

FILED FEB 17 1999
H.J.R. No. 58

By J. J. [Signature]

A JOINT RESOLUTION

1 proposing a constitutional amendment revising the provisions for
2 funding capital improvements and acquisitions by institutions of
3 higher education.

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

5 SECTION 1. Sections 11, 11b, 12, and 18, Article VII, Texas
6 Constitution, are combined and revised as Section 18 of that
7 article and amended to read as follows:

8 Sec. 18 [++]. (a) The permanent university fund is
9 established for the purpose of creating and maintaining a high
10 level of academic excellence in a limited number of world-class
11 research universities in the state and consists of:

12 (1) the land and other assets included in the fund on
13 January 1, 2000;

14 (2) the proceeds from sale and mineral development of
15 land included in the fund; and

16 (3) the property purchased with the proceeds [In
17 order-to-enable-the-Legislature-to-perform-the-duties-set-forth--in
18 the----foregoing-Section,-it-is-hereby-declared-all-lands-and-other
19 property--heretofore---set---apart---and---appropriated---for---the
20 establishment--and-maintenance-of-the-University-of-Texas,-together
21 with-all-the-proceeds-of-sales-of--the--same,-heretofore--made--or
22 hereafter--to-be-made,-and-all-grants,-donations-and-appropriations
23 that-may-hereafter-be-made-by-the-State-of-Texas,-or-from-any-other
24 source,-except--donations--limited--to--specific--purposes,-shall

1 constitute and become a Permanent University Fund. And the same as
2 realized and received into the Treasury of the State (together with
3 such sums belonging to the Fund, as may now be in the Treasury),
4 shall be invested in bonds of the United States, the State of
5 Texas, or counties of said State, or in School Bonds of
6 municipalities, or in bonds of any city of this State, or in bonds
7 issued under and by virtue of the Federal Farm Loan Act approved by
8 the President of the United States, July 17, 1916, and amendments
9 thereto, and the interest accruing thereon shall be subject to
10 appropriation by the legislature to accomplish the purpose declared
11 in the foregoing Section, provided, that the one-tenth of the
12 alternate Section of the lands granted to railroads, reserved by
13 the State, which were set apart and appropriated to the
14 establishment of the University of Texas, by an Act of the
15 legislature of February 11, 1858, entitled, "An Act to establish
16 the University of Texas," shall not be included in, or constitute a
17 part of, the Permanent University Fund].

18 (b) The permanent university fund is held in perpetual trust
19 for the people of this state and for the use and benefit of the
20 institutions described by Subsections (e) and (f) of this section.
21 The principal of the fund may not be spent.

22 (c) The [Sec. 11b, Notwithstanding any other provision of
23 this constitution, in managing the assets of the permanent
24 university fund, the] Board of Regents of The University of Texas
25 System may sell, lease, exchange, or otherwise manage the assets of
26 the fund in the manner prescribed by law and shall invest all
27 proceeds. Subject to general law, the board may acquire, exchange,

1 sell, supervise, manage, or retain, through procedures and subject
2 to restrictions it establishes and in amounts it considers
3 appropriate, any kind of investment, including investments in the
4 Texas growth fund created by Article XVI, Section 70, of this
5 constitution, that persons of ordinary prudence, discretion, and
6 intelligence, exercising the judgment and care under the
7 circumstances then prevailing, acquire or retain for their own
8 account in the management of their affairs, not in regard to
9 speculation but in regard to the permanent disposition of their
10 funds, considering the probable income as well as the probable
11 safety of their capital. [~~This--section--does--not--affect--the
12 custodial-responsibilities-of-the-comptroller--of--public--accounts
13 for-public-funds, securities, and other evidences of investment.~~

14 [~~Sec.--12.----The-land-herein-set-apart-to-the-University-fund
15 shall-be-sold-under-such-regulations, at-such-times, and-on-such
16 terms--as-may-be-provided-by-law, and-the-Legislature-shall-provide
17 for-the-prompt-collection, at-maturity, of-all-debts-due-on-account
18 of-University-lands, heretofore-sold, or-that-may-hereafter-be
19 sold, and-shall-in-neither-event-have-the-power-to-grant-relief-to
20 the-purchasers.~~

21 [~~Sec.--18.---(a)---The--Board--of--Regents--of--The--Texas--A&M
22 University--System--may-issue-bonds-and-notes-not-to-exceed-a-total
23 amount-of-10-percent-of-the-cost-value-of-the-investments-and-other
24 assets-of-the-permanent-university-fund-(exclusive-of-real--estate)
25 at-the-time-of-the-issuance-thereof, and-may-pledge-all-or-any-part
26 of--its--one-third--interest--in--the--available-university-fund-to
27 secure-the-payment-of-the-principal-and-interest-of-those-bonds-and~~

1 notes, for the purpose of acquiring land--either--with--or--without
2 permanent--improvements,--constructing--and--equipping--buildings--or
3 other--permanent--improvements,--major--repair--and--rehabilitation--of
4 buildings--and--other--permanent--improvements,--acquiring--capital
5 equipment--and--library--books--and--library--materials,--and--refunding
6 bonds--or--notes--issued--under--this--Section--or--prior--law,--at--or--for
7 The--Texas--A&M--University--System--administration--and--the--following
8 component--institutions--of--the--system:

9 [(1) --Texas--A&M--University,--including--its--medical
10 college--which--the--legislature--may--authorize--as--a--separate--medical
11 institution;

12 [(2) --Prairie--View--A&M--University,--including--its
13 nursing--school--in--Houston;

14 [(3) --Tarleton--State--University;

15 [(4) --Texas--A&M--University--at--Galveston;

16 [(5) --Texas--Forest--Service;

17 [(6) --Texas--Agricultural--Experiment--Stations;

18 [(7) --Texas--Agricultural--Extension--Service;

19 [(8) --Texas--Engineering--Experiment--Stations;

20 [(9) --Texas--Transportation--Institute,--and

21 [(10) --Texas--Engineering--Extension--Service.

22 [(b) --The--Board--of--Regents--of--The--University--of--Texas--System
23 may--issue--bonds--and--notes--not--to--exceed--a--total--amount--of--20
24 percent--of--the--cost--value--of--investments--and--other--assets--of--the
25 permanent--university--fund--(exclusive--of--real--estate)--at--the--time--of
26 issuance--thereof,--and--may--pledge--all--or--any--part--of--its--two--thirds
27 interest--in--the--available--university--fund--to--secure--the--payment--of

1 the principal and interest of those bonds and notes, for the
2 purpose of acquiring land either with or without permanent
3 improvements, constructing and equipping buildings or other
4 permanent improvements, major repair and rehabilitation of
5 buildings and other permanent improvements, acquiring capital
6 equipment and library books and library materials, and refunding
7 bonds or notes issued under this section or prior law, at or for
8 The University of Texas System administration and the following
9 component institutions of the system:

10 [(1) The University of Texas at Arlington;

11 [(2) The University of Texas at Austin;

12 [(3) The University of Texas at Dallas;

13 [(4) The University of Texas at El Paso;

14 [(5) The University of Texas of the Permian Basin;

15 [(6) The University of Texas at San Antonio;

16 [(7) The University of Texas at Tyler;

17 [(8) The University of Texas Health Science Center at

18 Dallas;

19 [(9) The University of Texas Medical Branch at

20 Galveston;

21 [(10) The University of Texas Health Science Center at

22 Houston;

23 [(11) The University of Texas Health Science Center at

24 San Antonio;

25 [(12) The University of Texas System Cancer Center;

26 [(13) The University of Texas Health Center at Tyler;

27 and

1 [~~(i4)~~ The University of Texas Institute of Texan
2 Cultures at San Antonio.

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

13 (d) [The proceeds of the bonds or notes issued under
14 Subsection (a) or (b) of this section may not be used for the
15 purpose of constructing, equipping, repairing, or rehabilitating
16 buildings or other permanent improvements that are to be used for
17 student housing, intercollegiate athletics, or auxiliary
18 enterprises.]

19 [~~(e)~~] The available university fund consists of the
20 [dividends, interest, and other] income from the permanent
21 university fund [less administrative expenses and less] including
22 the net income from grazing leases [attributable to the
23 surface] of permanent university fund land.

24 (e) One-third [Out of one-third] of the available university
25 fund [there] shall annually be appropriated [an annual sum
26 sufficient to pay the principal and interest due on the bonds and
27 notes issued by the Board of Regents of The Texas A&M University

1 System-under-this-section-and-prior-law, and the remainder of that
2 one-third-of-the-available-university-fund-shall-be-appropriated-to
3 the-Board-of-Regents-of-The-Texas-A&M-University-System-which-shall
4 have--the--authority--and--duty-in-turn-to-appropriate-an-equitable
5 portion-of-the-same] for the support and maintenance of The Texas
6 A&M University System administration and for excellence at the
7 following components of the system:

8 (1) [7] Texas A&M University at College Station,
9 including the Texas A&M University Health Science Center;

10 (2) [and] Prairie View A&M University, including its
11 nursing school in Houston;

12 (3) Texas A&M University at Galveston;

13 (4) Texas Forest Service;

14 (5) Texas Agricultural Experiment Station;

15 (6) Texas Agricultural Extension Service;

16 (7) Texas Engineering Experiment Station;

17 (8) Texas Engineering Extension Service; and

18 (9) Texas Transportation Institute.

19 [The-Board-of-Regents-of-The-Texas-A&M-University-System, in-making
20 just--and--equitable--appropriations--to--Texas--A&M-University-and
21 Prairie-View-A&M-University, shall-exercise-its-discretion-with-due
22 regard-to-such-criteria-as-the-board-may-deem-appropriate-from-year
23 to--year,--taking--into--account--all--amounts--appropriated--from
24 Subsection-(f)-of-this-section.]

25 (f) The [Out--of--the] other two-thirds of the available
26 university fund [there] shall annually be appropriated [an--annual
27 sum--sufficient--to-pay-the-principal-and-interest-due-on-the-bonds

1 ~~and notes issued by the Board of Regents of The University of Texas~~
2 ~~System under this section and prior law, and the remainder of--such~~
3 ~~two-thirds of the available university fund, shall be appropriated]~~
4 for the support and maintenance of [~~The University of Texas at~~
5 ~~Austin and]~~ The University of Texas System administration and for
6 excellence at the following components of the system:

7 (1) The University of Texas at Austin;

8 (2) The University of Texas Southwestern Medical
9 Center at Dallas;

10 (3) The University of Texas Medical Branch at
11 Galveston;

12 (4) The University of Texas Health Science Center at
13 Houston;

14 (5) The University of Texas Health Science Center at
15 San Antonio;

16 (6) The University of Texas M. D. Anderson Cancer
17 Center;

18 (7) The University of Texas Health Center at Tyler;
19 and

20 (8) The University of Texas Institute of Texan
21 Cultures at San Antonio.

22 (g) In allocating its share of the available university fund
23 among the eligible institutions, the board of regents of each
24 university system shall exercise its discretion with due regard to
25 the criteria the board considers appropriate from year to year.

26 (h) Subject to general law, the Board of Regents of The
27 University of Texas System and the Board of Regents of The Texas

1 A&M University System may issue bonds and notes, and pledge their
2 respective shares of the available university fund to the payment
3 of the principal of and interest on those bonds and notes, for the
4 purpose of acquiring land either with or without permanent
5 improvements, constructing and equipping buildings and other
6 permanent improvements, funding major repair and rehabilitation of
7 buildings and other permanent improvements, acquiring capital
8 equipment and library books and library materials, and refunding
9 bonds or notes issued under this section. Bonds and notes issued
10 under this subsection shall be for the benefit of the institutions
11 described by Subsections (e) and (f) of this section.

12 [~~(g)~~---The---bonds---and---notes---issued---under---this---section---shall---be
13 payable---solely---out---of---the---available---university---fund,---mature
14 serially---or---otherwise---in---not---more---than---30---years---from---their
15 respective---dates,---and,---except---for---refunding---bonds,---be---sold---only
16 through---competitive---bidding.---All---of---these---bonds---and---notes---are
17 subject---to---approval---by---the---attorney---general---and---when---so---approved
18 are---incontestable.---The---permanent---university---fund---may---be---invested
19 in---these---bonds---and---notes.

