

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

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			
1-20	X			
1-21	X			
1-22	X			
1-23	X			

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

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

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

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

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

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

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

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

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

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

3-1 Technical College System Administration and the following
 3-2 component campuses, but not its extension centers or programs:
 3-3 (A) Texas State Technical College, a collective
 3-4 unit in Nolan, Taylor, Brown, and Stephens Counties;
 3-5 (B) Texas State Technical College--Harrison
 3-6 County [~~College--Harlingen~~];
 3-7 (C) [~~(B)~~] Texas State Technical
 3-8 College--McLennan County [~~College--Marshall~~];
 3-9 (D) [~~(C)~~] Texas State Technical College, a
 3-10 collective unit of one or more locations in Ellis County
 3-11 [~~College--West Texas~~];
 3-12 (E) [~~(D)~~] Texas State Technical College, a
 3-13 collective unit in Comal and Guadalupe Counties [~~College--Waco~~];
 3-14 (F) [~~(E)~~] Texas State Technical College--Fort
 3-15 Bend County; [~~and~~]
 3-16 (G) [~~(F)~~] Texas State Technical College--Denton
 3-17 County;
 3-18 (H) Texas State Technical College, a collective
 3-19 unit of one or more locations in East Williamson County; and
 3-20 (I) Texas State Technical College in Cameron
 3-21 County [~~College--North Texas~~].

3-22 (c-1) Each governing board participating in the
 3-23 distribution of funds as described in this section may in its sole
 3-24 discretion use the funds to pay the principal and interest of bonds
 3-25 that were issued under Chapter 55 and the proceeds of which were
 3-26 spent for a purpose described in Section 17(a), Article VII, Texas
 3-27 Constitution.

3-28 SECTION 2. Section 62.024, Education Code, is amended to
 3-29 read as follows:

3-30 Sec. 62.024. AMOUNT OF ALLOCATION INCREASED. In
 3-31 accordance with Section 17(a), Article VII, Texas Constitution, for
 3-32 each state fiscal year beginning with the state fiscal year ending
 3-33 August 31, 2026 [2017], the amount of the annual constitutional
 3-34 appropriation under that subsection is increased to \$590,625,000
 3-35 [~~\$393.75 million~~]. [~~Before the state fiscal year ending August 31,~~
 3-36 ~~2017, the amount of the annual constitutional appropriation under~~
 3-37 ~~that subsection is \$262.5 million.~~]

3-38 SECTION 3. Section 62.027(c), Education Code, is amended to
 3-39 read as follows:

3-40 (c) The increase provided by the amendment to Section 62.024
 3-41 enacted by the 89th [~~84th~~] Legislature, Regular Session, 2025
 3-42 [~~2015~~], in the amount of the appropriation made under Section
 3-43 17(a), Article VII, Texas Constitution, for each state fiscal year
 3-44 beginning with the state fiscal year ending August 31, 2026 [2017],
 3-45 constitutes the increase in accordance with Section 17(a) that the
 3-46 legislature considers appropriate for the five-year period
 3-47 beginning September 1, 2025 [2015].

3-48 SECTION 4. Section 62.021(e-2), Education Code, is
 3-49 repealed.

3-50 SECTION 5. The amounts allocated under Section 62.021,
 3-51 Education Code, as amended by this Act, apply to each state fiscal
 3-52 year beginning with the state fiscal year beginning September 1,
 3-53 2025.

3-54 SECTION 6. Contingent on the passage and becoming law of
 3-55 S.B. 2361 or similar legislation of the 89th Legislature, Regular
 3-56 Session, 2025, relating to the transfer of the University of
 3-57 Houston--Victoria to The Texas A&M University System, the amounts
 3-58 allocated to the University of Houston--Victoria under Section
 3-59 62.021, Education Code, as amended by this Act, are allocated to the
 3-60 university as transferred to The Texas A&M University System.

3-61 SECTION 7. (a) Except as provided by Subsection (b) of this
 3-62 section, this Act takes effect September 1, 2025.

3-63 (b) Sections 2 and 3 of this Act take effect as provided by
 3-64 Subsection (a) of this section only if this Act is approved by a
 3-65 vote of two-thirds of the membership of each house of the
 3-66 legislature as required by Section 17(a), Article VII, Texas
 3-67 Constitution.