenses of managing the investments of the fund shall be paid from

1 the fund.

2 (g) Money may not be appropriated or transferred from the
3 permanent fund or the available fund except as provided by this
4 section.

5 (h) The comptroller of public accounts shall determine the
6 amount available for distribution from the permanent fund to the
7 available fund for each fiscal year in accordance with a
8 distribution policy adopted by the comptroller. The amount
9 available for distribution:

10 (1) must be determined in a manner intended to:

11 (A) provide the available fund with a stable and
12 predictable stream of annual distributions; and

13 (B) preserve over a rolling 10-year period the
14 purchasing power of the permanent fund; and

15 (2) may not exceed 5.5 percent of the fair market value
16 of the investment assets of the permanent fund, as determined by the
17 comptroller.

18 (i) For each state fiscal year, on request of the board of
19 regents of the Texas State Technical College System, the
20 comptroller of public accounts shall distribute an amount that does
21 not exceed the amount determined under Subsection (h) of this
22 section from the permanent fund to the available fund for purposes
23 of this section.

24 (j) The amount distributed from the permanent fund to the
25 available fund under Subsection (i) of this section is appropriated
26 to the board of regents of the Texas State Technical College System
27 for:

1 (1) acquiring land, either with or without permanent
2 improvements;

3 (2) constructing and equipping buildings or other
4 permanent improvements;

5 (3) major repair and rehabilitation of buildings and
6 other permanent improvements;

7 (4) acquiring capital equipment, including
8 instructional equipment, virtual reality or augmented reality
9 equipment, heavy industrial equipment, and vehicles;

10 (5) acquiring library books and materials, including
11 digital or electronic library books and materials;

12 (6) payment of the principal and interest due on the
13 bonds and notes issued by the respective board of regents to finance
14 permanent improvements as authorized by other law; and

15 (7) any other purpose authorized by general law.

16 (k) Notwithstanding any other provision of this section,
17 money appropriated from the available fund under this section may
18 not be used for the purpose of constructing, equipping, repairing,
19 or rehabilitating buildings or other permanent improvements that
20 are to be used for intercollegiate athletics or auxiliary
21 enterprises.

22 (l) An institution, other than a component institution of
23 the Texas State Technical College System, that is entitled to
24 participate in dedicated funding provided by Section 17 or 18 of
25 this article may not be entitled to participate in the funding
26 provided by this section.

27 (m) This section does not impair any obligation created by

1 the issuance of bonds or notes in accordance with prior law,
2 including bonds or notes issued under Section 17 of this article,
3 and all outstanding bonds and notes shall be paid in full, both
4 principal and interest, in accordance with their terms. If this
5 section conflicts with any other provision of this constitution,
6 this section prevails.

7 (n) Money appropriated under Subsection (j) of this section
8 that is not spent during the state fiscal year for which the
9 appropriation is made is retained by the Texas State Technical
10 College System and may be spent in a subsequent state fiscal year
11 for a purpose for which the appropriation was made.

12 (n-1) On January 1, 2026, the amount of \$850 million is
13 appropriated from the general revenue fund to the comptroller of
14 public accounts for the purpose of immediate deposit to the credit
15 of the permanent fund. This subsection expires December 31, 2026.

16 SECTION 2. Sections 17(b) and (c), Article VII, Texas
17 Constitution, are amended to read as follows:

18 (b) The funds appropriated under Subsection (a) of this
19 section shall be for the use of the following eligible agencies and
20 institutions of higher education (even though their names may be
21 changed):

22 (1) East Texas State University including East Texas
23 State University at Texarkana;

24 (2) Lamar University including Lamar University at
25 Orange and Lamar University at Port Arthur;

26 (3) Midwestern State University;

27 (4) University of North Texas;

(5) The University of Texas--Pan American including
The University of Texas at Brownsville;

(6) Stephen F. Austin State University;

(7) Texas College of Osteopathic Medicine;

(8) Texas State University System Administration and
the following component institutions:

(9) Sam Houston State University;

(10) Southwest Texas State University;

(11) Sul Ross State University including Uvalde Study
Center;

(12) Texas Southern University;

(13) Texas Tech University;

(14) Texas Tech University Health Sciences Center;

(15) Angelo State University;

(16) Texas Woman's University;

(17) University of Houston System Administration and
the following component institutions:

(18) University of Houston;

(19) University of Houston--Victoria;

(20) University of Houston--Clear Lake;

(21) University of Houston--Downtown;

(22) Texas A&M University--Corpus Christi;

(23) Texas A&M International University;

(24) Texas A&M University--Kingsville; and

(25) West Texas A&M University[, ~~and~~

~~(26) Texas State Technical College System and its
campuses, but not its extension centers or programs].~~

(c) Pursuant to a two-thirds vote of the membership of each house of the legislature, institutions of higher education may be created at a later date by general law, and, when created, such an institution shall be entitled to participate in the funding provided by this section if it is not created as a part of The University of Texas System or The Texas A&M University System. An institution that is entitled to participate in dedicated funding provided by ~~[Article VII,]~~ Section 18 or 21~~[7]~~ of this article ~~[constitution]~~ may not be entitled to participate in the funding provided by this section.

SECTION 3. Section 18(c), Article VII, Texas Constitution, is amended to read as follows:

(c) Pursuant to a two-thirds vote of the membership of each house of the legislature, institutions of higher education may be created at a later date as a part of The University of Texas System or The Texas A&M University System by general law, and, when created, such an institution shall be entitled to participate in the funding provided by this section for the system in which it is created. An institution that is entitled to participate in dedicated funding provided by ~~[Article VII,]~~ Section 17 or 21~~[7]~~ of this article ~~[constitution]~~ may not be entitled to participate in the funding provided by this section.

SECTION 4. Section 17(d-1), Article VII, Texas Constitution, is repealed.

SECTION 5. The following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) This temporary provision applies

1 to the constitutional amendment proposed by the 89th Legislature,
2 Regular Session, 2025, providing for the creation of the permanent
3 technical institution infrastructure fund and the available
4 workforce education fund to support the capital needs of
5 educational programs offered by the Texas State Technical College
6 System and removing that system and its campuses from the annual
7 appropriation of certain constitutionally dedicated funding for
8 public institutions of higher education.

9 (b) The amendments to Section 17, Article VII, of this
10 constitution take effect September 1, 2026.

11 (c) This temporary provision expires September 1, 2027.

12 SECTION 6. This proposed constitutional amendment shall be
13 submitted to the voters at an election to be held November 4, 2025.
14 The ballot shall be printed to permit voting for or against the
15 proposition: "The constitutional amendment providing for the
16 creation of the permanent technical institution infrastructure
17 fund and the available workforce education fund to support the
18 capital needs of educational programs offered by the Texas State
19 Technical College System and removing that system and its campuses
20 from the annual appropriation of certain constitutionally
21 dedicated funding for public institutions of higher education."