20 [~~(h)~~---To---assure---efficient---use---of---construction---funds---and---the
21 orderly---development---of---physical---plants---to---accommodate---the---state's
22 real---need,---the---legislature---may---provide---for---the---approval---or
23 disapproval---of---all---new---construction---projects---at---the---eligible
24 agencies---and---institutions---entitled---to---participate---in---the---funding
25 provided---by---this---section---except---The---University---of---Texas---at---Austin,
26 Texas---A&M---University---in---College---Station,---and---Prairie---View---A&M
27 University.

1 [~~(i)~~---The---state---systems---and---institutions---of---higher---education
2 designated---in---this---section---may---not---receive---any---funds---from---the
3 general---revenue---of---the---state---for---acquiring---land---with---or---without
4 permanent---improvements,---for---constructing---or---equipping---buildings---or
5 other---permanent---improvements,---or---for---major---repair---and
6 rehabilitation---of---buildings---or---other---permanent---improvements---except
7 that:

8 [~~(1)~~---in---the---case---of---fire---or---natural---disaster---the
9 legislature---may---appropriate---from---the---general---revenue---an---amount
10 sufficient---to---replace---the---uninsured---loss---of---any---building---or---other
11 permanent---improvement,---and

12 [~~(2)~~---the---legislature,---by---two---thirds---vote---of---each
13 house,---may,---in---cases---of---demonstrated---need,---which---need---must---be
14 clearly---expressed---in---the---body---of---the---act,---appropriate---general
15 revenue---funds---for---acquiring---land---with---or---without---permanent
16 improvements,---for---constructing---or---equipping---buildings---or---other
17 permanent---improvements,---or---for---major---repair---and---rehabilitation---of
18 buildings---or---other---permanent---improvements.

19 [This---subsection---does---not---apply---to---legislative---appropriations---made
20 prior---to---the---adoption---of---this---amendment.

21 [~~(j)~~---This---section---is---self---enacting---on---the---issuance---of---the
22 governor's---proclamation---declaring---the---adoption---of---this---amendment,
23 and---the---state---comptroller---of---public---accounts---shall---do---all---things
24 necessary---to---effectuate---this---section.---This---section---does---not---impair
25 any---obligation---created---by---the---issuance---of---bonds---or---notes---in
26 accordance---with---prior---law,---and---all---outstanding---bonds---and---notes
27 shall---be---paid---in---full,---both---principal---and---interest,---in---accordance

1 with--their-terms,--and-the-changes-herein-made-in-the-allocation-of
2 the-available-university-fund-shall-not-affect-the-pledges--thereof
3 made--in-connection-with-such-bonds-or-notes-heretofore-issued.--If
4 the-provisions-of-this-section-conflict-with-any-other-provision-of
5 this-constitution,--then--the--provisions--of--this--section--shall
6 prevail,--notwithstanding-any-such-conflicting-provisions.]

7 SECTION 2. Section 17, Article VII, Texas Constitution, is
8 amended to read as follows:

9 Sec. 17. (a) In [~~the-fiscal--year--beginning--September--1,~~
10 ~~1985,--and]~~ each fiscal year [~~thereafter,~~] there is [~~hereby]~~
11 appropriated out of the first money coming into the state treasury
12 not otherwise appropriated by this [~~the~~] constitution \$250 [~~\$100~~]
13 million to be allocated as provided by law to the state's [~~used-by~~
14 ~~eligible-agencies-and]~~ institutions of higher education other than
15 an institution that benefits from the permanent university fund
16 under Section 18 of this article or a junior college, for the
17 purpose of acquiring land either with or without permanent
18 improvements, constructing and equipping buildings or other
19 permanent improvements, funding major repair or rehabilitation of
20 buildings or other permanent improvements, and acquiring
21 [~~acquisition--of]~~ capital equipment, library books, and library
22 materials[~~,--and-paying-for-acquiring,--constructing,--or-equipping--or~~
23 ~~for-major-repair-or-rehabilitation-of-buildings,--facilities,--other~~
24 ~~permanent--improvements,--or--capital--equipment--used--jointly-for~~
25 ~~educational--and-general--activities--and-for-auxiliary-enterprises-to~~
26 ~~the-extent-of-their-use-for-educational--and--general--activities].~~
27 The legislature may appropriate additional money for that purpose

1 [For the five-year period that begins on September 1, 2000, and
2 for each five-year period that begins after that period, the
3 legislature, during a regular session that is nearest, but
4 preceding, a five-year period, may by two-thirds vote of the
5 membership of each house increase the amount of the constitutional
6 appropriation for the five-year period but may not adjust the
7 appropriation in such a way as to impair any obligation created by
8 the issuance of bonds or notes in accordance with this section].

9 (b) The [funds appropriated under Subsection (a) of this
10 section shall be for the use of the following eligible agencies and
11 institutions of higher education (even though their names may be
12 changed):

13 [(1) East Texas State University including East Texas
14 State University at Texarkana;

15 [(2) Lamar University including Lamar University at
16 Orange and Lamar University at Port Arthur;

17 [(3) Midwestern State University;

18 [(4) University of North Texas;

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

21 [(6) Stephen F. Austin State University;

22 [(7) Texas College of Osteopathic Medicine;

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

25 [(9) Angelo State University;

26 [(10) Sam Houston State University;

27 [(11) Southwest Texas State University;

1 [(12) -- Sul-Ross State University including Uvalde Study
2 Center;

3 [(13) -- Texas Southern University;

4 [(14) -- Texas Tech University;

5 [(15) -- Texas Tech University Health Sciences Center;

6 [(16) -- Texas Woman's University;

7 [(17) -- University of Houston System Administration and
8 the following component institutions:

9 [(18) -- University of Houston;

10 [(19) -- University of Houston -- Victoria;

11 [(20) -- University of Houston -- Clear Lake;

12 [(21) -- University of Houston -- Downtown;

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

14 [(23) -- Texas A&M International University;

15 [(24) -- Texas A&M University -- Kingsville;

16 [(25) -- West Texas A&M University; and

17 [(26) -- Texas State Technical College System and its
18 campuses, but not its extension centers or programs.

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

1 [~~(d)~~--In-the-year-1985-and-every--10--years--thereafter,--the
2 legislature--or--an--agency--designated-by-the-legislature-no-later
3 than-August-31-of-such-year-shall-allocate-by-equitable-formula-the
4 annual-appropriations-made-under-Subsection-(a)--of-this-section-to
5 the-governing-boards--of--eligible--agencies--and--institutions--of
6 higher--education.---The-legislature-shall-review,--or-provide-for-a
7 review,--of-the-allocation-formula-at-the-end-of-the-fifth--year--of
8 each--10-year--allocation--period.---At-that-time-adjustments-may-be
9 made-in-the-allocation-formula,--but-no-adjustment-that-will-prevent
10 the-payment-of-outstanding-bonds--and--notes,--both--principal--and
11 interest,--may-be-made.

12 [~~(d-1)~~--Notwithstanding--Subsection--(d)--of-this-section,--the
13 allocation-of-the-annual-appropriation--to--Texas--State--Technical
14 College--System--and-its-campuses-may-not-exceed-2.2-percent-of-the
15 total-appropriation-each-fiscal-year.

16 [~~(e)~~--Each] governing board of an institution authorized to
17 participate in the distribution of money under this section [~~is~~
18 ~~authorized-to-expend-all-money-distributed-to-it--for--any--of--the~~
19 ~~purposes-enumerated-in-Subsection-(a).~~--In-addition,--such-governing
20 board] may issue negotiable bonds or [and] notes for the benefit of
21 the institution payable from the institution's allocations under
22 this section. The aggregate principal amount of the bonds may not
23 exceed [~~purposes--of--refunding--bonds--or-notes-issued-under-this~~
24 ~~section-or--prior--law,--acquiring--land--either--with--or--without~~
25 ~~permanent--improvements,--constructing--and--equipping-buildings-or~~
26 ~~other-permanent-improvements,--acquiring-capital-equipment,--library~~
27 ~~books,--and--library-materials,--paying-for-acquiring,--constructing,~~

1 or-equipping-or-for-major-repair-or--rehabilitation--of--buildings,
2 facilities, other-permanent-improvements, or-capital-equipment-used
3 jointly--for--educational--and-general-activities-and-for-auxiliary
4 enterprises-to-the-extent-of-their-use-for-educational-and--general
5 activities, and-for-major-repair-and-rehabilitation-of-buildings-or
6 other--permanent--improvements, and-may-pledge-up-to] 50 percent of
7 the value of the funds appropriated to the institution under [money
8 allocated-to-such-governing-board-pursuant--to] this section [to
9 secure--the--payment-of-the-principal-and-interest-of-such-bonds-or
10 notes]. The legislature may, by provision in the general
11 appropriations bill, adjust the allocation of the funds for the
12 ensuing biennium but may not adjust the appropriation in such a way
13 as to impair any obligation created by the issuance of bonds or
14 notes in accordance with this section. [Proceeds-from-the-issuance
15 of--bonds--or-notes-under--this-subsection-shall-be-maintained-in-a
16 local-depository-selected-by-the-governing-board-issuing-the--bonds
17 or--notes-] The bonds and notes may be used for the purposes
18 enumerated in this section [issued-under-this-subsection--shall--be
19 payable--solely---out-of-the-money-appropriated-by-this-section-and
20 shall-mature-serially-or-otherwise-in-not-more-than-10--years--from
21 their--respective-dates.--All-bonds-issued-under-this-section-shall
22 be-sold--only--through--competitive--bidding--and--are--subject--to
23 approval--by--the-attorney-general.--Bonds-approved-by-the-attorney
24 general-shall-be-incontestable.--The-permanent-university-fund--may
25 be-invested-in-the-bonds-and-notes-issued-under-this-section].

26 (c) The legislature by general law may provide for and
27 regulate:

1 (1) the pledge of these funds for bonds or refunding
2 bonds;

3 (2) the manner of sale and maturities for bonds
4 payable from these funds;

5 (3) the depository for these funds;

6 (4) the transfers of these funds by the comptroller to
7 the institutions; and

8 (5) the incontestability of bonds approved by the
9 attorney general.

10 (d) [(f)] The funds appropriated by this section may not be
11 used for the purpose of constructing, equipping, repairing, or
12 rehabilitating buildings or other permanent improvements that are
13 to be used [only] for student housing, intercollegiate athletics,
14 or auxiliary enterprises.

15 (e) [(g)] ~~The comptroller of public accounts shall make~~
16 ~~annual transfers of the funds allocated pursuant to Subsection (d)~~
17 ~~directly to the governing boards of the eligible institutions.~~

18 [(h)] ~~To assure efficient use of construction funds and the~~
19 ~~orderly development of physical plants to accommodate the state's~~
20 ~~real need, the legislature may provide for the approval or~~
21 ~~disapproval of all new construction projects at the eligible~~
22 ~~agencies and institutions entitled to participate in the funding~~
23 ~~provided by this section.~~

24 [(i)] The legislature by general law may dedicate portions
25 of the state's revenues to the creation of a dedicated fund [~~"the~~
26 ~~higher education fund"~~] for the purposes expressed in Subsection
27 (a) of this section. The principal of the fund may not be spent

1 for any purpose except on affirmative vote of two-thirds of the
2 membership of each house of the legislature. [~~The legislature~~
3 ~~shall provide for administration of the fund, which shall be~~
4 ~~invested in the manner provided for investment of the permanent~~
5 ~~university fund.] The income from the investment of the [higher~~
6 ~~education] fund shall be credited to the [higher education] fund~~
7 ~~until [such time as] the fund balance equals [totals] \$2 billion.~~
8 After the balance of [The principal of the higher education fund
9 shall never be expended; At the beginning of the fiscal year
10 after] the fund reaches \$2 billion, the income from investment of
11 the fund shall be expended for the purposes and in the manner
12 described by Subsection (a) of this section, except that [as
13 certified by the comptroller of public accounts, the dedication of
14 general revenue funds provided for in Subsection (a) of this
15 section shall cease; At the beginning of the fiscal year after the
16 fund reaches \$2 billion, and each year thereafter,] 10 percent of
17 the income [interest, dividends, and other income accruing from the
18 investments of the higher education fund during the previous fiscal
19 year] shall be credited to [deposited and become part of] the
20 principal of the fund[, and out of the remainder of the annual
21 income from the investment of the principal of the fund there shall
22 be appropriated an annual sum sufficient to pay the principal and
23 interest due on the bonds and notes issued under this section and
24 the balance of the income shall be allocated, distributed, and
25 expended as provided for the appropriations made under Subsection
26 (a)]. At the beginning of the first fiscal year after the fund
27 balance reaches \$2 billion, the appropriation required by

