

1-1 By: Ogden S.J.R. No. 5
1-2 (In the Senate - Filed April 18, 2011; April 18, 2011, read
1-3 first time and referred to Committee on Finance; April 26, 2011,
1-4 reported adversely, with favorable Committee Substitute by the
1-5 following vote: Yeas 15, Nays 0; April 26, 2011, sent to printer.)

1-6 COMMITTEE SUBSTITUTE FOR S.J.R. No. 5 By: Ogden

1-7 SENATE JOINT RESOLUTION

1-8 proposing a constitutional amendment relating to increasing the
1-9 market value of the permanent school fund for the purpose of
1-10 allowing increased distributions from the available school fund.

1-11 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Subsection (a), Section 5, Article VII, Texas
1-13 Constitution, is amended to read as follows:

1-14 (a) The permanent school fund consists of all land
1-15 appropriated for public schools by this constitution or the other
1-16 laws of this state, other properties belonging to the permanent
1-17 school fund, and all revenue derived from the land or other
1-18 properties. The available school fund consists of the
1-19 distributions made to it from the total return on all investment
1-20 assets of the permanent school fund, the taxes authorized by this
1-21 constitution or general law to be part of the available school fund,
1-22 and appropriations made to the available school fund by the
1-23 legislature. The total amount distributed from the permanent
1-24 school fund to the available school fund:

1-25 (1) in each year of a state fiscal biennium must be an
1-26 amount that is not more than six percent of the average of the
1-27 market value of the permanent school fund, excluding real property
1-28 belonging to the fund that is managed, sold, or acquired under
1-29 Section 4 of this article, but including discretionary real assets
1-30 investments and cash in the state treasury derived from property
1-31 belonging to the fund, on the last day of each of the 16 state fiscal
1-32 quarters preceding the regular session of the legislature that
1-33 begins before that state fiscal biennium, in accordance with the
1-34 rate adopted by:

1-35 (A) a vote of two-thirds of the total membership
1-36 of the State Board of Education, taken before the regular session of
1-37 the legislature convenes; or

1-38 (B) the legislature by general law or
1-39 appropriation, if the State Board of Education does not adopt a rate
1-40 as provided by Paragraph (A) of this subdivision; and

1-41 (2) over the 10-year period consisting of the current
1-42 state fiscal year and the nine preceding state fiscal years may not
1-43 exceed the total return on all investment assets of the permanent
1-44 school fund over the same 10-year period.

1-45 SECTION 2. The following temporary provision is added to
1-46 the Texas Constitution:

1-47 TEMPORARY PROVISION. (a) This temporary provision applies
1-48 to the constitutional amendment proposed by S.J.R. No. 5, 82nd
1-49 Legislature, Regular Session, 2011, providing for an increase in
1-50 the market value of the permanent school fund for the purpose of
1-51 allowing increased distributions from the available school fund.

1-52 (b) The change to Section 5(a), Article VII, of this
1-53 constitution made by the amendment applies to a distribution from
1-54 the permanent school fund to the available school fund made on or
1-55 after September 1, 2011.

1-56 (c) This temporary provision expires December 1, 2015.

1-57 SECTION 3. This proposed constitutional amendment shall be
1-58 submitted to the voters at an election to be held November 8, 2011.
1-59 The ballot shall be printed to permit voting for or against the
1-60 proposition: "The constitutional amendment providing for an
1-61 increase in the market value of the permanent school fund for the
1-62 purpose of allowing increased distributions from the available
1-63 school fund."

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