A JOINT RESOLUTION

proposing a constitutional amendment providing for the issuance of
general obligation bonds by the Texas Higher Education Coordinating
Board.

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

SECTION 1. Article III, Texas Constitution, is amended by
adding Section 50b-4 to read as follows:

Sec. 50b-4. ADDITIONAL STUDENT LOANS. (a) The legislature
by general law may authorize the Texas Higher Education
Coordinating Board or its successor or successors to issue and sell
genral obligation bonds of the State of Texas in an amount not to
exceed $400 million to finance educational loans to students. The
bonds are in addition to those bonds issued under Sections 50b,
50b-1, 50b-2, and 50b-3, Article III, Texas Constitution.

(b) The bonds shall be executed in the form, on the terms,
and in the denominations, bear interest, and be issued in
installments as prescribed by the Texas Higher Education
Coordinating Board or its successor or successors.

(c) The maximum net effective interest rate to be borne by
bonds issued under this section must be set by law.

(d) The legislature may provide for the investment of bond
proceeds and may establish and provide for the investment of an
interest and sinking fund to pay the bonds. Income from the
investment shall be used for the purposes prescribed by the
legislature.
(e) While any of the bonds issued under this section or interest on the bonds is outstanding and unpaid, there is appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, the amount sufficient to pay the principal of and interest on the bonds that mature or become due during the fiscal year, less any amount in an interest and sinking fund established under this section at the end of the preceding fiscal year that is pledged to the payment of the bonds or interest.

(f) Bonds issued under this section, after approval by the attorney general, registration by the comptroller of public accounts, and delivery to the purchasers, are incontestable.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held on the earlier of the first date on which another election on a constitutional amendment proposed by the 74th Legislature, Regular Session, 1995, is held or November 7, 1995. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment providing for the issuance of $400 million in general obligation bonds to finance educational loans to students."
A JOINT RESOLUTION

proposing a constitutional amendment providing for the issuance of
general obligation bonds by the Texas Higher Education Coordinating
Board.

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

SECTION 1. Article III, Texas Constitution, is amended by
adding Section 50b-4 to read as follows:

Sec. 50b-4. ADDITIONAL STUDENT LOANS. (a) The legislature
by general law may authorize the Texas Higher Education
Coordinating Board or its successor or successors to issue and sell
general obligation bonds of the State of Texas in an amount not to
exceed $400 million to finance educational loans to students. The
bonds are in addition to those bonds issued under Sections 50b,
50b-1, 50b-2, and 50b-3, Article III, Texas Constitution.

(b) The bonds shall be executed in the form, on the terms,
and in the denominations, bear interest, and be issued in
installments as prescribed by the Texas Higher Education
Coordinating Board or its successor or successors.

(c) The maximum net effective interest rate to be borne by
bonds issued under this section must be set by law.

(d) The legislature may provide for the investment of bond
proceeds and may establish and provide for the investment of an
interest and sinking fund to pay the bonds. Income from the
investment shall be used for the purposes prescribed by the
legislature.
(e) While any of the bonds issued under this section or
interest on the bonds is outstanding and unpaid, there is
appropriated out of the first money coming into the treasury in
each fiscal year, not otherwise appropriated by this constitution,
the amount sufficient to pay the principal of and interest on the
bonds that mature or become due during the fiscal year, less any
amount in an interest and sinking fund established under this
section at the end of the preceding fiscal year that is pledged to
the payment of the bonds or interest.

(f) Bonds issued under this section, after approval by the
attorney general, registration by the comptroller of public
accounts, and delivery to the purchasers, are incontestable.

SECTION 2. This proposed constitutional amendment shall be
submitted to the voters at an election to be held on the earlier of
the first date on which another election on a constitutional
amendment proposed by the 74th Legislature, Regular Session, 1995,
is held or November 7, 1995. The ballot shall be printed to permit
voting for or against the proposition: "The constitutional
amendment providing for the issuance of $400 million in general
obligation bonds to finance educational loans to students."
COMMITTEE REPORT

The Honorable Pete Laney
Speaker of the House of Representatives

Sir:

We, your COMMITTEE ON FINANCIAL INSTITUTIONS
to whom was referred H.J.R. 50 have had the same under consideration and beg to report
back with the recommendation that it

( ) 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.
( ) 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:

<table>
<thead>
<tr>
<th>AYE</th>
<th>NAY</th>
<th>PNV</th>
<th>ABSENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Marchant, Ch. ✓
Carona, V.C. ✓
Elkins ✓
Giddings ✓
Grusendorf ✓
Gutierrez ✓
Hudson ✓
Patterson ✓
Romo ✓

Total 8 aye
0 nay
0 present, not voting
1 absent

CHAIRMAN

2.20.99 (date)
BILL ANALYSIS

Financial Institutions Committee
H.J.R. 50
By: Hernandez
02-17-95
Committee Report (Unamended)

BACKGROUND

Since Texas voters first approved $85 million in bonds to support the state’s Hinson-Hazlewood College Student Loan Program in 1965 they have returned three times to the polls to approve bonds to fund it. In fiscal year 1993, the Hinson-Hazlewood Program became fully self-supporting. The Texas Higher Education Coordinating Board cannot meet current loan demand without new bonding authority.

