

SENATE AMENDMENTS
2nd Printing

By: Wilson, Shaheen, Tinderholt, Howard, H.B. No. 42
VanDeaver, et al.

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) \$103,401,605 [~~\$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) \$33,295,551 [~~\$15,581,837~~] to the University of North Texas Health Science Center at Fort Worth; and

(C) \$10,176,145 [~~\$3,455,644~~] to the University of North Texas at Dallas;

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

(A) \$32,210,235 [~~\$13,537,649~~] to Lamar University;

(B) \$11,501,946 [~~\$2,630,158~~] to the Lamar Institute of Technology;

(C) \$7,645,173 [~~\$1,533,301~~] to Lamar State College--Orange;

(D) \$9,856,421 [~~\$2,283,992~~] to Lamar State

1 College--Port Arthur;
2 (E) \$36,218,217 [~~\$18,787,013~~] to Sam Houston
3 State University;
4 (F) \$10,819,040 to Sam Houston State University
5 College of Osteopathic Medicine;
6 (G) \$91,594,285 [~~\$38,741,061~~] to Texas State
7 University;
8 (H) \$6,284,289 [~~(G) \$2,216,640~~] to Sul Ross
9 State University; and
10 (I) \$3,407,790 [~~(H) \$487,157~~] to Sul Ross State
11 University-Rio Grande College;
12 (3) \$19,354,930 [~~\$12,072,906~~] to Texas Southern
13 University;
14 (4) to the following component institutions of the
15 Texas Tech University System:
16 (A) \$131,225,583 [~~\$51,379,461~~] to Texas Tech
17 University;
18 (B) \$44,977,109 [~~\$22,305,642~~] to Texas Tech
19 University Health Sciences Center and its branch campuses Texas
20 Tech University Health Sciences Center at Abilene and Texas Tech
21 University Health Sciences Center at Dallas, allocated as
22 determined by the board of regents of the system;
23 (C) \$15,582,526 [~~\$6,997,943~~] to Angelo State
24 University;
25 (D) \$17,155,861 [~~\$5,725,243~~] to Texas Tech
26 University Health Sciences Center--El Paso; and
27 (E) \$10,352,117 [~~\$5,082,034~~] to Midwestern State

1 University;

2 (5) \$30,610,326 [~~\$14,993,229~~] to the component
3 institutions of the Texas Woman's University System, allocated as
4 determined by the board of regents of the system;

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

7 (A) \$112,236,829 [~~\$56,158,685~~] to the University
8 of Houston;

9 (B) \$8,397,495 [~~\$3,649,703~~] to the University of
10 Houston--Victoria;

11 (C) \$14,968,216 [~~\$7,959,137~~] to the University
12 of Houston--Clear Lake; ~~and~~

13 (D) \$21,881,515 [~~\$11,155,034~~] to the University
14 of Houston--Downtown; and

15 (E) \$7,947,133 to the University of Houston
16 College of Medicine; and

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

19 (A) \$25,075,189 [~~\$11,825,139~~] to Texas A&M
20 University--Corpus Christi;

21 (B) \$17,666,749 [~~\$7,687,534~~] to Texas A&M
22 International University;

23 (C) \$15,563,520 [~~\$9,125,307~~] to Texas A&M
24 University--Kingsville;

25 (D) \$17,341,425 [~~\$7,671,155~~] to West Texas A&M
26 University;

27 (E) \$19,768,680 [~~\$11,459,464~~] to East Texas A&M

University [~~University--Commerce~~]; and

(F) \$6,335,816 [~~\$2,112,129~~] to Texas A&M
University--Texarkana[, ~~and~~

~~[(8) \$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--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,~~

~~and~~

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

(a-1) In the state fiscal year ending August 31, 2026, 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) \$101,017,531 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) \$32,573,987 to the University of North Texas Health Science Center at Fort Worth; and

(C) \$9,987,632 to the University of North Texas at Dallas;

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

(A) \$31,475,992 to Lamar University;

(B) \$11,281,002 to the Lamar Institute of Technology;