1 Subsection (a) shall cease.

2 (f) An allocation under this section to the Texas State
3 Technical College System and its campuses may not exceed 2.2
4 percent of the total of all allocations in any fiscal year. [(j)]

5 ~~The--state-systems-and--institutions-of-higher-education-designated~~
6 ~~in-this-section-may-not--receive--any--additional--funds--from--the~~
7 ~~general--revenue--of--the--state-for-acquiring-land-with-or-without~~
8 ~~permanent-improvements, for-constructing-or-equipping-buildings--or~~
9 ~~other--permanent--improvements,--or--for--major--repair--and~~
10 ~~rehabilitation--of-buildings-or-other-permanent-improvements-except~~
11 ~~that:~~

12 ~~[(1)--in-the-case--of--fire--or--natural--disaster--the~~
13 ~~legislature--may--appropriate--from--the--general--revenue--an-amount~~
14 ~~sufficient-to-replace-the-uninsured-loss-of-any-building--or--other~~
15 ~~permanent-improvement, and~~

16 ~~[(2)--the--legislature,--by--two-thirds--vote--of--each~~
17 ~~house,--may,--in--cases--of--demonstrated--need,--which--need--must--be~~
18 ~~clearly-expressed-in-the-body-of-the--act,--appropriate--additional~~
19 ~~general--revenue-funds-for-acquiring-land-with-or-without-permanent~~
20 ~~improvements, for-constructing--or--equipping--buildings--or--other~~
21 ~~permanent--improvements,--or--for--major--repair--and--rehabilitation--of~~
22 ~~buildings-or-other-permanent-improvements.~~

23 ~~[This-subsection-does-not-apply-to-legislative-appropriations--made~~
24 ~~prior-to-the-adoption-of-this-amendment.~~

25 ~~[(k)--Without--the--prior--approval--of--the--legislature,~~
26 ~~appropriations-under-this-section-may-not-be-expended-for-acquiring~~
27 ~~land-with-or-without-permanent-improvements,--or--for--constructing~~

1 and--equipping--buildings--or--other--permanent-improvements,--for-a
2 branch-of-campus-or-educational--center--that--is--not--a--separate
3 degree-granting-institution-created-by-general-law.

4 [~~1~~---This--section-is-self-enacting-upon-the-issuance-of-the
5 governor's-proclamation-declaring-the-adoption--of--the--amendment,
6 and--the--state--comptroller-of-public-accounts-shall-do-all-things
7 necessary-to-effectuate-this-section.---This-section-does-not-impair
8 any-obligation-created-by-the-issuance-of-any-bonds--and--notes--in
9 accordance--with--prior--law,--and--all-outstanding-bonds-and-notes
10 shall-be-paid-in-full,--both-principal-and-interest,--in--accordance
11 with--their-terms.---If-the-provisions-of-this-section-conflict-with
12 any-other-provisions-of-this-constitution,--then-the--provisions--of
13 this--section--shall--prevail,--notwithstanding-all-such-conflicting
14 provisions.]

15 SECTION 3. The following temporary provision is added to the
16 Texas Constitution:

17 TEMPORARY PROVISION. (a) The amendment of Section 17,
18 Article VII, of this constitution adopted in 1999 does not impair
19 any obligation created by the issuance of bonds or notes in
20 accordance with that section or Section 18 of that article before
21 January 1, 2000, and all outstanding bonds and notes validly issued
22 under those sections remain valid, enforceable, and binding and
23 shall be paid in full, both principal and interest, in accordance
24 with their terms and from the sources pledged to the payment of the
25 bonds. The changes made in the allocation of the available
26 university fund do not affect the pledges made in connection with
27 bonds or notes. The legislature by general law may provide for

1 implementation of this provision.

2 (b) In any fiscal year the legislature may reduce the amount
3 of an appropriation made under Section 17, Article VII, of this
4 constitution, by the amount an institution receives in that fiscal
5 year from the available university fund in connection with an
6 obligation issued by or for the institution when the institution
7 was entitled to participate in funding from the available
8 university fund.

9 (c) On January 1, 2000, the money in the higher education
10 fund created under former Section 17(i), Article VII, of this
11 constitution, as that section existed on January 1, 1999, is
12 transferred to the credit of the fund created under Section 17(a),
13 Article VII, of this constitution.

14 (d) The constitutional amendment proposed by the 76th
15 Legislature, Regular Session, 1999, to revise the provisions for
16 funding capital improvements and acquisitions by state colleges and
17 universities, takes effect January 1, 2000.

18 (e) This section expires January 1, 2030.

19 SECTION 4. Section 11a, Article VII, Texas Constitution, is
20 repealed.

21 SECTION 5. This proposed constitutional amendment shall be
22 submitted to the voters at an election to be held November 2, 1999.
23 The ballot shall be printed to permit voting for or against the
24 proposition: "The constitutional amendment to revise the provisions
25 for funding capital improvements and acquisitions by state colleges
26 and universities."

99 APR 27 PM 12:40
HOUSE OF REPRESENTATIVES

**HOUSE
COMMITTEE REPORT**

1st Printing

By Junell, Cuellar

H.J.R. No. 58

Substitute the following for H.J.R. No. 58:

By Junell

C.S.H.J.R. No. 58

A JOINT RESOLUTION

1 proposing a constitutional amendment relating to the investment of
2 the permanent university fund and to distributions from that fund
3 to the available university fund.

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

5 SECTION 1. Section 11b, Article VII, Texas Constitution, is
6 amended to read as follows:

7 Sec. 11b. Notwithstanding any other provision of this
8 constitution, in managing the assets of the permanent university
9 fund, the Board of Regents of The University of Texas System may
10 acquire, exchange, sell, supervise, manage, or retain, through
11 procedures and subject to restrictions it establishes and in
12 amounts it considers appropriate, any kind of investment, including
13 investments in the Texas growth fund created by Article XVI,
14 Section 70, of this constitution, that prudent investors,
15 exercising reasonable care, skill, and caution, would acquire or
16 retain in light of the purposes, terms, distribution requirements,
17 and other circumstances of the fund then prevailing, taking into
18 consideration the investment of all the assets of the fund rather
19 than a single investment [persons-of-ordinary-prudence, discretion,
20 and intelligence, exercising the judgment and care under the
21 circumstances then prevailing, acquire or retain for their own
22 account in the management of their affairs, not in regard to
23 speculation but in regard to the permanent disposition of their
24 funds, considering the probable income as well as the probable

1 ~~safety--of--their--capital.---This--section--does--not--affect--the~~
2 ~~custodial-responsibilities-of-the-comptroller--of--public--accounts~~
3 ~~for-public-funds,-securities,-and-other-evidences-of-investment].~~

4 SECTION 2. Section 18, Article VII, Texas Constitution, is
5 amended by amending Subsection (e) and adding Subsection (f) to
6 read as follows:

7 (e) The available university fund consists of the
8 distributions made to it from the total return on all investment
9 assets of [dividends,-interest-and-other-income-from] the permanent
10 university fund, [less-administrative-expenses] including the net
11 income attributable to the surface of permanent university fund
12 land. The amount of any distributions to the available university
13 fund shall be determined by the board of regents of The University
14 of Texas System in a manner intended to provide the available
15 university fund with a stable and predictable stream of annual
16 distributions and to maintain over time the purchasing power of
17 permanent university fund investments and annual distributions to
18 the available university fund. The amount distributed to the
19 available university fund in a fiscal year must be not less than
20 the amount needed to pay the principal and interest due and owing
21 in that fiscal year on bonds and notes issued under this section.
22 If the purchasing power of permanent university fund investments
23 for any rolling 10-year period is not preserved, the board may not
24 increase annual distributions to the available university fund
25 until the purchasing power of the permanent university fund
26 investments is restored, except as necessary to pay the principal
27 and interest due and owing on bonds and notes issued under this

1 section. An annual distribution made by the board to the available
2 university fund during any fiscal year may not exceed an amount
3 equal to seven percent of the average net fair market value of
4 permanent university fund investment assets as determined by the
5 board, except as necessary to pay any principal and interest due
6 and owing on bonds issued under this section. The expenses of
7 managing permanent university fund land and investments shall be
8 paid by the permanent university fund.

9 (f) Out of one-third of the annual distribution from the
10 permanent university fund to the available university fund, there
11 shall be appropriated an annual sum sufficient to pay the principal
12 and interest due on the bonds and notes issued by the Board of
13 Regents of The Texas A&M University System under this section and
14 prior law, and the remainder of that one-third of the annual
15 distribution to the available university fund shall be appropriated
16 to the Board of Regents of The Texas A&M University System, which
17 shall have the authority and duty in turn to appropriate an
18 equitable portion of the same for the support and maintenance of
19 The Texas A&M University System administration, Texas A&M
20 University, and Prairie View A&M University. The Board of Regents
21 of The Texas A&M University System, in making just and equitable
22 appropriations to Texas A&M University and Prairie View A&M
23 University, shall exercise its discretion with due regard to such
24 criteria as the board may deem appropriate from year to year[
25 ~~taking-into-account-all-amounts-appropriated-from-Subsection-(f)-of~~
26 ~~this--section~~]. Out of the other two-thirds of the annual
27 distribution from the permanent university fund to the available

1 university fund there shall be appropriated an annual sum
2 sufficient to pay the principal and interest due on the bonds and
3 notes issued by the Board of Regents of The University of Texas
4 System under this section and prior law, and the remainder of such
5 two-thirds of the annual distribution to the available university
6 fund, shall be appropriated for the support and maintenance of The
7 University of Texas at Austin and The University of Texas System
8 administration.

9 SECTION 3. The following temporary provision is added to the
10 Texas Constitution:

11 TEMPORARY PROVISION. (a) The amendment of Section 18,
12 Article VII, of this constitution adopted in 1999 does not impair
13 any obligation created by the issuance of bonds or notes in
14 accordance with that section before January 1, 2000, and all
15 outstanding bonds and notes validly issued under that section
16 remain valid, enforceable, and binding and shall be paid in full,
17 both principal and interest, in accordance with their terms and
18 from the sources pledged to their payment. In order to ensure that
19 the amendment of that section does not impair any obligation
20 created by the issuance of those bonds and notes, there shall be
21 distributed from the income, investment returns, or other assets of
22 the permanent university fund to the available university fund
23 during each fiscal year an amount at least equal to the amount
24 necessary to pay the principal and interest due and owing during
25 the fiscal year on those bonds and notes.

26 (b) This section expires January 1, 2030.

27 SECTION 4. This proposed constitutional amendment shall be

C.S.H.J.R. No. 58

1 submitted to the voters at an election to be held November 2, 1999.
2 The ballot shall be printed to permit voting for or against the
3 proposition: "The constitutional amendment relating to the
4 investment of the permanent university fund and the distribution
5 from the permanent university fund to the available university
6 fund."

COMMITTEE REPORT

4/22/99
(date)

The Honorable James E. "Pete" Laney
Speaker of the House of Representatives
Sir:

We, your COMMITTEE ON APPROPRIATIONS

to whom was referred HR 58 have had the same under consideration and beg to report back with the recommendation that

- do pass, without amendment.
- do pass, with amendment(s).
- do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.
- yes no A fiscal note was requested.
- yes no A criminal justice policy impact statement was requested.
- yes no An equalized educational funding impact statement was requested.
- yes no An actuarial analysis was requested.
- yes no A water development policy impact statement was requested.
- yes no A tax equity note was requested.
- The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

For Senate Measures: House Sponsor _____

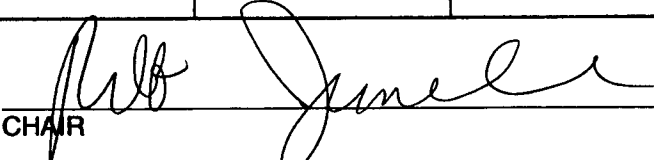
Joint Sponsors: _____ / _____ / _____

Co-Sponsors: _____

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Junell, Chair	X			
West, Vice-chair	X			
Coleman	X			
Cuellar	X			
Delisi				X
Eiland				X
Farrar	X			
Flores				X
Gallego				X
Giddings	X			
Glaze	X			
Gutierrez	X			
Hartnett	X			
Heflin	X			
Hochberg				X
Janek	X			
Luna	X			
McReynolds	X			
Moreno, P.				X
Mowery	X			
Pickett	X			
Pitts	X			
Puente	X			
Staples				X
Tillery				X
Turner, S.	X			
Van de Putte	X			

Total 27
19 aye
0 nay
0 present, not voting
8 absent


CHAIR

BILL ANALYSIS

Office of House Bill Analysis

C.S.H.J.R. 58
By: Junell
Appropriations
4/23/1999
Committee Report (Substituted)

BACKGROUND AND PURPOSE

C.S.H.J.R. 58 proposes that the available university fund consists of the distributions made to it from the total return on all investment assets of the PUF, determined by the Board of Regents of the University of Texas System (board). As proposed, C.S.H.J.R. 58 requires the submission to the voters of a constitutional amendment authorizing the board to sell, lease, exchange, or otherwise manage any kind of investment in accordance with the standards of a prudent investor.