PURPOSE

As proposed, H.J.R. 50 provides for the student loan program administered by the Texas Higher Education Coordinating Board and authorizes the issuance of bonds.

RULEMAKING AUTHORITY

It is the committee’s opinion that this bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article III, Texas Constitution, by adding Section 50b-4, as follows:

Sec. 50b-4. ADDITIONAL STUDENT LOANS. (a) Authorizes the legislature to authorize the Texas Higher Education Coordinating Board to issue and sell general obligation bonds of the State of Texas in an amount not to exceed $400 million to finance educational loans to students. Provides that the bonds are in addition to those issued under Article III, Texas Constitution.

(b) Requires the bonds to be executed in a form prescribed by the Board.

(c) Requires the net effective interest rate to be borne by bonds to be set by law.

(d) Authorizes the legislature to provide for the investment of bond proceeds and an interest and sinking fund to pay the bonds. Requires income from the investment to be used for purposes prescribed by the legislature.

(e) Provides that while any of the bonds or interest on the bonds is outstanding, there is appropriated out of the first incoming treasury money each fiscal year, an amount sufficient to pay the principal of and interest on the bonds, less any amount in an interest and sinking fund pledged to the payment of the bonds or interest.

(f) Provides that bonds issued under this section, after approval by the attorney general, registration by the comptroller of public accounts, and delivery to the purchasers, are incontestable.

SECTION 2. Requires this constitutional amendment to be submitted to the voters on an election to be held November 7, 1995. Sets forth the required language for the ballot.
SUMMARY OF COMMITTEE ACTION

Pursuant to a notice posted on February 15, 1995, the Committee on Financial Institutions convened in a public hearing on February 20, 1995, to consider HJR 50. The following persons testified in favor of the bill: Representative Hernandez, Carol L. McDonald. The following persons testified neutrally on the bill: Kenneth Ashworth, Mack C. Adams, James McWhorter. The motion to report HJR 50 favorably to the House without amendments prevailed by the following vote: 8 Ayes, 0 Nays, 0 PNV, 1 Absent.
TO: Honorable Kenny Marchant, Chair
Committee on Financial Institutions
House of Representatives
Austin, Texas

IN RE: House Joint Resolution
No. 50
By: Hernandez

FROM: John Keel, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 50 (Proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board.) this office has determined the following:

The proposed constitutional amendment would provide additional bonding authority to the Texas Higher Education Coordinating Board for student loans granted through the Hinson-Hazelwood College Student Loan Program. Total issuance could not exceed $400 million. The sale of new bonds is needed to issue student loans for the 1996-97 academic year.

The Hinson-Hazelwood College Student Loan Program is designed to be self supporting. Program revenues, including loan repayments and investment earnings should be sufficient to pay debt service on bonds authorized by HJR50 and operation of the program. Historically, the Hinson-Hazelwood College Student Loan Program has never drawn on general revenue. There is no anticipation that program conditions will change resulting in a draw on the general revenue fund. However, should the program revenues be insufficient, the bonds carry a general obligation pledge, or full faith and credit of the state which would require a draw on general revenue.

Estimated debt service on the bonds is:
FY 1996 - $3.63 million
FY 1997 - $9.96 million
FY 1998 - $15.39 million
FY 1999 - $20.82 million
FY 2000 - $28.30 million

level debt service ($28.30 million for year 6 through year 25)

No additional direct or indirect costs to the state are anticipated as a result of the bond issuance other than the cost of publication. The cost to the state for publication of the resolution is $90,000.

Source: LBB Staff: JK, MK, RS, RR. Texas Public Finance Authority, Bond Review Board, Higher Education Coordinating Board,
LIST OF HOUSE AMENDMENTS CONSIDERED

HJR50.2n - Second Reading

<table>
<thead>
<tr>
<th>AMENDMENT #</th>
<th>AUTHOR</th>
<th>DESCRIPTION</th>
<th>ACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chisum</td>
<td>Amendment</td>
<td>Adopted</td>
</tr>
</tbody>
</table>

Page 1
FLOOR AMENDMENT No. 1

Amend HJR 50 as follows:

1) SECTION 1, page 1, line 11, after the word "exceed" delete the "$400" and insert "$200".

ADOPTED

MAR 2 1 1995

Cynthia Ehrhardt
Chief Clerk
House of Representatives
A JOINT RESOLUTION

proposing a constitutional amendment providing for the issuance of
general obligation bonds by the Texas Higher Education Coordinating
Board.

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

SECTION 1. Article III, Texas Constitution, is amended by
adding Section 50b-4 to read as follows:

Sec. 50b-4. ADDITIONAL STUDENT LOANS. (a) The legislature
by general law may authorize the Texas Higher Education
Coordinating Board or its successor or successors to issue and sell
general obligation bonds of the State of Texas in an amount not to
exceed $200 million to finance educational loans to students. The
bonds are in addition to those bonds issued under Sections 50b,
50b-1, 50b-2, and 50b-3, Article III, Texas Constitution.