(C) \$7,515,016 to Lamar State College--Orange;

(D) \$9,675,280 to Lamar State College--Port Arthur;

(E) \$35,383,153 to Sam Houston State University;

(F) \$10,615,704 to Sam Houston State University College of Osteopathic Medicine;

(G) \$89,482,446 to Texas State University;

1 (H) \$6,185,508 to Sul Ross State University; and
2 (I) \$3,375,332 to Sul Ross State University-Rio
3 Grande College;
4 (3) \$18,943,400 to Texas Southern University;
5 (4) to the following component institutions of the
6 Texas Tech University System:
7 (A) \$128,199,988 to Texas Tech University;
8 (B) \$43,986,210 to Texas Tech University Health
9 Sciences Center and its branch campuses Texas Tech University
10 Health Sciences Center at Abilene and Texas Tech University Health
11 Sciences Center at Dallas, allocated as determined by the board of
12 regents of the system;
13 (C) \$15,250,267 to Angelo State University;
14 (D) \$16,806,421 to Texas Tech University Health
15 Sciences Center--El Paso; and
16 (E) \$10,159,546 to Midwestern State University;
17 (5) \$29,920,254 to the component institutions of the
18 Texas Woman's University System, allocated as determined by the
19 board of regents of the system;
20 (6) to the following component institutions of the
21 University of Houston System:
22 (A) \$109,649,047 to the University of Houston;
23 (B) \$8,249,991 to the University of
24 Houston--Victoria;
25 (C) \$14,659,572 to the University of
26 Houston--Clear Lake;
27 (D) \$21,396,280 to the University of

Houston--Downtown; and
(E) \$7,810,013 to the University of Houston
College of Medicine;
(7) to the following component institutions of The
Texas A&M University System:
(A) \$24,523,894 to Texas A&M University--Corpus
Christi;
(B) \$17,294,100 to Texas A&M International
University;
(C) \$15,245,069 to Texas A&M
University--Kingsville;
(D) \$16,975,295 to West Texas A&M University;
(E) \$19,335,200 to East Texas A&M University; and
(F) \$6,235,848 to Texas A&M
University--Texarkana; and
(8) \$19,642,738 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

1 Williamson County.

2 (a-2) Subsection (a-1) and this subsection expire September
3 1, 2027.

4 SECTION 2. (a) This section takes effect only if the
5 constitutional amendment proposed by the 89th Legislature, Regular
6 Session, 2025, providing for the creation of funds to support the
7 capital needs of educational programs offered by the Texas State
8 Technical College System is not approved by the voters.

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

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

1 College System. The annual amounts allocated by the formula are as
2 follows:

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

5 (A) \$101,017,531 [~~\$38,473,304~~] to the University
6 of North Texas and its branch campus the University of North Texas
7 at Frisco, allocated as determined by the board of regents of the
8 system;

9 (B) \$32,573,987 [~~\$15,581,837~~] to the University
10 of North Texas Health Science Center at Fort Worth; and

11 (C) \$9,987,632 [~~\$3,455,644~~] to the University of
12 North Texas at Dallas;

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

15 (A) \$31,475,992 [~~\$13,537,649~~] to Lamar
16 University;

17 (B) \$11,281,002 [~~\$2,630,158~~] to the Lamar
18 Institute of Technology;

19 (C) \$7,515,016 [~~\$1,533,301~~] to Lamar State
20 College--Orange;

21 (D) \$9,675,280 [~~\$2,283,992~~] to Lamar State
22 College--Port Arthur;

23 (E) \$35,383,153 [~~\$18,787,013~~] to Sam Houston
24 State University;

25 (F) \$10,615,704 to Sam Houston State University
26 College of Osteopathic Medicine;