RULEMAKING AUTHORITY

It is the opinion of the Office of House Bill Analysis that this bill does not expressly delegate any additional rulemaking authority to a state officer, department, agency, or institution.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 11b, Article VII, Texas Constitution, as follows:

11(b). Authorizes the Board of Regents of the University of Texas System (board) to sell, lease, exchange, or otherwise manage the any kind of investment that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment.

SECTION 2. Amends Section 18, Article VII, Texas Constitution, by amending Subsection (e) and adding Subsection (f), as follows:

(e) Provides that the available university fund consists of distributions made to it from the total return on all investment assets of the permanent university fund including the net income from grazing leases of permanent university fund land. Requires the amount of any distributions to the available university fund to be determined by the board in a manner intended to provide the available university fund with a stable and predictable stream of annual distributions and to maintain overtime the purchasing power of permanent university fund investments and annual distributions to the available university fund. Specifies the amount to be distributed in a fiscal year. Prohibits the board from increasing annual distributions until certain conditions are met. Prohibits the annual distribution made by the board to the available university fund from exceeding a specified amount during any fiscal year. Requires the expenses of managing permanent university fund land and investments to be paid by the permanent university fund.

(f) Requires one-third of the available university fund to annually be appropriated in the manner provided by this subsection, rather than an annual sum sufficient to pay the principal and interest due on certain bonds and notes and the requirement to exercise discretion in making equitable appropriations, to the Texas A&M System and its component institutions. Requires the other two-thirds of the available university fund to annually be appropriated in the manner provided by this subsection, rather than to the University of Texas System and its component institutions.

SECTION 3. Provides a temporary provision to the Texas Constitution, as follows:

TEMPORARY PROVISION. Provides that the amendment of Section 18, Article VII, Texas Constitution, adopted in 1999 does not impair any obligation created by the issuance of bonds or notes in accordance with that section before January 1, 2000, and all outstanding bonds and notes validly issued under those sections remain valid, enforceable, and binding and shall be paid in full, both principal and interest, in accordance with their terms and from the sources pledged to the payment of the bonds. Requires a specified amount to be distributed to pay the principal and interest due and owing during the fiscal year on those bonds and notes. Provides that this section expires January 1, 2030.

SECTION 4. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 2, 1999. Sets forth the required language for the ballot.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.J.R. 58 modifies the original in the caption by proposing a constitutional amendment relating to the investment of the permanent university fund and to distributions from that fund to the available university fund.

C.S.H.J.R. 58 removes the following amendments proposed in the original:

SECTION 1. Redesignates Sections 11, 11b, 12, and 18, Article VII, Texas Constitution, as Section 18, as follows:

Sec. 18. (a) Provides the purpose for the establishment of the permanent university fund and sets forth the composition of that fund. Deletes existing text relating to the requirement for certain proceeds, grants, donations and other appropriations to constitute and become a Permanent University Fund.

(b) Provides that the permanent university fund is held in perpetual trust for the people of this state and for the use and benefit of the institutions described by Subsections (e) and (f) of this section. Prohibits spending of the principal of the fund.

(c) Redesignated from existing Section 11b. Authorizes the Board of Regents of the University of Texas System (board) to sell, lease, exchange, or otherwise manage the assets of the fund in the manner prescribed by law and requires the board to invest all proceeds. Provides that the authority of the board to acquire, exchange, and otherwise act as described by this section, is subject to general law. Deletes existing Section 12 relating to the selling of land herein set apart to the University fund. Deletes existing Sections 18(a)-(d) relating the Board of Regents of the Texas A&M University System's authority to issue bonds and notes for improvements, repairs, acquisitions and refunding for certain component institutions of the system. Makes nonsubstantive changes.

(d) Provides that the available university fund consists of the income, rather than dividends, interest, and other income, from the permanent university fund less administrative expenses and less, rather than including, the net income from grazing leases of permanent university fund land.

(e) Requires one-third of the available university fund to annually be appropriated in the manner provided by this subsection, rather than an annual sum sufficient to pay the principal and interest due on certain bonds and notes and the requirement to exercise discretion in making equitable appropriations, to the Texas A&M System and its component institutions.

(f) Requires the other two-thirds of the available university fund to annually be appropriated in the manner provided by this subsection, rather than to the University of Texas System and its component institutions.

(g) Requires the board of regents of each university system to exercise its discretion with

due regard to the criteria the board considers appropriate from year to year. Deletes existing Subsection (g) relating to the requirement that bonds and notes issued be payable solely out of the available university fund.

(h) Authorizes the board of regents of specified university systems to issue bonds and notes, and pledge their respective shares of the available university fund for certain purposes described by this subsection. Provides that bonds and notes issued under this subsection shall be for the benefit of the institutions described by Subsections (e) and (f) of this state. Deletes existing Subsection (h) relating to the assurance of efficient use of construction funds.

Deletes existing Subsection (i) relating to the prohibition of the state systems and institutions from receiving any funds from the general revenue of the state for certain purposes.

Deletes existing Subsection (j) relating to the provision that this section is self-enacting on the issuance of the governor's proclamation.

SECTION 2. Amends Section 17, Article VII, Texas Constitution, as follows:

Sec. 17. (a) Provides that each fiscal year, rather than the fiscal year beginning September 1, 1985, and thereafter, there is appropriated \$250 million to be allocated as provided by law to the state's institutions of higher education other than an institution that benefits from the permanent university fund under Section 18 of this article or a junior college for the purpose set forth in this subsection. Authorizes the legislature to appropriate additional money for that purpose. Deletes the provision relating to money appropriated for the purpose of paying for acquiring, constructing or equipping or for major repairs. Deletes and the authority of the legislature to increase the amount of the constitutional appropriation.

(b) Authorizes the governing board of an institution authorized to participate in the distribution of money under this section to issue negotiable bonds or, rather than and, notes for the benefit of the institution payable from the institution's allocations under this section. Prohibits the aggregate principal amount of bonds from exceeding 50 percent of the value of the funds appropriated to the institution under this section. Authorizes the legislature to, by provision in the general appropriations bill, adjust the allocation of the funds for the ensuing biennium but may not adjust the appropriation as provided. Authorizes the bonds and notes to be used for the purposes enumerated in this section. Deletes the provision that provided for the use of funds appropriated under Subsection (a) for certain universities.

(c) Authorizes the legislature by general law to provide for and regulate:

- the pledge of these funds for bonds or refunding bonds;
- the manner of sale and maturities for bonds payable from these funds;
- the depository for these funds;
- the transfers of these funds by the comptroller to the institutions; and
- the incontestability of bonds approved by the attorney general.

Deletes existing Subsection (c) relating to the entitlement of certain universities to participate in the funding provided by this section.

(d) Redesignated from existing Subsection (f) and makes a nonsubstantive change. Deletes existing Subsection (d) relating to annual appropriations to the governing boards of eligible agencies and institutions of higher education.

(e) Redesignated from existing Subsection (i) and prohibits spending the principal of the fund for any purpose except on affirmative vote of two-thirds of the membership of each house of the legislature. Requires the income from the investment of the fund, rather than the higher education fund, to be credited to the fund until the fund balance equals \$2

billion. Requires the income from investment of the fund to be expended for certain purposes after the balance of the fund reaches \$2 billion. Requires the appropriation required by Subsection (a) to cease at the beginning of the first fiscal year after the fund balance reaches \$2 billion.

(f) Prohibits an allocation under this section to the Texas State Technical College System and its campuses from exceeding 2.2 percent of the total of all allocations in any fiscal year.

Delete Subsections (g), (h), (j), and (l), requiring the comptroller to transfer funds, authorizing the legislature to provide for the construction projects, prohibiting the receipt of additional funds, prohibiting the expense of funds for land and improvements, and providing that this section is self-enacting.

SECTION 4. Repealer: Section 11a (Investment of Permanent University Fund), Article VII, Texas Constitution.

C.S.H.J.R 58 adds new SECTIONS 1-4. For a complete analysis of these new sections, please see the Section-by-Section Analysis portion of this document.

SUMMARY OF COMMITTEE ACTION

HJR 58

March 29, 1999 1:30PM
Considered in public hearing
Committee substitute considered in committee
Testimony taken in committee
Referred to subcommittee

April 22, 1999 upon adjournment
Recalled from subcommittee
Considered in formal meeting
Committee substitute considered in committee
Reported favorably as substituted

WITNESS LIST

HJR 58
HOUSE COMMITTEE REPORT
Appropriations Committee

March 29, 1999 - 7:00AM

On: Campbell, Grover (University of Houston System Board of Regents)
Cunningham, William (University of Texas System)
Kirkpatrick, Sam (University of Texas at San Antonio)
Loeffler, Tom (University of Texas System)
Romo, Ricardo (University of Texas at San Antonio)
Sanchez, Tony (Universtiy of Texas Board of Regents)
Thompson, Barry (Texas A&M University System)
Witt, Robert (University of Texas at Arlington)

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 76th Regular Session

April 23, 1999

TO: Honorable Robert Junell, Chair, House Committee on Appropriations

FROM: John Keel, Director, Legislative Budget Board

IN RE: HJR58 by Junell (proposing a constitutional amendment relating to the investment of the permanent university fund and to distributions from that fund to the available university fund), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HJR58, Committee Report 1st House, Substituted: impact of \$0 through the biennium ending August 31, 2001.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2000	\$0
2001	0
2002	0
2003	0
2004	0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) to the <i>Available University Fund</i> 0011
2000	\$ 33,600,000
2001	37,620,000
2002	41,250,000
2003	47,200,000
2004	49,750,000

Fiscal Analysis

7

The constitutional amendment would allow The University of Texas System Board of Regents (board) to determine the amount of investment return from the Permanent University Fund (PUF) that would be distributed to the Available University Fund (AUF). This distribution could be made from the total return on all investment assets of the PUF.

When determining the amount to be distributed, the board of regents must: not exceed seven percent of the average net fair market value of PUF investment assets; provide the AUF with a stable and predictable stream of annual distributions; maintain over time the purchasing power of PUF investments and annual distributions; and not increase annual distributions if the purchasing power of PUF investments for any rolling 10-year period is not preserved.

The expenses of managing PUF land and investments would continue to be paid by the PUF.

Methodology

Distributions to the Available University Fund (AUF) are estimated to increase 13.3% over The University of Texas System's (System) most current estimate for Fiscal Year 2000 (8.9% above that estimated in the Appropriations Bill). The increase for Fiscal Year 2001 is 14.8% over the System's most current estimate (10.4% above that estimated in the Appropriations Bill.)

As a result, the distribution would equal 4.5% of the most recent 12-quarter average of the corpus. Currently, it is estimated the distribution would equal 3.97% of the most recent 12-quarter average of the corpus.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 720 The University of Texas System Administration, 781 Higher Education Coordinating Board

LBB Staff: JK, BB, PF

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 76th Regular Session

March 26, 1999

TO: Honorable Robert Junell, Chair, House Committee on Appropriations

FROM: John Keel, Director, Legislative Budget Board

IN RE: HJR58 by Junell (proposing a constitutional amendment revising the provisions for funding capital improvements and acquisitions by institutions of higher education), **As Introduced**

Estimated Two-Year Net Impact to General Revenue Related Funds for HJR58, As Introduced: negative impact of \$(151,499,056) through the biennium ending August 31, 2001.

The proposed constitutional amendment would appropriate \$250 million per year to the Higher Education Fund (HEF) or an additional \$75 million per year. Constitutionally-related appropriations are currently \$175 million per year to the HEF.