(b) The bonds shall be executed in the form, on the terms,
and in the denominations, bear interest, and be issued in
installments as prescribed by the Texas Higher Education
Coordinating Board or its successor or successors.

(c) The maximum net effective interest rate to be borne by
bonds issued under this section must be set by law.

(d) The legislature may provide for the investment of bond
proceeds and may establish and provide for the investment of an
interest and sinking fund to pay the bonds. Income from the
investment shall be used for the purposes prescribed by the
legislature.
(e) While any of the bonds issued under this section or
interest on the bonds is outstanding and unpaid, there is
appropriated out of the first money coming into the treasury in
each fiscal year, not otherwise appropriated by this constitution,
the amount sufficient to pay the principal of and interest on the
bonds that mature or become due during the fiscal year, less any
amount in an interest and sinking fund established under this
section at the end of the preceding fiscal year that is pledged to
the payment of the bonds or interest.

(f) Bonds issued under this section, after approval by the
attorney general, registration by the comptroller of public
accounts, and delivery to the purchasers, are incontestable.

SECTION 2. This proposed constitutional amendment shall be
submitted to the voters at an election to be held on the earlier of
the first date on which another election on a constitutional
amendment proposed by the 74th Legislature, Regular Session, 1995,
is held or November 7, 1995. The ballot shall be printed to permit
voting for or against the proposition: "The constitutional
amendment providing for the issuance of $200 million in general
obligation bonds to finance educational loans to students."
(e) While any of the bonds issued under this section or interest on the bonds is outstanding and unpaid, there is appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, the amount sufficient to pay the principal of and interest on the bonds that mature or become due during the fiscal year, less any amount in an interest and sinking fund established under this section at the end of the preceding fiscal year that is pledged to the payment of the bonds or interest.

(f) Bonds issued under this section, after approval by the attorney general, registration by the comptroller of public accounts, and delivery to the purchasers, are incontestable.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held on the earlier of the first date on which another election on a constitutional amendment proposed by the 74th Legislature, Regular Session, 1995, is held or November 7, 1995. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment providing for the issuance of $200 million in general obligation bonds to finance educational loans to students."
By: Hernandez (Senate Sponsor - Barrientos) H.J.R. No. 50
March 23, 1995, read first time and referred to Committee on Finance; May 1, 1995, reported favorably, as amended, by the following vote: Yeas 8, Nays 0; May 1, 1995, sent to printer.)

COMMITTEE AMENDMENT NO. 1

Amend H.J.R. No. 50 as follows:

1. On page 1, line 11, amend SECTION 1, Subsection (a), by striking "$200" and substituting "$400" in its place.

2. On page 2, line 19, amend SECTION 2, by striking "$200" and substituting "$400" in its place.

HOUSE JOINT RESOLUTION

proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board.

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

SECTION 1. Article III, Texas Constitution, is amended by adding Section 50b-4 to read as follows:

Sec. 50b-4. ADDITIONAL STUDENT LOANS. (a) The legislature by general law may authorize the Texas Higher Education Coordinating Board or its successor or successors to issue and sell general obligation bonds of the State of Texas in an amount not to exceed $200 million to finance educational loans to students. The bonds are in addition to those bonds issued under Sections 50b, 50b-1, 50b-2, and 50b-3, Article III, Texas Constitution.

(b) The bonds shall be executed in the form, on the terms, and in the denominations, bear interest, and be issued in installments as prescribed by the Texas Higher Education Coordinating Board or its successor or successors.

(c) The maximum net effective interest rate to be borne by bonds issued under this section must be set by law.

(d) The legislature may provide for the investment of bond proceeds and may establish and provide for the investment of an interest and sinking fund to pay the bonds. Income from the investment shall be used for the purposes prescribed by the legislature.

(e) While any of the bonds issued under this section or interest on the bonds is outstanding and unpaid, there is appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, the amount sufficient to pay the principal of and interest on the bonds that mature or become due during the fiscal year, less any amount in an interest and sinking fund established under this section at the end of the preceding fiscal year that is pledged to the payment of the bonds or interest.

(f) Bonds issued under this section, after approval by the attorney general, registration by the comptroller of public accounts, and delivery to the purchasers, are incontestable.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held on the earlier of the first date on which another election on a constitutional amendment proposed by the 74th Legislature, Regular Session, 1995, is held or November 7, 1995. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment providing for the issuance of $200 million in general obligation bonds to finance educational loans to students."

** * * * *
FAVORABLY AS AMENDED
SENATE COMMITTEE REPORT ON

SB SCR SJR SR HB HCR HJR 50
By肼甲 /}(Assistant Senate Sponsor)
5-1-93
(date)

We, your Committee on FINANCE, to which was referred the attached measure,
have on 5-1-95, had the same under consideration and I am instructed to report it
back with the recommendation (s) that it:
(o) do pass with ____ amendments, and be printed
() do pass with ______ amendments, and be ordered not printed
() and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. (o) yes () no
A revised fiscal note was requested. (o) yes () no
An actuarial analysis was requested. () yes ( ) no
Considered by subcommittee. (o) yes ( ) no

The measure was reported from Committee by the following vote:

<table>
<thead>
<tr>
<th>Montford, Chair</th>
<th>YEA</th>
<th>NAY</th>
<th>ABSENT</th>
<th>PNV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brown, Vice-Chair</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barrientos</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bivins</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ellis</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lucio</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monsieur</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ratliff</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rosson</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sibley</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Truan</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turner</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zaffrin, l</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL VOTES</td>
<td>9</td>
<td>0</td>
<td>5</td>
<td>0</td>
</tr>
</tbody>
</table>

COMMITTEE ACTION

Considered in public hearing
Testimony taken

COMMITTEE CLERK

CHAIRMAN

Paper clip the original and one copy of this signed form to the original bill along with THREE signed copies of each committee amendment adopted
Retain one copy of this form for Committee files
BILL ANALYSIS

Senate Research Center

H.J.R. 50

By: Hernandez (Sponsor)

Education

05-02-95

Senate Committee Report (Amended)

BACKGROUND

Since Texas voters first approved $85 million in bonds to support the state’s Hinson-Hazlewood College Student Loan Program in 1965, voters have returned to the polls three times to approve bonds to fund it. In fiscal year 1993, the Hinson-Hazlewood Program became self-supporting. The Texas Higher Education Coordinating Board cannot meet loan demand without new bonding authority.

PURPOSE

As proposed, H.J.R. 50 requires submission to the voters of a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board.

RULEMAKING AUTHORITY

It is the committee’s opinion that this bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article III, Texas Constitution, by adding Section 50b-4, as follows:

Sec. 50b-4. ADDITIONAL STUDENT LOANS. (a) Authorizes the legislature by general law to authorize the Texas Higher Education Coordinating Board (board) or its successor to issue and sell general obligation bonds of the State of Texas in an amount not to exceed $400 million to finance educational loans to students. Provides that the bonds are in addition to those bonds issued under Sections 50b, 50b-1, 50b-2, and 50b-3, Article III, Texas Constitution.

(b) Requires the bonds to be executed in the form prescribed by the board or its successor or successors.

(c) Requires the maximum net effective interest rate to be borne by bonds issued under this section to be set by law.

(d) Authorizes the legislature to provide for the investment of bond proceeds and to establish and provide for the investment of an interest and sinking fund to apply the bonds. Requires income from the investment to be used for the purposes prescribed by the legislature.

(e) Appropriates out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, the amount sufficient to pay the principal of and interest on the bonds that mature or become due during the fiscal year, less any amount in an interest and sinking fund established under this section at the end of the preceding fiscal year that is pledged to the payment of the bonds or interest.

(f) Provides that bonds issued under this section, after approval by the attorney general, registration by the comptroller of public accounts, and delivery to the purchasers, are incontestable.

SECTION 2. Requires this constitutional amendment to be submitted to the voters on an election to be held on November 7, 1995. Sets forth the required language for the ballot.
BILL ANALYSIS

Senate Research Center

H.J.R. 50
By: Hernandez (Sponsor)
Education
04-28-95
Engrossed

BACKGROUND

Since Texas voters first approved $85 million in bonds to support the state's Hinson-Hazlewood College Student Loan Program in 1965, voters have returned to the polls three times to approve bonds to fund it. In fiscal year 1993, the Hinson-Hazlewood Program became self-supporting. The Texas Higher Education Coordinating Board cannot meet loan demand without new bonding authority.

PURPOSE

As proposed, H.J.R. 50 requires submission to the voters of a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article III, Texas Constitution, by adding Section 50b-4, as follows:

Sec. 50b-4. ADDITIONAL STUDENT LOANS. (a) Authorizes the legislature by general law to authorize the Texas Higher Education Coordinating Board (board) or its successor to issue and sell general obligation bonds of the State of Texas in an amount not to exceed $200 million to finance educational loans to students. Provides that the bonds are in addition to those bonds issued under Sections 50b, 50b-1, 50b-2, and 50b-3, Article III, Texas Constitution.

(b) Requires the bonds to be executed in the form prescribed by the board or its successor or successors.

(c) Requires the maximum net effective interest rate to be borne by bonds issued under this section to be set by law.

(d) Authorizes the legislature to provide for the investment of bond proceeds and to establish and provide for the investment of an interest and sinking fund to apply the bonds. Requires income from the investment to be used for the purposes prescribed by the legislature.

(e) Appropriates out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, the amount sufficient to pay the principal of and interest on the bonds that mature or become due during the fiscal year, less any amount in an interest and sinking fund established under this section at the end of the preceding fiscal year that is pledged to the payment of the bonds or interest.

(f) Provides that bonds issued under this section, after approval by the attorney general, registration by the comptroller of public accounts, and delivery to the purchasers, are incontestable.