27 (G) \$89,482,446 [~~\$38,741,061~~] to Texas State

1 University;
2 (H) \$6,185,508 [~~(C) \$2,216,640~~] to Sul Ross State
3 University; and
4 (I) \$3,375,332 [~~(H) \$487,157~~] to Sul Ross State
5 University-Rio Grande College;
6 (3) \$18,943,400 [~~\$12,072,906~~] to Texas Southern
7 University;
8 (4) to the following component institutions of the
9 Texas Tech University System:
10 (A) \$128,199,988 [~~\$51,379,461~~] to Texas Tech
11 University;
12 (B) \$43,986,210 [~~\$22,305,642~~] to Texas Tech
13 University Health Sciences Center and its branch campuses Texas
14 Tech University Health Sciences Center at Abilene and Texas Tech
15 University Health Sciences Center at Dallas, allocated as
16 determined by the board of regents of the system;
17 (C) \$15,250,267 [~~\$6,997,943~~] to Angelo State
18 University;
19 (D) \$16,806,421 [~~\$5,725,243~~] to Texas Tech
20 University Health Sciences Center--El Paso; and
21 (E) \$10,159,546 [~~\$5,082,034~~] to Midwestern State
22 University;
23 (5) \$29,920,254 [~~\$14,993,229~~] to the component
24 institutions of the Texas Woman's University System, allocated as
25 determined by the board of regents of the system;
26 (6) to the following component institutions of the
27 University of Houston System:

1 (A) \$109,649,047 [~~\$56,158,685~~] to the University
2 of Houston;

3 (B) \$8,249,991 [~~\$3,649,703~~] to the University of
4 Houston--Victoria;

5 (C) \$14,659,572 [~~\$7,959,137~~] to the University
6 of Houston--Clear Lake; ~~and~~

7 (D) \$21,396,280 [~~\$11,155,034~~] to the University
8 of Houston--Downtown; and

9 (E) \$7,810,013 to the University of Houston
10 College of Medicine;

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

13 (A) \$24,523,894 [~~\$11,825,139~~] to Texas A&M
14 University--Corpus Christi;

15 (B) \$17,294,100 [~~\$7,687,534~~] to Texas A&M
16 International University;

17 (C) \$15,245,069 [~~\$9,125,307~~] to Texas A&M
18 University--Kingsville;

19 (D) \$16,975,295 [~~\$7,671,155~~] to West Texas A&M
20 University;

21 (E) \$19,335,200 [~~\$11,459,464~~] to East Texas A&M
22 University [~~University--Commerce~~]; and

23 (F) \$6,235,848 [~~\$2,112,129~~] to Texas A&M
24 University--Texarkana; and

25 (8) \$19,642,738 [~~\$8,662,500~~] to the Texas State
26 Technical College System Administration and the following
27 component campuses, but not its extension centers or programs:

- 1 (A) Texas State Technical College-Harlingen;
- 2 (B) Texas State Technical College--Marshall;
- 3 (C) Texas State Technical College--West Texas;
- 4 (D) Texas State Technical College--Waco;
- 5 (E) Texas State Technical College--Fort Bend
- 6 County; [and]
- 7 (F) Texas State Technical College--North Texas;
- 8 and
- 9 (G) Texas State Technical College--East
- 10 Williamson County.

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

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

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

21 Sec. 62.024. AMOUNT OF ALLOCATION INCREASED. In
22 accordance with Section 17(a), Article VII, Texas Constitution, for
23 each state fiscal year beginning with the state fiscal year ending
24 August 31, 2026 [~~2017~~], the amount of the annual constitutional
25 appropriation under that subsection is increased to \$892,851,716
26 [~~\$393.75 million~~]. [~~Before the state fiscal year ending August 31,~~
27 ~~2017, the amount of the annual constitutional appropriation under~~

1 ~~that subsection is \$262.5 million.]~~

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

4 (c) The increase provided by the amendment to Section 62.024
5 enacted by the 89th [~~84th~~] Legislature, Regular Session, 2025
6 [~~2015~~], in the amount of the appropriation made under Section
7 17(a), Article VII, Texas Constitution, for each state fiscal year
8 beginning with the state fiscal year ending August 31, 2026 [~~2017~~],
9 constitutes the increase in accordance with Section 17(a) that the
10 legislature considers appropriate for the five-year period
11 beginning September 1, 2025 [~~2015~~].