Appropriations:

Fiscal Year	Proposed New Appropriation out of <i>General Revenue Fund for the HEF</i> 0001
2000	\$ 75,000,000
2001	75,000,000

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2000	\$(75,864,056)
2001	(75,635,000)
2002	(75,635,000)
2003	(75,635,000)
2004	(75,635,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund for the HEF</i> 0001	Probable Savings/(Cost) from <i>General Revenue Fund for</i> <i>Publication of the Resolution</i> 0001
2000	\$ (75,635,000)	\$ (229,056)
2001	(75,635,000)	0
2002	(75,635,000)	0
2003	(75,635,000)	0
2004	(75,635,000)	0

Fiscal Analysis

The proposed constitutional amendment would appropriate \$250 million each year to institutions of higher education that do not benefit from the permanent university fund or that are not junior college, and would eliminate the \$175 million constitutional appropriation to the Higher Education Fund (HEF).

Methodology

Current statute requires \$50 million to be deposited annually to the HEF, in addition to the constitutional appropriation, until the fund reaches \$2 billion. The net cost of the proposed constitutional provision would be reduced to \$25 million per year if the statutory requirement for the additional \$50 million annual appropriation to the HEF were repealed.

The Legislature currently appropriates \$224.4 million to the HEF annually.

The cost for publication of the amendment is \$229,056.

For purposes of this estimate, it is assumed that capital gains would remain in the Permanent University Fund.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board, 720 The University of Texas System Administration, 304 Comptroller of Public Accounts

LBB Staff: JK, BB, LD, PF

ADOPTED

MAY 03 1999

Sharon Carter
Chief Clerk
House of Representatives

By Junell

H. J.R. No. 58

Substitute the following for H. J.R. No. 58 :

By Junell

C.S. H. J.R. No. 58

A JOINT RESOLUTION

1 proposing a constitutional amendment relating to the investment of
2 the permanent university fund and to distributions from that fund
3 to the available university fund.

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

5 SECTION 1. Section 11b, Article VII, Texas Constitution, is
6 amended to read as follows:

7 Sec. 11b. Notwithstanding any other provision of this
8 constitution, in managing the assets of the permanent university
9 fund, the Board of Regents of The University of Texas System may
10 acquire, exchange, sell, supervise, manage, or retain, through
11 procedures and subject to restrictions it establishes and in
12 amounts it considers appropriate, any kind of investment, including
13 investments in the Texas growth fund created by Article XVI,
14 Section 70, of this constitution, that prudent investors,
15 exercising reasonable care, skill, and caution, would acquire or
16 retain in light of the purposes, terms, distribution requirements,
17 and other circumstances of the fund then prevailing, taking into
18 consideration the investment of all the assets of the fund rather
19 than a single investment [persons-of-ordinary-prudence, discretion,
20 and--intelligence,--exercising--the--judgment--and--care--under--the
21 circumstances--then--prevailing,--acquire--or--retain--for--their--own
22 account--in--the--management--of--their--affairs,--not--in--regard--to
23 speculation--but--in--regard--to--the--permanent--disposition--of--their
24 funds,--considering--the--probable--income--as--well--as--the--probable

1 ~~safety--of--their--capital.---This--section--does--not--affect--the~~
2 ~~custodial-responsibilities-of-the-comptroller--of--public--accounts~~
3 ~~for-public-funds,-securities,-and-other-evidences-of-investment].~~

4 SECTION 2. Section 18, Article VII, Texas Constitution, is
5 amended by amending Subsection (e) and adding Subsection (f) to
6 read as follows:

7 (e) The available university fund consists of the
8 distributions made to it from the total return on all investment
9 assets of [dividends,-interest-and-other-income-from] the permanent
10 university fund, [(-less-administrative-expenses-)] including the net
11 income attributable to the surface of permanent university fund
12 land. The amount of any distributions to the available university
13 fund shall be determined by the board of regents of The University
14 of Texas System in a manner intended to provide the available
15 university fund with a stable and predictable stream of annual
16 distributions and to maintain over time the purchasing power of
17 permanent university fund investments and annual distributions to
18 the available university fund. The amount distributed to the
19 available university fund in a fiscal year must be not less than
20 the amount needed to pay the principal and interest due and owing
21 in that fiscal year on bonds and notes issued under this section.
22 If the purchasing power of permanent university fund investments
23 for any rolling 10-year period is not preserved, the board may not
24 increase annual distributions to the available university fund
25 until the purchasing power of the permanent university fund
26 investments is restored, except as necessary to pay the principal
27 and interest due and owing on bonds and notes issued under this

1 section. An annual distribution made by the board to the available
2 university fund during any fiscal year may not exceed an amount
3 equal to seven percent of the average net fair market value of
4 permanent university fund investment assets as determined by the
5 board, except as necessary to pay any principal and interest due
6 and owing on bonds issued under this section. The expenses of
7 managing permanent university fund land and investments shall be
8 paid by the permanent university fund.

9 (f) Out of one-third of the annual distribution from the
10 permanent university fund to the available university fund, there
11 shall be appropriated an annual sum sufficient to pay the principal
12 and interest due on the bonds and notes issued by the Board of
13 Regents of The Texas A&M University System under this section and
14 prior law, and the remainder of that one-third of the annual
15 distribution to the available university fund shall be appropriated
16 to the Board of Regents of The Texas A&M University System, which
17 shall have the authority and duty in turn to appropriate an
18 equitable portion of the same for the support and maintenance of
19 The Texas A&M University System administration, Texas A&M
20 University, and Prairie View A&M University. The Board of Regents
21 of The Texas A&M University System, in making just and equitable
22 appropriations to Texas A&M University and Prairie View A&M
23 University, shall exercise its discretion with due regard to such
24 criteria as the board may deem appropriate from year to year[
25 ~~taking-into-account-all-amounts-appropriated-from-Subsection-(f)-of~~
26 ~~this--section~~]. Out of the other two-thirds of the annual
27 distribution from the permanent university fund to the available

1 university fund there shall be appropriated an annual sum
2 sufficient to pay the principal and interest due on the bonds and
3 notes issued by the Board of Regents of The University of Texas
4 System under this section and prior law, and the remainder of such
5 two-thirds of the annual distribution to the available university
6 fund, shall be appropriated for the support and maintenance of The
7 University of Texas at Austin and The University of Texas System
8 administration.

9 SECTION 3. The following temporary provision is added to the
10 Texas Constitution:

11 TEMPORARY PROVISION. (a) The amendment of Section 18,
12 Article VII, of this constitution adopted in 1999 does not impair
13 any obligation created by the issuance of bonds or notes in
14 accordance with that section before January 1, 2000, and all
15 outstanding bonds and notes validly issued under that section
16 remain valid, enforceable, and binding and shall be paid in full,
17 both principal and interest, in accordance with their terms and
18 from the sources pledged to their payment. In order to ensure that
19 the amendment of that section does not impair any obligation
20 created by the issuance of those bonds and notes, there shall be
21 distributed from the income, investment returns, or other assets of
22 the permanent university fund to the available university fund
23 during each fiscal year an amount at least equal to the amount
24 necessary to pay the principal and interest due and owing during
25 the fiscal year on those bonds and notes.

26 (b) This section expires January 1, 2030.

27 SECTION 4. This proposed constitutional amendment shall be

1 submitted to the voters at an election to be held November 2, 1999.
2 The ballot shall be printed to permit voting for or against the
3 proposition: "The constitutional amendment relating to the
4 investment of the permanent university fund and the distribution
5 from the permanent university fund to the available university
6 fund."

HOUSE ENGROSSMENT

By Junell

H.J.R. No. 58

A JOINT RESOLUTION

1 proposing a constitutional amendment relating to the investment of
2 the permanent university fund and to distributions from that fund
3 to the available university fund.

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

5 SECTION 1. Section 11b, Article VII, Texas Constitution, is
6 amended to read as follows:

7 Sec. 11b. Notwithstanding any other provision of this
8 constitution, in managing the assets of the permanent university
9 fund, the Board of Regents of The University of Texas System may
10 acquire, exchange, sell, supervise, manage, or retain, through
11 procedures and subject to restrictions it establishes and in
12 amounts it considers appropriate, any kind of investment, including
13 investments in the Texas growth fund created by Article XVI,
14 Section 70, of this constitution, that prudent investors,
15 exercising reasonable care, skill, and caution, would acquire or
16 retain in light of the purposes, terms, distribution requirements,
17 and other circumstances of the fund then prevailing, taking into
18 consideration the investment of all the assets of the fund rather
19 than a single investment [persons-of-ordinary-prudence, discretion,
20 and--intelligence,--exercising--the--judgment--and--care--under--the
21 circumstances--then--prevailing,--acquire--or--retain--for--their--own
22 account--in--the--management--of--their--affairs,--not--in--regard--to
23 speculation--but--in--regard--to--the--permanent--disposition--of--their
24 funds,--considering--the--probable--income--as--well--as--the--probable

1 ~~safety--of--their--capital.---This--section--does--not--affect--the~~
2 ~~custodial-responsibilities-of-the-comptroller--of--public--accounts~~
3 ~~for-public-funds,-securities,-and-other-evidences-of-investment].~~

4 SECTION 2. Section 18, Article VII, Texas Constitution, is
5 amended by amending Subsection (e) and adding Subsection (f) to
6 read as follows:

7 (e) The available university fund consists of the
8 distributions made to it from the total return on all investment
9 assets of [dividends,-interest-and-other-income-from] the permanent
10 university fund, [(-less-administrative-expenses)] including the net
11 income attributable to the surface of permanent university fund
12 land. The amount of any distributions to the available university
13 fund shall be determined by the board of regents of The University
14 of Texas System in a manner intended to provide the available
15 university fund with a stable and predictable stream of annual
16 distributions and to maintain over time the purchasing power of
17 permanent university fund investments and annual distributions to
18 the available university fund. The amount distributed to the
19 available university fund in a fiscal year must be not less than
20 the amount needed to pay the principal and interest due and owing
21 in that fiscal year on bonds and notes issued under this section.
22 If the purchasing power of permanent university fund investments
23 for any rolling 10-year period is not preserved, the board may not
24 increase annual distributions to the available university fund
25 until the purchasing power of the permanent university fund
26 investments is restored, except as necessary to pay the principal
27 and interest due and owing on bonds and notes issued under this

1 section. An annual distribution made by the board to the available
2 university fund during any fiscal year may not exceed an amount
3 equal to seven percent of the average net fair market value of
4 permanent university fund investment assets as determined by the
5 board, except as necessary to pay any principal and interest due
6 and owing on bonds issued under this section. The expenses of
7 managing permanent university fund land and investments shall be
8 paid by the permanent university fund.

9 (f) Out of one-third of the annual distribution from the
10 permanent university fund to the available university fund, there
11 shall be appropriated an annual sum sufficient to pay the principal
12 and interest due on the bonds and notes issued by the Board of
13 Regents of The Texas A&M University System under this section and
14 prior law, and the remainder of that one-third of the annual
15 distribution to the available university fund shall be appropriated
16 to the Board of Regents of The Texas A&M University System, which
17 shall have the authority and duty in turn to appropriate an
18 equitable portion of the same for the support and maintenance of
19 The Texas A&M University System administration, Texas A&M
20 University, and Prairie View A&M University. The Board of Regents
21 of The Texas A&M University System, in making just and equitable
22 appropriations to Texas A&M University and Prairie View A&M
23 University, shall exercise its discretion with due regard to such
24 criteria as the board may deem appropriate from year to year [~~7~~
25 ~~taking-into-account-all-amounts-appropriated-from-Subsection-(f)-of~~
26 ~~this--section~~]. Out of the other two-thirds of the annual
27 distribution from the permanent university fund to the available

1 university fund there shall be appropriated an annual sum
2 sufficient to pay the principal and interest due on the bonds and
3 notes issued by the Board of Regents of The University of Texas
4 System under this section and prior law, and the remainder of such
5 two-thirds of the annual distribution to the available university
6 fund, shall be appropriated for the support and maintenance of The
7 University of Texas at Austin and The University of Texas System
8 administration.