SECTION 2. Requires this constitutional amendment to be submitted to the voters on an election to be held on November 7, 1995. Sets forth the required language for the ballot.
COMMITTEE: Finance  BILL: HJR 50

<table>
<thead>
<tr>
<th>Name</th>
<th>Representing</th>
<th>City</th>
<th>FOR</th>
<th>AGAINST</th>
<th>ON</th>
</tr>
</thead>
<tbody>
<tr>
<td>KENNETH ASHWORTH</td>
<td>HIGHER ED COORDINATING BD</td>
<td>AUSTIN</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>CAROL MCDONALD</td>
<td>IND. COLLEGES AND UNIVERSITIES</td>
<td>AUSTIN</td>
<td></td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

# # # PART ___ OF ___ # # #

<<<<==END OF FORM==<<<<
LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
74th Regular Session

April 28, 1995

TO: Honorable John Montford, Chair
Committee on Finance
Senate
Austin, Texas

IN RE: House Joint Resolution
No. 50, as engrossed
By: Hernandez

FROM: John Keel, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 50 (Proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board,) this office has determined the following:

The proposed constitutional amendment would provide additional bonding authority to the Texas Higher Education Coordinating Board for student loans granted through the Hinson-Hazelwood College Student Loan Program. Total issuance could not exceed $200 million. The sale of new bonds is needed to issue student loans for the 1996-97 academic year.

The Hinson-Hazelwood College Student Loan Program is designed to be self supporting. Program revenues, including loan repayments and investment earnings should be sufficient to pay debt service on bonds authorized by HJR50 and operation of the program. Historically, the Hinson-Hazelwood College Student Loan Program has never drawn on general revenue. There is no anticipation that program conditions will change resulting in a draw on the general revenue fund. However, should the program revenues be insufficient, the bonds carry a general obligation pledge, or full faith and credit of the state which would require a draw on general revenue.

Estimated debt service on the bonds is:
FY 1996 - $3.62 million
FY 1997 - $10.86 million
FY 1998 - $14.48 million
FY 1999 - $14.48 million
FY 2000 - $16.54 million
level debt service ($16.54 million for year 6 through year 25)

No additional direct or indirect costs to the state are anticipated as a result of the bond issuance other than the cost of publication.

The cost to the State for publication of the resolution is $90,000.
Source: LBB Staff: JK, DF
LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
74th Regular Session
February 20, 1995

TO: Honorable Kenny Marchant, Chair
Committee on Financial Institutions
House of Representatives
Austin, Texas

IN RE: House Joint Resolution
No. 50
By: Hernandez

FROM: John Keel, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 50 (Proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board.) this office has determined the following:

The proposed constitutional amendment would provide additional bonding authority to the Texas Higher Education Coordinating Board for student loans granted through the Hinson-Hazelwood College Student Loan Program. Total issuance could not exceed $400 million. The sale of new bonds is needed to issue student loans for the 1996-97 academic year.

The Hinson-Hazelwood College Student Loan Program is designed to be self supporting. Program revenues, including loan repayments and investment earnings should be sufficient to pay debt service on bonds authorized by HJR50 and operation of the program. Historically, the Hinson-Hazelwood College Student Loan Program has never drawn on general revenue. There is no anticipation that program conditions will change resulting in a draw on the general revenue fund. However, should the program revenues be insufficient, the bonds carry a general obligation pledge, or full faith and credit of the state which would require a draw on general revenue.

Estimated debt service on the bonds is:
FY 1996 - $3.63 million
FY 1997 - $9.96 million
FY 1998 - $15.39 million
FY 1999 - 20.82 million
FY 2000 - $28.30 million

level debt service ($28.30 million for year 6 through year 25)

No additional direct or indirect costs to the state are anticipated as a result of the bond issuance other than the cost of publication. The cost to the state for publication of the resolution is $90,000.

Source: LBB Staff: JK, MK, RS, RR. Texas Public Finance Authority, Bond Review Board, Higher Education Coordinating Board,
Amend H.J.R. No. 50 as follows:

(1) On page 1, line 11, amend SECTION 1, Subsection (a), by striking "$200" and substituting "$400" in its place.

(2) On page 2, line 19, amend SECTION 2, by striking "$200" and substituting "$400" in its place.
By Hernandez

A JOINT RESOLUTION

proposing a constitutional amendment providing for the issuance of
general obligation bonds by the Texas Higher Education Coordinating
Board.

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

SECTION 1. Article III, Texas Constitution, is amended by
adding Section 50b-4 to read as follows:

Sec. 50b-4. ADDITIONAL STUDENT LOANS. (a) The legislature
by general law may authorize the Texas Higher Education
Coordinating Board or its successor or successors to issue and sell
general obligation bonds of the State of Texas in an amount not to
exceed $200 million to finance educational loans to students. The
bonds are in addition to those bonds issued under Sections 50b,
50b-1, 50b-2, and 50b-3, Article III, Texas Constitution.

(b) The bonds shall be executed in the form, on the terms,
and in the denominations, bear interest, and be issued in
installments as prescribed by the Texas Higher Education
Coordinating Board or its successor or successors.

(c) The maximum net effective interest rate to be borne by
bonds issued under this section must be set by law.

(d) The legislature may provide for the investment of bond
proceeds and may establish and provide for the investment of an
interest and sinking fund to pay the bonds. Income from the
investment shall be used for the purposes prescribed by the
legislature.
(e) While any of the bonds issued under this section or interest on the bonds is outstanding and unpaid, there is appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, the amount sufficient to pay the principal of and interest on the bonds that mature or become due during the fiscal year, less any amount in an interest and sinking fund established under this section at the end of the preceding fiscal year that is pledged to the payment of the bonds or interest.

