

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 10, 2025

TO: Honorable Brandon Creighton, Chair, Senate Committee on Education K-16

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SJR59 by Birdwell (proposing a constitutional amendment providing for the creation of funds to support the capital needs of educational programs offered by the Texas State Technical College System and repealing the limitation on the allocation to that system and its campuses of the annual appropriation of certain constitutionally dedicated funding for public institutions of higher education.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated, other than the cost of publication; however, there could be a fiscal impact dependent on an appropriation of funds for transfer and deposit to the new Permanent Fund.

The cost to the state for publication of the resolution is \$191,689.

The resolution would propose an amendment to Article VII of the Texas Constitution.

The proposed amendment would establish the Permanent Technical Institution Infrastructure Fund (Permanent Fund) and the Available Workforce Education Fund (Available Fund) as special funds in the state treasury outside of the General Revenue Fund to support the Texas State Technical College (TSTC) System for the purposes of: (1) acquiring land; (2) constructing or equipping buildings; (3) major repair and rehabilitation; (4) acquiring capital equipment; (5) acquiring library books and materials; (6) payment of the principal and interest due on the bonds and notes issued by the respective board of regents to finance permanent improvements; and (7) any other purpose authorized by general law. The permanent fund would consist of money transferred or deposited to the fund and any interest or other earnings of the fund and would be administered by the Texas Comptroller of Public Accounts.

The proposed amendment would require the Comptroller, each fiscal year, to determine the amount available for distribution from the Permanent Fund to the Available Fund. The distribution must preserve the purchasing power of the assets of the Permanent Fund over a rolling 10-year period and may not exceed 5.5 percent of the average fair market value of the investment assets of the Permanent Fund.

The amendment would provide that an institution, except for a component of the TSTC System, entitled to participate in dedicated funding provided by the Higher Education Fund (HEF) or Available University Fund (AUF) could not be entitled to participate in funding from the Permanent or Available Fund. The amendment would repeal a provision limiting the allocation of the annual appropriation from the HEF to the TSTC System to 2.2 percent of the total appropriation.

The proposed amendment would be submitted to voters at an election to be held November 4, 2025.

Note: This legislation would create or recreate a dedicated account in the General Revenue Fund, create or recreate a fund either in, with, or outside the Treasury, or dedicate or rededicate a revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 352 Bond Review Board, 719 Texas State Technical College System Administration, 758 Texas State University System, 781 Higher Education Coordinating Board

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