9 SECTION 3. The following temporary provision is added to the
10 Texas Constitution:

11 TEMPORARY PROVISION. (a) The amendment of Section 18,
12 Article VII, of this constitution adopted in 1999 does not impair
13 any obligation created by the issuance of bonds or notes in
14 accordance with that section before January 1, 2000, and all
15 outstanding bonds and notes validly issued under that section
16 remain valid, enforceable, and binding and shall be paid in full,
17 both principal and interest, in accordance with their terms and
18 from the sources pledged to their payment. In order to ensure that
19 the amendment of that section does not impair any obligation
20 created by the issuance of those bonds and notes, there shall be
21 distributed from the income, investment returns, or other assets of
22 the permanent university fund to the available university fund
23 during each fiscal year an amount at least equal to the amount
24 necessary to pay the principal and interest due and owing during
25 the fiscal year on those bonds and notes.

26 (b) This section expires January 1, 2030.

27 SECTION 4. This proposed constitutional amendment shall be

H.J.R. No. 58

1 submitted to the voters at an election to be held November 2, 1999.
2 The ballot shall be printed to permit voting for or against the
3 proposition: "The constitutional amendment relating to the
4 investment of the permanent university fund and the distribution
5 from the permanent university fund to the available university
6 fund."

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 76th Regular Session

April 23, 1999

TO: Honorable Robert Junell, Chair, House Committee on Appropriations

FROM: John Keel, Director, Legislative Budget Board

IN RE: HJR58 by Junell (proposing a constitutional amendment relating to the investment of the permanent university fund and to distributions from that fund to the available university fund), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HJR58, Committee Report 1st House, Substituted: impact of \$0 through the biennium ending August 31, 2001.
--

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2000	\$0
2001	0
2002	0
2003	0
2004	0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) to the <i>Available University Fund</i> 0011
2000	\$ 33,600,000
2001	37,620,000
2002	41,250,000
2003	47,200,000
2004	49,750,000

Fiscal Analysis

The constitutional amendment would allow The University of Texas System Board of Regents (board) to determine the amount of investment return from the Permanent University Fund (PUF) that would be distributed to the Available University Fund (AUF). This distribution could be made from the total return on all investment assets of the PUF.

When determining the amount to be distributed, the board of regents must: not exceed seven percent of the average net fair market value of PUF investment assets; provide the AUF with a stable and predictable stream of annual distributions; maintain over time the purchasing power of PUF investments and annual distributions; and not increase annual distributions if the purchasing power of PUF investments for any rolling 10-year period is not preserved.

The expenses of managing PUF land and investments would continue to be paid by the PUF.

Methodology

Distributions to the Available University Fund (AUF) are estimated to increase 13.3% over The University of Texas System's (System) most current estimate for Fiscal Year 2000 (8.9% above that estimated in the Appropriations Bill). The increase for Fiscal Year 2001 is 14.8% over the System's most current estimate (10.4% above that estimated in the Appropriations Bill.)

As a result, the distribution would equal 4.5% of the most recent 12-quarter average of the corpus. Currently, it is estimated the distribution would equal 3.97% of the most recent 12-quarter average of the corpus.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 720 The University of Texas System Administration, 781 Higher Education Coordinating Board

LBB Staff: JK, BB, PF

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 76th Regular Session

March 26, 1999

TO: Honorable Robert Junell, Chair, House Committee on Appropriations

FROM: John Keel, Director, Legislative Budget Board

IN RE: HJR58 by Junell (proposing a constitutional amendment revising the provisions for funding capital improvements and acquisitions by institutions of higher education), As Introduced

Estimated Two-Year Net Impact to General Revenue Related Funds for HJR58, As Introduced: negative impact of \$(151,499,056) through the biennium ending August 31, 2001.

The proposed constitutional amendment would appropriate \$250 million per year to the Higher Education Fund (HEF) or an additional \$75 million per year. Constitutionally-related appropriations are currently \$175 million per year to the HEF.

Appropriations:

Fiscal Year	Proposed New Appropriation out of <i>General Revenue Fund for the HEF</i> 0001
2000	\$ 75,000,000
2001	75,000,000

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2000	\$(75,864,056)
2001	(75,635,000)
2002	(75,635,000)
2003	(75,635,000)
2004	(75,635,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund for the HEF</i> 0001	Probable Savings/(Cost) from <i>General Revenue Fund for</i> <i>Publication of the Resolution</i> 0001
2000	\$ (75,635,000)	\$ (229,056)
2001	(75,635,000)	0
2002	(75,635,000)	0
2003	(75,635,000)	0
2004	(75,635,000)	0

Fiscal Analysis

The proposed constitutional amendment would appropriate \$250 million each year to institutions of higher education that do not benefit from the permanent university fund or that are not junior college, and would eliminate the \$175 million constitutional appropriation to the Higher Education Fund (HEF).

Methodology

Current statute requires \$50 million to be deposited annually to the HEF, in addition to the constitutional appropriation, until the fund reaches \$2 billion. The net cost of the proposed constitutional provision would be reduced to \$25 million per year if the statutory requirement for the additional \$50 million annual appropriation to the HEF were repealed.

The Legislature currently appropriates \$224.4 million to the HEF annually.

The cost for publication of the amendment is \$229,056.

For purposes of this estimate, it is assumed that capital gains would remain in the Permanent University Fund.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board, 720 The University of Texas System Administration, 304 Comptroller of Public Accounts

LBB Staff: JK, BB, LD, PF

1-1 By: Junell (Senate Sponsor - Ratliff) H.J.R. No. 58
1-2 (In the Senate - Received from the House May 4, 1999;
1-3 May 5, 1999, read first time and referred to Committee on Finance;
1-4 May 10, 1999, reported favorably by the following vote: Yeas 11,
1-5 Nays 0; May 10, 1999, sent to printer.)

1-6 HOUSE JOINT RESOLUTION

1-7 proposing a constitutional amendment relating to the investment of
1-8 the permanent university fund and to distributions from that fund
1-9 to the available university fund.

1-10 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 11b, Article VII, Texas Constitution, is
1-12 amended to read as follows:

1-13 Sec. 11b. Notwithstanding any other provision of this
1-14 constitution, in managing the assets of the permanent university
1-15 fund, the Board of Regents of The University of Texas System may
1-16 acquire, exchange, sell, supervise, manage, or retain, through
1-17 procedures and subject to restrictions it establishes and in
1-18 amounts it considers appropriate, any kind of investment, including
1-19 investments in the Texas growth fund created by Article XVI,
1-20 Section 70, of this constitution, that prudent investors,
1-21 exercising reasonable care, skill, and caution, would acquire or
1-22 retain in light of the purposes, terms, distribution requirements,
1-23 and other circumstances of the fund then prevailing, taking into
1-24 consideration the investment of all the assets of the fund rather
1-25 than a single investment [persons-of-ordinary-prudence,-discretion,
1-26 and-intelligence,-exercising-the-judgment-and-care-under-the
1-27 circumstances-then-prevailing,-acquire-or-retain-for-their-own
1-28 account-in-the-management-of-their-affairs,-not-in-regard-to
1-29 speculation-but-in-regard-to-the-permanent-disposition-of-their
1-30 funds,-considering-the-probable-income-as-well-as-the-probable
1-31 safety-of-their-capital.-This-section-does-not-affect-the
1-32 custodial-responsibilities-of-the-comptroller-of-public-accounts
1-33 for-public-funds,-securities,-and-other-evidences-of-investment].

1-34 SECTION 2. Section 18, Article VII, Texas Constitution, is
1-35 amended by amending Subsection (e) and adding Subsection (f) to
1-36 read as follows:

1-37 (e) The available university fund consists of the
1-38 distributions made to it from the total return on all investment
1-39 assets of [dividends,-interest-and-other-income-from] the permanent
1-40 university fund, [less-administrative-expenses] including the net
1-41 income attributable to the surface of permanent university fund
1-42 land. The amount of any distributions to the available university
1-43 fund shall be determined by the board of regents of The University
1-44 of Texas System in a manner intended to provide the available
1-45 university fund with a stable and predictable stream of annual
1-46 distributions and to maintain over time the purchasing power of
1-47 permanent university fund investments and annual distributions to
1-48 the available university fund. The amount distributed to the
1-49 available university fund in a fiscal year must be not less than
1-50 the amount needed to pay the principal and interest due and owing
1-51 in that fiscal year on bonds and notes issued under this section.
1-52 If the purchasing power of permanent university fund investments
1-53 for any rolling 10-year period is not preserved, the board may not
1-54 increase annual distributions to the available university fund
1-55 until the purchasing power of the permanent university fund
1-56 investments is restored, except as necessary to pay the principal
1-57 and interest due and owing on bonds and notes issued under this
1-58 section. An annual distribution made by the board to the available
1-59 university fund during any fiscal year may not exceed an amount
1-60 equal to seven percent of the average net fair market value of
1-61 permanent university fund investment assets as determined by the
1-62 board, except as necessary to pay any principal and interest due
1-63 and owing on bonds issued under this section. The expenses of
1-64 managing permanent university fund land and investments shall be

2-1 paid by the permanent university fund.

2-2 (f) Out of one-third of the annual distribution from the
 2-3 permanent university fund to the available university fund, there
 2-4 shall be appropriated an annual sum sufficient to pay the principal
 2-5 and interest due on the bonds and notes issued by the Board of
 2-6 Regents of The Texas A&M University System under this section and
 2-7 prior law, and the remainder of that one-third of the annual
 2-8 distribution to the available university fund shall be appropriated
 2-9 to the Board of Regents of The Texas A&M University System, which
 2-10 shall have the authority and duty in turn to appropriate an
 2-11 equitable portion of the same for the support and maintenance of
 2-12 The Texas A&M University System administration, Texas A&M
 2-13 University, and Prairie View A&M University. The Board of Regents
 2-14 of The Texas A&M University System, in making just and equitable
 2-15 appropriations to Texas A&M University and Prairie View A&M
 2-16 University, shall exercise its discretion with due regard to such
 2-17 criteria as the board may deem appropriate from year to year[
 2-18 taking-into-account-all-amounts-appropriated-from-Subsection-(f)-of
 2-19 this---section]. Out of the other two-thirds of the annual
 2-20 distribution from the permanent university fund to the available
 2-21 university fund there shall be appropriated an annual sum
 2-22 sufficient to pay the principal and interest due on the bonds and
 2-23 notes issued by the Board of Regents of The University of Texas
 2-24 System under this section and prior law, and the remainder of such
 2-25 two-thirds of the annual distribution to the available university
 2-26 fund, shall be appropriated for the support and maintenance of The
 2-27 University of Texas at Austin and The University of Texas System
 2-28 administration.

2-29 SECTION 3. The following temporary provision is added to the
 2-30 Texas Constitution:

2-31 TEMPORARY PROVISION. (a) The amendment of Section 18,
 2-32 Article VII, of this constitution adopted in 1999 does not impair
 2-33 any obligation created by the issuance of bonds or notes in
 2-34 accordance with that section before January 1, 2000, and all
 2-35 outstanding bonds and notes validly issued under that section
 2-36 remain valid, enforceable, and binding and shall be paid in full,
 2-37 both principal and interest, in accordance with their terms and
 2-38 from the sources pledged to their payment. In order to ensure that
 2-39 the amendment of that section does not impair any obligation
 2-40 created by the issuance of those bonds and notes, there shall be
 2-41 distributed from the income, investment returns, or other assets of
 2-42 the permanent university fund to the available university fund
 2-43 during each fiscal year an amount at least equal to the amount
 2-44 necessary to pay the principal and interest due and owing during
 2-45 the fiscal year on those bonds and notes.

2-46 (b) This section expires January 1, 2030.

2-47 SECTION 4. This proposed constitutional amendment shall be
 2-48 submitted to the voters at an election to be held November 2, 1999.
 2-49 The ballot shall be printed to permit voting for or against the
 2-50 proposition: "The constitutional amendment relating to the
 2-51 investment of the permanent university fund and the distribution
 2-52 from the permanent university fund to the available university
 2-53 fund."

2-54 * * * * *

**FAVORABLE /
SENATE COMMITTEE REPORT ON**

SB SCR SJR SR HB HCR HJR 58
 By Jurell Ratliff
(Author/Senate Sponsor)
5/10/99
(date)

Sir:
 We, your Committee on FINANCE, to which was referred the attached measure, have on May 10, 1999, had the same under consideration and I am instructed to report it back with the recommendation (s) that it:

- do pass and be printed
- do pass and be ordered not printed
- and is recommended for placement on the Local and Uncontested Bills Calendar.