(f) Bonds issued under this section, after approval by the attorney general, registration by the comptroller of public accounts, and delivery to the purchasers, are incontestable.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held on the earlier of the first date on which another election on a constitutional amendment proposed by the 74th Legislature, Regular Session, 1995, is held or November 7, 1995. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment providing for the issuance of $200 million in general obligation bonds to finance educational loans to students."
COMMITTEE AMENDMENT NO. 1

By [Signature]

1 Amend H.J.R. No. 50 as follows:

2 (1) On page 1, line 11, amend SECTION 1, Subsection (a), by striking "$200" and substituting "$400" in its place.

3 (2) On page 2, line 19, amend SECTION 2, by striking "$200" and substituting "$400" in its place.
TO: Honorable John T. Montford, Chair
    Committee on Finance
    Senate
    Austin, Texas

IN RE: House Joint Resolution
    No. 50, as amended
    By: Hernandez

FROM: John Keel, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 50 (Proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board,) this office has determined the following:

The proposed constitutional amendment would provide additional bonding authority to the Texas Higher Education Coordinating Board for student loans granted through the Hinson-Hazelwood College Student Loan Program. Total issuance could not exceed $400 million. The sale of new bonds is needed to issue student loans for the 1996-97 academic year.

The Hinson-Hazelwood College Student Loan Program is designed to be self supporting. Program revenues, including loan repayments and investment earnings should be sufficient to pay debt service on bonds authorized by HJR30 and operation of the program. Historically, the Hinson-Hazelwood College Student Loan Program has never drawn on general revenue. There is no anticipation that program conditions will change resulting in a draw on the general revenue fund. However, should the program revenues be insufficient, the bonds carry a general obligation pledge, or full faith and credit of the state which would require a draw on general revenue.

Estimated debt service on the bonds is:
FY 1996 - $3.63 million
FY 1997 - $9.96 million
FY 1998 - $15.39 million
FY 1999 - $20.82 million
FY 2000 - $28.30 million
level debt service ($28.30 million for year 6 through year 25)

No additional direct or indirect costs to the state are anticipated as a result of the bond issuance other than the cost of publication. The cost to the state for publication of the resolution is $90,000.

Source: LBB Staff: JK, MK, DF
LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
74th Regular Session

April 28, 1995

TO: Honorable John Montford, Chair
    Committee on Finance
    Senate
    Austin, Texas

IN RE: House Joint Resolution
      No. 50, as engrossed
By: Hernandez

FROM: John Keel, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 50 (Proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board,) this office has determined the following:

The proposed constitutional amendment would provide additional bonding authority to the Texas Higher Education Coordinating Board for student loans granted through the Hinson-Hazelwood College Student Loan Program. Total issuance could not exceed $200 million. The sale of new bonds is needed to issue student loans for the 1996-97 academic year.

The Hinson-Hazelwood College Student Loan Program is designed to be self supporting. Program revenues, including loan repayments and investment earnings should be sufficient to pay debt service on bonds authorized by HJR50 and operation of the program. Historically, the Hinson-Hazelwood College Student Loan Program has never drawn on general revenue. There is no anticipation that program conditions will change resulting in a draw on the general revenue fund. However, should the program revenues be insufficient, the bonds carry a general obligation pledge, or full faith and credit of the state which would require a draw on general revenue.

Estimated debt service on the bonds is:
   FY 1996 - $3.62 million
   FY 1997 - $10.86 million
   FY 1998 - $14.48 million
   FY 1999 - $14.48 million
   FY 2000 - $16.54 million
level debt service ($16.54 million for year 6 through year 25)

No additional direct or indirect costs to the state are anticipated as a result of the bond issuance other than the cost of publication.

The cost to the State for publication of the resolution is $90,000.
Source: LBB Staff: JK, DF
TO: Honorable Kenny Marchant, Chair  
Committee on Financial Institutions  
House of Representatives  
Austin, Texas

IN RE: House Joint Resolution  
No. 50  
By: Hernandez

FROM: John Keel, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 50 (Proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board.) this office has determined the following:

The proposed constitutional amendment would provide additional bonding authority to the Texas Higher Education Coordinating Board for student loans granted through the Hinson-Hazelwood College Student Loan Program. Total issuance could not exceed $400 million. The sale of new bonds is needed to issue student loans for the 1996-97 academic year.

The Hinson-Hazelwood College Student Loan Program is designed to be self supporting. Program revenues, including loan repayments and investment earnings should be sufficient to pay debt service on bonds authorized by HJR50 and operation of the program. Historically, the Hinson-Hazelwood College Student Loan Program has never drawn on general revenue. There is no anticipation that program conditions will change resulting in a draw on the general revenue fund. However, should the program revenues be insufficient, the bonds carry a general obligation pledge, or full faith and credit of the state which would require a draw on general revenue.

Estimated debt service on the bonds is:
FY 1996 - $3.63 million  
FY 1997 - $9.96 million  
FY 1998 - $15.39 million  
FY 1999 - $20.82 million  
FY 2000 - $28.30 million

level debt service ($28.30 million for year 6 through year 25)

No additional direct or indirect costs to the state are anticipated as a result of the bond issuance other than the cost of publication. The cost to the state for publication of the resolution is $90,000.