12 SECTION 6. Section 62.021(e-2), Education Code, is
13 repealed.

14 SECTION 7. The amounts allocated under Section 62.021,
15 Education Code, as amended by this Act, apply to each state fiscal
16 year beginning with the state fiscal year beginning September 1,
17 2025.

18 SECTION 8. Contingent on the passage and becoming law of
19 S.B. 2361 or similar legislation of the 89th Legislature, Regular
20 Session, 2025, relating to the transfer of the University of
21 Houston--Victoria to The Texas A&M University System, the amounts
22 allocated to the University of Houston--Victoria under Section
23 62.021, Education Code, as amended by this Act, are allocated to the
24 university as transferred to The Texas A&M University System.

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

27 (b) Sections 4 and 5 of this Act take effect as provided by

H.B. No. 42

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

ADOPTED

MAY 27 2025

Latey Law
Secretary of the Senate

By: HUFFMAN

H.B. No. 42

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

By: Joe Huffman

C.S. H.B. No. 42

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

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

1 complexity, and a separate allocation for the Texas State Technical
2 College System. The annual amounts allocated by the formula are as
3 follows:

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

6 (A) \$65,142,741 [~~\$38,473,304~~] to the University
7 of North Texas and its branch campus the University of North Texas
8 at Frisco, allocated as determined by the board of regents of the
9 system;

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

12 (C) \$7,150,950 [~~\$3,455,644~~] to the University of
13 North Texas at Dallas;

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

16 (A) \$20,427,341 [~~\$13,537,649~~] to Lamar
17 University;

18 (B) \$7,956,305 [~~\$2,630,158~~] to the Lamar
19 Institute of Technology;

20 (C) \$5,556,444 [~~\$1,533,301~~] to Lamar State
21 College--Orange;

22 (D) \$6,949,525 [~~\$2,283,992~~] to Lamar State
23 College--Port Arthur;

24 (E) \$22,817,382 [~~\$18,787,013~~] to Sam Houston
25 State University;

26 (F) \$7,555,972 to Sam Houston State University
27 College of Osteopathic Medicine;

1 (G) \$57,704,160 [~~\$38,741,061~~] to Texas State
2 University;
3 (H) \$4,699,091 [~~(G) \$2,216,640~~] to Sul Ross State
4 University; and
5 (I) \$2,886,904 [~~(H) \$487,157~~] to Sul Ross State
6 University-Rio Grande College;
7 (3) \$12,750,829 [~~\$12,072,906~~] to Texas Southern
8 University;
9 (4) to the following component institutions of the
10 Texas Tech University System:
11 (A) \$82,671,774 [~~\$51,379,461~~] to Texas Tech
12 University;
13 (B) \$29,075,466 [~~\$22,305,642~~] to Texas Tech
14 University Health Sciences Center and its branch campuses Texas
15 Tech University Health Sciences Center at Abilene and Texas Tech
16 University Health Sciences Center at Dallas, allocated as
17 determined by the board of regents of the system;
18 (C) \$10,250,544 [~~\$6,997,943~~] to Angelo State
19 University;
20 (D) \$11,548,153 [~~\$5,725,243~~] to Texas Tech
21 University Health Sciences Center--El Paso; and
22 (E) \$7,261,812 [~~\$5,082,034~~] to Midwestern State
23 University;
24 (5) \$19,536,274 [~~\$14,993,229~~] to the component
25 institutions of the Texas Woman's University System, allocated as
26 determined by the board of regents of the system;
27 (6) to the following component institutions of the

1 University of Houston System:

2 (A) \$70,708,909 [~~\$56,158,685~~] to the University
3 of Houston;

4 (B) \$6,030,405 [~~\$3,649,703~~] to the University of
5 Houston--Victoria;

6 (C) \$10,015,183 [~~\$7,959,137~~] to the University
7 of Houston--Clear Lake; [~~and~~]

8 (D) \$14,094,619 [~~\$11,155,034~~] to the University
9 of Houston--Downtown; and