- A fiscal note was requested. yes no
- A revised fiscal note was requested. yes no
- An actuarial analysis was requested. yes no
- Considered by subcommittee. yes no

The measure was reported from Committee by the following vote:

	YEA	NAY	ABSENT	PNV
Senator Ratliff, Chair	✓			
Senator Truan, Vice-Chair	✓			
Senator Barrientos	✓			
Senator Carona	✓			
Senator Duncan	✓			
Senator Fraser	✓			
Senator Gallegos	✓			
Senator Lindsay	✓			
Senator Moncrief	✓			
Senator Ogden	✓			
Senator West	✓			
TOTAL VOTES	11	0	0	0

COMMITTEE ACTION

S260 Considered in public hearing
 S270 Testimony taken

Patricia Hicks
 COMMITTEE CLERK

Bill Ratliff
 CHAIR

Paper clip the original and one copy of this signed form to the original bill
 Retain one copy of this form for Committee files

WITNESS LIST

HJR 58
SENATE COMMITTEE REPORT
Finance Committee

May 10, 1999 - 8:00A

On: Calvert, Stanton C. (Tx A&M University System), Austin
Cunningham, William H. (UT System), Austin

Registering, but not testifying:

On: Burck, Dan (UT System), Austin
Evans, Don (UT Board of Regents), Austin

BILL ANALYSIS

Senate Research Center
76R13292 JSA-F

H.J.R. 58
By: Junell (Ratliff)
Finance
5/7/1999
Engrossed

DIGEST

Currently, the board of regents of The University of Texas System maintains financial control of the permanent university fund (PUF). Total returns from investments of the PUF produce the available university funds, which helps finance higher education in Texas. The board of regents must exercise certain controls over the investment decision of the PUF, as required by the Texas Constitution. H.J.R. 58 requires the submission to the voters of a constitutional amendment authorizing the board of regents to manage any kind of investment of the permanent university fund in accordance with the standards of a prudent investor.

PURPOSE

As proposed, H.J.R. 58 requires the submission to the voters of a constitutional amendment authorizing the board of regents of The University of Texas System to manage any kind of investment of the permanent university fund in accordance with the standards of a prudent investor.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 11b, Article VII, Texas Constitution, to authorize the board of regents of The University of Texas System (board) to exercise certain financial controls over the assets of the permanent university fund (PUF) that prudent investors would exercise. Deletes provisions that the investment decisions must be exercised according to certain judgments that exclude speculation and other financial options and that state this section does not affect certain custodial responsibilities of the comptroller.

SECTION 2. Amends Section 18, Article VII, Texas Constitution, by amending Subsection (e) and by adding Subsection (f), to provide that the available university fund (fund) consists of the distributions made to it from the total return on all investment assets of the PUF, rather than dividends, interests, and other income of the PUF less administrative expenses. Requires the amounts of the distributions to be determined by the board in a manner intended to provide the fund with a stable and predictable stream of annual distributions, and to maintain the purchasing power of the PUF investments and fund distributions. Requires the fund distributions in a fiscal year to be not less than an amount to pay the principal and interest of that fiscal year on bonds and notes issued under this section. Prohibits the board from increasing annual distributions to the fund until the purchasing power of the PUF for any rolling 10-year period is restored, except to pay certain debts. Prohibits the annual distributions from exceeding seven percent of the average net fair market value of the PUF's investment assets, except to pay off certain debts. Requires the expenses of managing the land and investments of the PUF to be paid by the PUF. Requires certain payments to be made out of the annual distribution from the PUF. Makes conforming changes.

SECTION 3. TEMPORARY PROVISION. Makes application of this amendment prospective to January 1, 2000. Sets forth certain distributions to be made from the PUF to the fund in order to ensure that the amendment does not impair certain current obligations. Provides that this section expires January 1, 2003.

SECTION 4. Requires the submission to the voters of this constitutional amendment at an election to be held November 2, 1999. Sets forth required language for the ballot.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 76th Regular Session

May 6, 1999

TO: Honorable Bill Ratliff, Chair, Senate Committee on Finance

FROM: John Keel, Director, Legislative Budget Board

IN RE: HJR58 by Junell (proposing a constitutional amendment relating to the investment of the permanent university fund and to distributions from that fund to the available university fund), **As Engrossed**

<p>Estimated Two-year Net Impact to General Revenue Related Funds for HJR58, As Engrossed: positive impact of \$0 through the biennium ending August 31, 2001.</p>

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2000	\$0
2001	0
2002	0
2003	0
2004	0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) to the <i>Available University Fund</i> 0011
2000	\$ 33,600,000
2001	37,620,000
2002	41,250,000
2003	47,200,000
2004	49,750,000

Fiscal Analysis

The constitutional amendment would allow The University of Texas System Board of Regents (board) to determine the amount of investment return from the Permanent University Fund (PUF) that would be distributed to the Available University Fund (AUF). This distribution could be made from the total return on all investment assets of the PUF.

When determining the amount to be distributed, the board of regents must: not exceed seven percent of the average net fair market value of PUF investment assets; provide the AUF with a stable and predictable stream of annual distributions; maintain over time the purchasing power of PUF investments and annual distributions; and not increase annual distributions if the purchasing power of PUF investments for any rolling 10-year period is not preserved.

The expenses of managing PUF land and investments would continue to be paid by the PUF.

Methodology

Distributions to the Available University Fund (AUF) are estimated to increase 13.3% over The University of Texas System's (System) most current estimate for Fiscal Year 2000 (8.9% above that estimated in the Appropriations Bill). The increase for Fiscal Year 2001 is 14.8% over the System's most current estimate (10.4% above that estimated in the Appropriations Bill.)

As a result, the distribution would equal 4.5% of the most recent 12-quarter average of the corpus. Currently, it is estimated the distribution would equal 3.97% of the most recent 12-quarter average of the corpus.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 720 The University of Texas System Administration, 781 Higher Education Coordinating Board

LBB Staff: JK, BB, PF

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 76th Regular Session

April 23, 1999

TO: Honorable Robert Junell, Chair, House Committee on Appropriations

FROM: John Keel, Director, Legislative Budget Board

IN RE: HJR58 by Junell (proposing a constitutional amendment relating to the investment of the permanent university fund and to distributions from that fund to the available university fund), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HJR58, Committee Report 1st House, Substituted: impact of \$0 through the biennium ending August 31, 2001.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2000	\$0
2001	0
2002	0
2003	0
2004	0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) to the <i>Available University Fund</i> 0011
2000	\$ 33,600,000
2001	37,620,000
2002	41,250,000
2003	47,200,000
2004	49,750,000

Fiscal Analysis

The constitutional amendment would allow The University of Texas System Board of Regents (board) to determine the amount of investment return from the Permanent University Fund (PUF) that would be distributed to the Available University Fund (AUF). This distribution could be made from the total return on all investment assets of the PUF.

When determining the amount to be distributed, the board of regents must: not exceed seven percent of the average net fair market value of PUF investment assets; provide the AUF with a stable and predictable stream of annual distributions; maintain over time the purchasing power of PUF investments and annual distributions; and not increase annual distributions if the purchasing power of PUF investments for any rolling 10-year period is not preserved.

The expenses of managing PUF land and investments would continue to be paid by the PUF.

Methodology

Distributions to the Available University Fund (AUF) are estimated to increase 13.3% over The University of Texas System's (System) most current estimate for Fiscal Year 2000 (8.9% above that estimated in the Appropriations Bill). The increase for Fiscal Year 2001 is 14.8% over the System's most current estimate (10.4% above that estimated in the Appropriations Bill.)

As a result, the distribution would equal 4.5% of the most recent 12-quarter average of the corpus. Currently, it is estimated the distribution would equal 3.97% of the most recent 12-quarter average of the corpus.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 720 The University of Texas System Administration, 781 Higher Education Coordinating Board

LBB Staff: JK, BB, PF

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 76th Regular Session

March 26, 1999

TO: Honorable Robert Junell, Chair, House Committee on Appropriations

FROM: John Keel, Director, Legislative Budget Board

IN RE: HJR58 by Junell (proposing a constitutional amendment revising the provisions for funding capital improvements and acquisitions by institutions of higher education), **As Introduced**

Estimated Two-Year Net Impact to General Revenue Related Funds for HJR58, As Introduced: negative impact of \$(151,499,056) through the biennium ending August 31, 2001.

The proposed constitutional amendment would appropriate \$250 million per year to the Higher Education Fund (HEF) or an additional \$75 million per year. Constitutionally-related appropriations are currently \$175 million per year to the HEF.

Appropriations:

Fiscal Year	Proposed New Appropriation out of <i>General Revenue Fund for the HEF</i> 0001
2000	\$ 75,000,000
2001	75,000,000

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2000	\$(75,864,056)
2001	(75,635,000)
2002	(75,635,000)
2003	(75,635,000)
2004	(75,635,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund for the HEF</i> 0001	Probable Savings/(Cost) from <i>General Revenue Fund for</i> <i>Publication of the Resolution</i> 0001
2000	\$ (75,635,000)	\$ (229,056)
2001	(75,635,000)	0
2002	(75,635,000)	0
2003	(75,635,000)	0
2004	(75,635,000)	0

Fiscal Analysis

The proposed constitutional amendment would appropriate \$250 million each year to institutions of higher education that do not benefit from the permanent university fund or that are not junior college, and would eliminate the \$175 million constitutional appropriation to the Higher Education Fund (HEF).

Methodology

Current statute requires \$50 million to be deposited annually to the HEF, in addition to the constitutional appropriation, until the fund reaches \$2 billion. The net cost of the proposed constitutional provision would be reduced to \$25 million per year if the statutory requirement for the additional \$50 million annual appropriation to the HEF were repealed.

The Legislature currently appropriates \$224.4 million to the HEF annually.

The cost for publication of the amendment is \$229,056.

For purposes of this estimate, it is assumed that capital gains would remain in the Permanent University Fund.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board, 720 The University of Texas System Administration, 304 Comptroller of Public Accounts

LBB Staff: JK, BB, LD, PF

ENROLLED

H.J.R. No. 58

A JOINT RESOLUTION

1 proposing a constitutional amendment relating to the investment of
2 the permanent university fund and to distributions from that fund
3 to the available university fund.

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

5 SECTION 1. Section 11b, Article VII, Texas Constitution, is
6 amended to read as follows:

7 Sec. 11b. Notwithstanding any other provision of this
8 constitution, in managing the assets of the permanent university
9 fund, the Board of Regents of The University of Texas System may
10 acquire, exchange, sell, supervise, manage, or retain, through
11 procedures and subject to restrictions it establishes and in
12 amounts it considers appropriate, any kind of investment, including
13 investments in the Texas growth fund created by Article XVI,
14 Section 70, of this constitution, that prudent investors,
15 exercising reasonable care, skill, and caution, would acquire or
16 retain in light of the purposes, terms, distribution requirements,
17 and other circumstances of the fund then prevailing, taking into
18 consideration the investment of all the assets of the fund rather
19 than a single investment [persons-of-ordinary-prudence, discretion,
20 and--intelligence,--exercising--the--judgment--and--care--under--the
21 circumstances--then--prevailing,--acquire--or--retain--for--their--own
22 account--in--the--management--of--their--affairs,--not-in-regard-to
23 speculation-but-in-regard-to-the--permanent--disposition--of--their
24 funds,--considering--the--probable--income--as-well-as-the-probable

1 ~~safety--of--their--capital.---This--section--does--not--affect--the~~
2 ~~custodial-responsibilities-of-the-comptroller--of--public--accounts~~
3 ~~for-public-funds, securities, and other evidences of investment].~~

4 SECTION 2. Section 18, Article VII, Texas Constitution, is
5 amended by amending Subsection (e) and adding Subsection (f) to
6 read as follows:

7 (e) The available university fund consists of the
8 distributions made to it from the total return on all investment
9 assets of [dividends, interest and other income from] the permanent
10 university fund, [less administrative expenses] including the net
11 income attributable to the surface of permanent university fund
12 land. The amount of any distributions to the available university
13 fund shall be determined by the board of regents of The University
14 of Texas System in a manner intended to provide the available
15 university fund with a stable and predictable stream of annual
16 distributions and to maintain over time the purchasing power of
17 permanent university fund investments and annual distributions to
18 the available university fund. The amount distributed to the
19 available university fund in a fiscal year must be not less than
20 the amount needed to pay the principal and interest due and owing
21 in that fiscal year on bonds and notes issued under this section.
22 If the purchasing power of permanent university fund investments
23 for any rolling 10-year period is not preserved, the board may not
24 increase annual distributions to the available university fund
25 until the purchasing power of the permanent university fund
26 investments is restored, except as necessary to pay the principal
27 and interest due and owing on bonds and notes issued under this

1 section. An annual distribution made by the board to the available
2 university fund during any fiscal year may not exceed an amount
3 equal to seven percent of the average net fair market value of
4 permanent university fund investment assets as determined by the
5 board, except as necessary to pay any principal and interest due
6 and owing on bonds issued under this section. The expenses of
7 managing permanent university fund land and investments shall be
8 paid by the permanent university fund.