Source: LBB Staff: JK, MK, RS, RR. Texas Public Finance Authority, Bond Review Board, Higher Education Coordinating Board,
Honorable Bob Bullock  
President of the Senate  

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

Sirs:  

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on House Joint Resolution No. 50 have met and had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Senator Gonzalo Barrientos  
Chair  

Representative Christine Hernandez  
Chair  

Senator Judith Zaffirini  

Representative Warren Chisum  

Senator Rodney Ellis  

Representative Sylvia Romo  

Senator Teel Bivens  

Representative Gary Elkins  

On the part of the Senate  
Senator Jim Turner  

On the part of the House  
Representative Roberto Gutierres  

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.
H.J.R. No. 50

A JOINT RESOLUTION

proposing a constitutional amendment providing for the issuance of
general obligation bonds by the Texas Higher Education Coordinating
Board.

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

SECTION 1. Article III, Texas Constitution, is amended by
adding Section 50b-4 to read as follows:

Sec. 50b-4. ADDITIONAL STUDENT LOANS. (a) The legislature
by general law may authorize the Texas Higher Education
Coordinating Board or its successor or successors to issue and sell
general obligation bonds of the State of Texas in an amount not to
exceed $300 million to finance educational loans to students. The
bonds are in addition to those bonds issued under Sections 50b,
50b-1, 50b-2, and 50b-3, Article III, Texas Constitution.

(b) The bonds shall be executed in the form, on the terms,
and in the denominations, bear interest, and be issued in
installments as prescribed by the Texas Higher Education
Coordinating Board or its successor or successors.

(c) The maximum net effective interest rate to be borne by
bonds issued under this section must be set by law.

(d) The legislature may provide for the investment of bond
proceeds and may establish and provide for the investment of an
interest and sinking fund to pay the bonds. Income from the
investment shall be used for the purposes prescribed by the
legislature.
H.J.R. No. 50

(e) While any of the bonds issued under this section or interest on the bonds is outstanding and unpaid, there is appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, the amount sufficient to pay the principal of and interest on the bonds that mature or become due during the fiscal year, less any amount in an interest and sinking fund established under this section at the end of the preceding fiscal year that is pledged to the payment of the bonds or interest.

(f) Bonds issued under this section, after approval by the attorney general, registration by the comptroller of public accounts, and delivery to the purchasers, are incontestable.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held on the earlier of the first date on which another election on a constitutional amendment proposed by the 74th Legislature, Regular Session, 1995, is held or November 7, 1995. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment providing for the issuance of $300 million in general obligation bonds to finance educational loans to students."
<table>
<thead>
<tr>
<th>HOUSE ENGROSSMENT</th>
<th>SENATE VERSION</th>
<th>CONFERENCE COMMITTEE VERSION</th>
</tr>
</thead>
<tbody>
<tr>
<td>SECTION 1. New Section 50b-4, Article III, Texas Constitution. ADDITIONAL STUDENT LOANS. (a) Authorizes the legislature to authorize the Texas Higher Education Coordinating Board to issue and sell general obligation bonds of the State of Texas in an amount not to exceed $200 million to finance educational loans to students. (b) Requires the bonds to be executed in a form prescribed by the Board. (c) Requires the net effective interest rate to be borne by bonds to be set by law. (d) Authorizes the legislature to provide for the investment of bond proceeds and an interest and sinking fund to pay the bonds. Requires income from the investment to be used for purposes prescribed by the legislature. (e) Provides that while any of the bonds or interest on the bonds is outstanding, there is appropriated out of the first incoming treasury money each fiscal year, an amount sufficient to pay the principal of and interest in on the bonds, less any amount in an interest and sinking fund pledged to the payment of the bonds or interest. (f) Provides that the bonds issued under this section, after approval by the attorney general, registration by the comptroller of public accounts, and delivery to the purchasers, are incontestable.</td>
<td>SECTION 1. New Section 50b-4, Article III, Texas Constitution. ADDITIONAL STUDENT LOANS. (a) Authorizes the legislature to authorize the Texas Higher Education Coordinating Board to issue and sell general obligation bonds of the State of Texas in an amount not to exceed $400 million to finance educational loans to students. Same as House Engrossment Same as House Engrossment Same as House Engrossment House Engrossment</td>
<td>SECTION 1, New Section 50b-4, Article III, Texas Constitution. ADDITIONAL STUDENT LOANS (a) Authorizes the legislature to authorize the Texas Higher Education Coordinating Board to issue and sell general obligation bonds of the State of Texas in an amount not to exceed $300 million to finance educational loans to students. House Engrossment House Engrossment House Engrossment House Engrossment</td>
</tr>
</tbody>
</table>

SECTION 2. Requires this constitutional amendment to be submitted to the voters on an election to be held November 7, 1995. Sets forth the required language for the ballot.
LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
74th Regular Session

May 16, 1995

TO: Honorable Bob Bullock
    Lieutenant Governor
    Senate Chamber
    Austin, Texas

                            Honorable Pete Laney
                            Speaker of the House
                            House of Representatives
                            Austin, Texas

IN RE: Conference Committee Report for House
Joint Resolution No. 50

FROM: John Keel, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 50 (proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordination Board) this office has determined the following:

The proposed constitutional amendment would provide additional bonding authority to the Texas Higher Education Coordinating Board for student loans granted through the Hinson-Hazelwood College Student Loan Program. Total issuance could not exceed $300 million. The sale of new bonds is needed to issue student loans for the 1996-97 academic year.