10 (E) \$5,746,678 to the University of Houston
11 College of Medicine;

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

14 (A) \$16,228,184 [~~\$11,825,139~~] to Texas A&M
15 University--Corpus Christi;

16 (B) \$11,686,588 [~~\$7,687,534~~] to Texas A&M
17 International University;

18 (C) \$10,453,123 [~~\$9,125,307~~] to Texas A&M
19 University--Kingsville;

20 (D) \$11,465,897 [~~\$7,671,155~~] to West Texas A&M
21 University;

22 (E) \$12,812,330 [~~\$11,459,464~~] to East Texas A&M
23 University [~~University--Commerce~~]; and

24 (F) \$4,731,552 [~~\$2,112,129~~] to Texas A&M
25 University--Texarkana; and

26 (8) \$12,993,750 [~~\$8,662,500~~] to the Texas State
27 Technical College System Administration and the following

1 component campuses, but not its extension centers or programs:

2 (A) Texas State Technical College, a collective
3 unit in Nolan, Taylor, Brown, and Stephens Counties;

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

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

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

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

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

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

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

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

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

27 SECTION 2. Section 62.024, Education Code, is amended to

1 read as follows:

2 Sec. 62.024. AMOUNT OF ALLOCATION INCREASED. In
3 accordance with Section 17(a), Article VII, Texas Constitution, for
4 each state fiscal year beginning with the state fiscal year ending
5 August 31, 2026 [~~2017~~], the amount of the annual constitutional
6 appropriation under that subsection is increased to \$590,625,000
7 [~~\$393.75 million~~]. [~~Before the state fiscal year ending August 31,~~
8 ~~2017, the amount of the annual constitutional appropriation under~~
9 ~~that subsection is \$262.5 million.~~]

10 SECTION 3. Section 62.027(c), Education Code, is amended to
11 read as follows:

12 (c) The increase provided by the amendment to Section 62.024
13 enacted by the 89th [~~84th~~] Legislature, Regular Session, 2025
14 [~~2015~~], in the amount of the appropriation made under Section
15 17(a), Article VII, Texas Constitution, for each state fiscal year
16 beginning with the state fiscal year ending August 31, 2026 [~~2017~~],
17 constitutes the increase in accordance with Section 17(a) that the
18 legislature considers appropriate for the five-year period
19 beginning September 1, 2025 [~~2015~~].

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

22 SECTION 5. The amounts allocated under Section 62.021,
23 Education Code, as amended by this Act, apply to each state fiscal
24 year beginning with the state fiscal year beginning September 1,
25 2025.

26 SECTION 6. Contingent on the passage and becoming law of
27 S.B. 2361 or similar legislation of the 89th Legislature, Regular

1 Session, 2025, relating to the transfer of the University of
2 Houston--Victoria to The Texas A&M University System, the amounts
3 allocated to the University of Houston--Victoria under Section
4 62.021, Education Code, as amended by this Act, are allocated to the
5 university as transferred to The Texas A&M University System.

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

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 28, 2025

TO: Honorable Dustin Burrows, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB42 by Wilson (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.), As Passed 2nd House

Estimated Two-year Net Impact to General Revenue Related Funds for HB42, As Passed 2nd House: a negative impact of (\$393,750,000) through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	(\$196,875,000)
2027	(\$196,875,000)
2028	(\$196,875,000)
2029	(\$196,875,000)
2030	(\$196,875,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1
2026	(\$196,875,000)
2027	(\$196,875,000)
2028	(\$196,875,000)
2029	(\$196,875,000)
2030	(\$196,875,000)

Fiscal Analysis

The bill would reallocate Higher Education Fund (HEF) appropriations between eligible recipient institutions and increase the annual constitutional allocation for the HEF from \$393,750,000 each fiscal year to \$590,625,000 each fiscal year beginning in fiscal year 2026.