9 (f) Out of one-third of the annual distribution from the
10 permanent university fund to the available university fund, there
11 shall be appropriated an annual sum sufficient to pay the principal
12 and interest due on the bonds and notes issued by the Board of
13 Regents of The Texas A&M University System under this section and
14 prior law, and the remainder of that one-third of the annual
15 distribution to the available university fund shall be appropriated
16 to the Board of Regents of The Texas A&M University System, which
17 shall have the authority and duty in turn to appropriate an
18 equitable portion of the same for the support and maintenance of
19 The Texas A&M University System administration, Texas A&M
20 University, and Prairie View A&M University. The Board of Regents
21 of The Texas A&M University System, in making just and equitable
22 appropriations to Texas A&M University and Prairie View A&M
23 University, shall exercise its discretion with due regard to such
24 criteria as the board may deem appropriate from year to year [~~7~~
25 ~~taking-into-account-all-amounts-appropriated-from-Subsection-(f)-of~~
26 ~~this--section~~]. Out of the other two-thirds of the annual
27 distribution from the permanent university fund to the available

1 university fund there shall be appropriated an annual sum
2 sufficient to pay the principal and interest due on the bonds and
3 notes issued by the Board of Regents of The University of Texas
4 System under this section and prior law, and the remainder of such
5 two-thirds of the annual distribution to the available university
6 fund, shall be appropriated for the support and maintenance of The
7 University of Texas at Austin and The University of Texas System
8 administration.

9 SECTION 3. The following temporary provision is added to the
10 Texas Constitution:

11 TEMPORARY PROVISION. (a) The amendment of Section 18,
12 Article VII, of this constitution adopted in 1999 does not impair
13 any obligation created by the issuance of bonds or notes in
14 accordance with that section before January 1, 2000, and all
15 outstanding bonds and notes validly issued under that section
16 remain valid, enforceable, and binding and shall be paid in full,
17 both principal and interest, in accordance with their terms and
18 from the sources pledged to their payment. In order to ensure that
19 the amendment of that section does not impair any obligation
20 created by the issuance of those bonds and notes, there shall be
21 distributed from the income, investment returns, or other assets of
22 the permanent university fund to the available university fund
23 during each fiscal year an amount at least equal to the amount
24 necessary to pay the principal and interest due and owing during
25 the fiscal year on those bonds and notes.

26 (b) This section expires January 1, 2030.

27 SECTION 4. This proposed constitutional amendment shall be

H.J.R. No. 58

1 submitted to the voters at an election to be held November 2, 1999.
2 The ballot shall be printed to permit voting for or against the
3 proposition: "The constitutional amendment relating to the
4 investment of the permanent university fund and the distribution
5 from the permanent university fund to the available university
6 fund."

H.J.R. No. 58

President of the Senate

Speaker of the House

I certify that H.J.R. No. 58 was passed by the House on May 3, 1999, by the following vote: Yeas 143, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.J.R. No. 58 was passed by the Senate on May 13, 1999, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

RECEIVED:

Date

Secretary of State

President of the Senate

Speaker of the House

I certify that H.J.R. No. 58 was passed by the House on
(1)

May 3 ✓, 1999, by the following vote:
(2)

Yeas 143, Nays 0, 1 present, not voting
(3) (4)

Chief Clerk of the House

I certify that H.J.R. No. 58 was passed by the Senate on

May 13 ✓, 1999, by the following vote:
(5)

Yeas 30, Nays 0
(6) (7)

Secretary of the Senate

RECEIVED:

Date

Secretary of State

**** Preparation: CT23;

mvb

76TH LEGISLATURE

COAUTHOR AUTHORIZATION

(please request your coauthors to sign this form in lieu of the front or the back of the original bill)

For chief clerk use only

Bill or Resolution Number: HJR 58

[Signature]
signature of primary author

Bob Jones
printed name of primary author

2-17-99
Date

PERMISSION TO SIGN HJR 58 HAS BEEN GIVEN TO (check only one of the following):
(bill or resolution #)



ALL REPRESENTATIVES

THE FOLLOWING REPRESENTATIVE(S): _____

I authorize the Chief Clerk to include my name as a coauthor of the legislation indicated above:

A2120 Alexander	Date	A2600 Counts	Date	A2795 Farabee	Date
A2115 Allen	Date	A2605 Crabb	Date	A2810 Farrar	Date
A2105 Alvarado	Date	A2610 Craddick	Date	A2840 Flores	Date
A2135 Averitt	Date	A2615 Crownover	Date	A2920 Gallego	Date
A2160 Bailey	Date	A2645 Cuellar	Date	A2930 Garcia	Date
A2205 Berman	Date	A2635 Culberson	Date	A2940 George	Date
A2250 Bonnen	Date	A2670 Danburg	Date	A2935 Giddings	Date
A2275 Bosse	Date	A2620 Davis, John	Date	A2880 Glaze	Date
A2260 Brimer	Date	A2625 Davis, Yvonne	Date	A2985 Goodman	Date
A2265 Brown, Betty	Date	A2680 Delisi	Date	A2990 Goolsby	Date
A2270 Brown, Fred	Date	A3385 Denny	Date	A3005 Gray	Date
A2255 Burnam	Date	A2690 Deshotel	Date	A3000 Green	Date
A2300 Capelo	Date	A2705 Driver	Date	A3010 Greenberg	Date
A2400 Carter	Date	A2665 Dukes	Date	A3020 Grusendorf	Date
A2585 Chavez	Date	A2660 Dunnam	Date	A3030 Gutierrez	Date
A2480 Chisum	Date	A2650 Dutton	Date	A3035 Haggerty	Date
A2525 Christian	Date	A2770 Edwards	Date	A2695 Hamric	Date
A2520 Clark	Date	A2760 Ehrhardt	Date	A3160 Hardcastle	Date
A2435 Coleman	Date	A2775 Eiland	Date	A3170 Hartnett	Date
A2565 Cook	Date	A2785 Elkins	Date	A3345 Hawley	Date
A2595 Corte	Date	A2790 Ellis, Dan	Date	A3180 Heflin	Date

For chief clerk use only
Bill or Resolution Number:

HJR 58

A3310 Hilbert	Date	A3715 Madden	Date	A4435 Shields	Date
A3350 Hildebrand	Date	A3750 Marchant	Date	A4445 Siebert	Date
A3275 Hill	Date	A2700 Maxey	Date	A4525 Smith	Date
A3270 Hinojosa	Date	A3665 McCall	Date	A4530 Smithee	Date
A3305 Hochberg	Date	A3650 McClendon	Date	A4550 Solis, Jim	Date
A3290 Hodge	Date	A3845 McReynolds	Date	A4560 Solis, Juan	Date
A3325 Homer	Date	A3840 Merritt	Date	A4505 Solomons	Date
A3320 Hope	Date	A3855 Moreno, Joe	Date	A4515 Staples	Date
A3315 Howard	Date	A3860 Moreno, Paul	Date	A4570 Swinford	Date
A3355 Hunter	Date	A3870 Morrison	Date	A4585 Talton	Date
A3360 Hupp	Date	A3865 Mowery	Date	A4605 Telford	Date
A3375 Isett	Date	A3885 Naishat	Date	A4630 Thompson	Date
A3415 Janek	Date	A3890 Najera	Date	A4635 Tillery	Date
A3410 Jones, Charles	Date	A3895 Nixon, Joe	Date	A4650 Truitt	Date
A3405 Jones, Delwin	Date	A3900 Noriega	Date	A2730 Turner, Bob	Date
A3400 Jones, Jesse	Date	A3880 Oliveira	Date	A4685 Turner, Sylvester	Date
A3440 Junell	Date	A3886 Olivo	Date	A4690 Uher	Date
A3475 Keel	Date	A4010 Palmer	Date	A4695 Uresti	Date
A3480 Keffer	Date	A4180 Pickett	Date	A4720 Van de Putte	Date
A3470 King, Phil	Date	A4185 Pitts	Date	A4990 Walker	Date
A3465 King, Tracy	Date	A4200 Puente	Date	A4995 West, George "Buddy"	Date
A3485 Krusee	Date	A4210 Ramsay	Date	A5035 Williams	Date
A3450 Kuempel	Date	A4240 Rangel	Date	A5000 Wilson	Date
A3510 Laney	Date	A4245 Reyna, Arthur	Date	A5020 Wise	Date
A3520 Lengefeld	Date	A4236 Reyna, Elvira	Date	A5015 Wohlgemuth	Date
A3605 Lewis, Glenn	Date	A4250 Ritter	Date	A4980 Wolens	Date
A3600 Lewis, Ron	Date	A4370 Sadler	Date	A5005 Woolley	Date
A3615 Longoria	Date	A4380 Salinas	Date	A5025 Yarbrough	Date
A3620 Luna, Vilma	Date	A4420 Seaman	Date	A5040 Zbranek	Date

JOINT AUTHOR AUTHORIZATION

As primary author of HJR 58 I hereby authorize the following joint author(s):
(bill or resolution #)

Henry Cuellar
printed name of joint author #1

[Signature]
signature of joint author #1

printed name of joint author #2

signature of joint author #2

printed name of joint author #3

signature of joint author #3

printed name of joint author #4

signature of joint author #4

[Signature]
signature of primary author

3-29-99
date

ORIGINAL FORM--Place in book

SEND COPIES TO:
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Legislative Reference Library
House Journal

H.J.R. No. 58

By Janell

Proposing a constitutional amendment revising the provisions for funding capital improvements and acquisitions by institutions of higher education.

FEB 17 1999

Filed with the Chief Clerk

FEB 22 1999

Read first time and referred to Committee on Appropriations

APR 22 1999

Reported ___ favorably (~~as amended~~)
(as substituted)

APR 28 1999

Sent to Committee on Calendars

MAY 03 1999

Read second time (comm. subst.) (~~amended~~) and adopted (~~amended to third reading~~) by a record vote of 143 yeas, 0 nays, 1 present, not voting

Read third time (amended) and finally adopted (failed of adoption) by a record vote of ___ yeas, ___ nays, ___ present, not voting

MAY 04 1999

Engrossed

MAY 04 1999

Sent to Senate

Sharon Carter

CHIEF CLERK OF THE HOUSE

OTHER HOUSE ACTION:

MAY 04 1999

Received from the House

MAY 05 1999

Read and referred to Committee on FINANCE

MAY 10 1999

Reported favorably _____

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time

Ordered not printed

Laid before the Senate

MAY 15 1999

Senate and Constitutional Rules to permit consideration suspended by (unanimous consent)
(___ yeas, ___ nays)

MAY 18 1999

Read second time, _____, and passed to third reading by (unanimous consent)
(a viva voce vote)
(___ yeas, ___ nays)

MAY 13 1999

Senate and Constitutional 3 Day Rules suspended by a vote of 30 yeas, 0 nays

MAY 13 1999

Read third time, _____, and passed by 30 yeas, 0 nays

May 13, 1999

Returned to the House

Betty King

SECRETARY OF THE SENATE

OTHER SENATE ACTION:

MAY 13 1999

Returned from the Senate (~~substituted~~)
(~~with amendment~~)

House concurred in Senate amendments by a (non-record vote)
(record vote of _____ yeas, _____ nays, _____ present, not voting)

House refused to concur in Senate amendments and requested the appointment of a conference committee
by a (non-record vote) (record vote of _____ yeas, _____ nays, _____ present, not voting)

House conferees appointed: _____, Chair; _____,
_____, _____, _____

Senate granted House request. Senate conferees appointed: _____, Chair;
_____, _____, _____

Conference committee report adopted (rejected) by the House by a record vote of
_____ yeas, _____ nays, _____ present, not voting

Conference committee report adopted (rejected) by the Senate by a record vote of
_____ yeas, _____ nays

99 APR 27 PM 2:40
HOUSE OF REPRESENTATIVES

58

secy

58