Methodology

The current annual appropriation level for the HEF is \$393,750,000. The bill would increase the annual

allocation to \$590,625,000, which would result in an annual cost of \$196,875,000 from the General Revenue Fund beginning in fiscal year 2026.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 710 Texas A&M University System Administrative and General Offices, 717 Texas Southern University, 719 Texas State Technical College System Administration, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 775 Texas Woman's University System, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

LBB Staff: JMc, SD, KK, LBO, CPo, FV, NV

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 24, 2025

TO: Honorable Joan Huffman, Chair, Senate Committee on Finance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB42 by Wilson (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.),
Committee Report 2nd House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB42, Committee Report 2nd House, Substituted: a negative impact of (\$393,750,000) through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2026	(\$196,875,000)
2027	(\$196,875,000)
2028	(\$196,875,000)
2029	(\$196,875,000)
2030	(\$196,875,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from General Revenue Fund 1
2026	(\$196,875,000)
2027	(\$196,875,000)
2028	(\$196,875,000)
2029	(\$196,875,000)
2030	(\$196,875,000)

Fiscal Analysis

The bill would reallocate Higher Education Fund (HEF) appropriations between eligible recipient institutions and increase the annual constitutional allocation for the HEF from \$393,750,000 each fiscal year to \$590,625,000 each fiscal year beginning in fiscal year 2026.

Methodology

The current annual appropriation level for the HEF is \$393,750,000. The bill would increase the annual

allocation to \$590,625,000, which would result in an annual cost of \$196,875,000 from the General Revenue Fund beginning in fiscal year 2026.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 710 Texas A&M University System Administrative and General Offices, 717 Texas Southern University, 719 Texas State Technical College System Administration, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 775 Texas Woman's University System, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

LBB Staff: JMc, KK, LBO, CPo, FV, NV

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 13, 2025

TO: Honorable Joan Huffman, Chair, Senate Committee on Finance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB42 by Wilson (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.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB42, As Engrossed: a negative impact of (\$998,203,432) through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	(\$499,101,716)
2027	(\$499,101,716)
2028	(\$499,101,716)
2029	(\$499,101,716)
2030	(\$499,101,716)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1
2026	(\$499,101,716)
2027	(\$499,101,716)
2028	(\$499,101,716)
2029	(\$499,101,716)
2030	(\$499,101,716)

Fiscal Analysis

The bill would reallocate Higher Education Fund (HEF) appropriations between eligible recipient institutions and increase the annual constitutional allocation for the HEF from \$393,750,000 each fiscal year to \$892,851,716 each fiscal year beginning in fiscal year 2026.

If the constitutional amendment proposed by the 89th Legislature, Regular Session, 2025, relating to a permanent fund to support the capital needs of educational programs offered by the Texas State Technical College (TSTC) System is approved by the voters, the bill would remove eligibility for HEF funding for the

TSTC System and its campuses and reallocate HEF appropriations between recipient institutions beginning in fiscal year 2027.

Methodology

The current annual appropriation level for the HEF is \$393,750,000. The bill would increase the annual allocation to \$892,851,716, which would result in an annual cost of \$499,101,716 from the General Revenue Fund beginning in fiscal year 2026.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 710 Texas A&M University System Administrative and General Offices, 719 Texas State Technical College System Administration, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration

LBB Staff: JMc, KK, LBO, CPo, NV

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 24, 2025

TO: Honorable Terry M. Wilson, Chair, House Committee on Higher Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB42** by Wilson (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.),
Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB42, Committee Report 1st House, Substituted: a negative impact of (\$787,500,000) through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2026	(\$393,750,000)
2027	(\$393,750,000)
2028	(\$393,750,000)
2029	(\$393,750,000)
2030	(\$393,750,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from General Revenue Fund 1
2026	(\$393,750,000)
2027	(\$393,750,000)
2028	(\$393,750,000)
2029	(\$393,750,000)
2030	(\$393,750,000)

Fiscal Analysis

The bill would reallocate Higher Education Fund (HEF) appropriations between eligible recipient institutions and increase the annual constitutional allocation for the HEF from \$393,750,000 each fiscal year to \$787,500,000 each fiscal year beginning in fiscal year 2026.

If the constitutional amendment proposed by the 89th Legislature, Regular Session, 2025, relating to a permanent fund to support the capital needs of educational programs offered by the Texas State Technical College (TSTC) System is approved by the voters, the bill would remove eligibility for HEF funding for the

TSTC System and its campuses and reallocate HEF appropriations between recipient institutions beginning in fiscal year 2027.

Methodology

The current annual appropriation level for the HEF is \$393,750,000. The bill would increase the annual allocation to \$787,500,000, which would result in an annual cost of \$393,750,000 from the General Revenue Fund beginning in fiscal year 2026.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 710 Texas A&M University System Administrative and General Offices, 717 Texas Southern University, 719 Texas State Technical College System Administration, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 775 Texas Woman's University System, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

LBB Staff: JMc, FV, LBO, CPo, NV

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION
Revision 1

April 24, 2025

TO: Honorable Terry M. Wilson, Chair, House Committee on Higher Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB42 by Wilson (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.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB42, As Introduced: a negative impact of (\$393,750,000) through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2026	(\$196,875,000)
2027	(\$196,875,000)
2028	(\$196,875,000)
2029	(\$196,875,000)
2030	(\$196,875,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from General Revenue Fund 1
2026	(\$196,875,000)
2027	(\$196,875,000)
2028	(\$196,875,000)
2029	(\$196,875,000)
2030	(\$196,875,000)

Fiscal Analysis

The bill would reallocate Higher Education Fund (HEF) appropriations between eligible recipient institutions and increase the annual constitutional allocation for the HEF from \$393,750,000 each fiscal year to \$590,625,000 each fiscal year beginning in fiscal year 2026.

If the constitutional amendment proposed by the 89th Legislature, Regular Session, 2025, relating to a permanent fund to support the capital needs of educational programs offered by the Texas State Technical

College (TSTC) System is approved by the voters, the bill would remove eligibility for HEF funding for the TSTC System and its campuses and reallocate HEF appropriations between recipient institutions beginning in fiscal year 2027.

Methodology

The current annual appropriation level for the HEF is \$393,750,000. The bill would increase the annual allocation to \$590,625,000, which would result in an annual cost of \$196,875,000 from the General Revenue Fund beginning in fiscal year 2026.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 710 Texas A&M University System Administrative and General Offices, 717 Texas Southern University, 719 Texas State Technical College System Administration, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

LBB Staff: JMc, FV, LBO, CPo, NV

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 7, 2025

TO: Honorable Terry M. Wilson, Chair, House Committee on Higher Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB42** by Wilson (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.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB42, As Introduced: a negative impact of (\$393,750,000) through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	(\$196,875,000)
2027	(\$196,875,000)
2028	(\$196,875,000)
2029	(\$196,875,000)
2030	(\$196,875,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1
2026	(\$196,875,000)
2027	(\$196,875,000)
2028	(\$196,875,000)
2029	(\$196,875,000)
2030	(\$196,875,000)

Fiscal Analysis

The bill would reallocate Higher Education Fund (HEF) appropriations between eligible recipient institutions and increase the annual constitutional allocation for the HEF from \$393,750,000 each fiscal year to \$590,625,000 each fiscal year beginning in fiscal year 2026.

If the constitutional amendment proposed by the 89th Legislature, Regular Session, 2023, relating to a permanent fund to support the capital needs of educational programs offered by the Texas State Technical College (TSTC) System is approved by the voters, the bill would remove eligibility for HEF funding for the

TSTC System and its campuses and reallocate HEF appropriations between recipient institutions beginning in fiscal year 2027.

Methodology

The current annual appropriation level for the HEF is \$393,750,000. The bill would increase the annual allocation to \$590,625,000, which would result in an annual cost of \$196,875,000 from the General Revenue Fund beginning in fiscal year 2026.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 710 Texas A&M University System Administrative and General Offices, 717 Texas Southern University, 719 Texas State Technical College System Administration, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

LBB Staff: JMc, FV, LBO, CPo, NV