The Hinson-Hazelwood College Student Loan Program is designed to be self-supporting. Program revenues, including loan repayments and investment earnings should be sufficient to pay debt service on bonds authorized by HJR50 and operation of the program. Historically, the Hinson-Hazelwood College Student Loan Program has never drawn on general revenue. There is no anticipation that program conditions will change resulting in a draw on the general revenue fund. However, should the program revenues be insufficient, the bonds carry a general obligation pledge, or full faith and credit of the state which would require a draw on general revenue.

Estimated debt service on the bonds is:
FY 1996 - $3.62 million
FY 1997 - $9.96 million
FY 1998 - $15.39 million
FY 1999 - $19.91 million
FY 2000 - $23.78 million
level debt service ($23.78 million for year 6 through year 25)

No additional direct or indirect costs to the state are anticipated as a result of the bond issuance other than the cost of publication. The cost to the state for publication of the resolution is $90,000.

Source: LBB Staff: JK, DF
CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

May 17, 1995

Date

Honorable Bob Bullock
President of the Senate

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

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on House Joint Resolution No. 50 have met and had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Sincerely,

Senator Gonzalo Barriontes (Chair)
Representative Christine Hernandez (Chair)

Senator Judith Zaffirini
Senator Rodney Ellis
Senator Tool Bivins

On the part of the Senate

Senator Jim Turner

Representative Warren Chisum
Representative Sylvia Romo
Representative Gary Elkins
Representative Roberto Gutierrez

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

MAY 17 1995 Filed with the Secretary of the Senate
A JOINT RESOLUTION

proposing a constitutional amendment providing for the issuance of
general obligation bonds by the Texas Higher Education Coordinating
Board.

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

SECTION 1. Article III, Texas Constitution, is amended by
adding Section 50b-4 to read as follows:

Sec. 50b-4. ADDITIONAL STUDENT LOANS. (a) The legislature
by general law may authorize the Texas Higher Education
Coordinating Board or its successor or successors to issue and sell
general obligation bonds of the State of Texas in an amount not to
exceed $300 million to finance educational loans to students. The
bonds are in addition to those bonds issued under Sections 50b,
50b-1, 50b-2, and 50b-3, Article III, Texas Constitution.

(b) The bonds shall be executed in the form, on the terms,
and in the denominations, bear interest, and be issued in
installments as prescribed by the Texas Higher Education
Coordinating Board or its successor or successors.

(c) The maximum net effective interest rate to be borne by
bonds issued under this section must be set by law.

(d) The legislature may provide for the investment of bond
proceeds and may establish and provide for the investment of an
interest and sinking fund to pay the bonds. Income from the
investment shall be used for the purposes prescribed by the
legislature.
(e) While any of the bonds issued under this section or interest on the bonds is outstanding and unpaid, there is appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, the amount sufficient to pay the principal of and interest on the bonds that mature or become due during the fiscal year, less any amount in an interest and sinking fund established under this section at the end of the preceding fiscal year that is pledged to the payment of the bonds or interest.

(f) Bonds issued under this section, after approval by the attorney general, registration by the comptroller of public accounts, and delivery to the purchasers, are incontestable.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held on the earlier of the first date on which another election on a constitutional amendment proposed by the 74th Legislature, Regular Session, 1995, is held or November 7, 1995. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment providing for the issuance of $300 million in general obligation bonds to finance educational loans to students."
<table>
<thead>
<tr>
<th>HOUSE ENGLISHMENT</th>
<th>SENATE VERSION</th>
<th>CONFERENCE COMMITTEE VERSION</th>
</tr>
</thead>
</table>
| **SECTION 1.** New Section 50b-4, Article III, Texas Constitution. ADDITIONAL STUDENT LOANS.  
  (a) Authorizes the legislature to authorize the Texas Higher Education Coordinating Board to issue and sell general obligation bonds of the State of Texas in an amount not to exceed $200 million to finance educational loans to students.  
  (b) Requires the bonds to be executed in a form prescribed by the Board.  
  (c) Requires the net effective interest rate to be borne by bonds to be set by law.  
  (d) Authorizes the legislature to provide for the investment of bond proceeds and an interest and sinking fund to pay the bonds. Requires income from the investment to be used for purposes prescribed by the legislature.  
  (e) Provides that while any of the bonds or interest on the bonds is outstanding, there is appropriated out of the first incoming treasury money each fiscal year, an amount sufficient to pay the principal of and interest in on the bonds, less any amount in an interest and sinking fund pledged to the payment of the bonds or interest.  
  (f) Provides that the bonds issued under this section, after approval by the attorney general, registration by the comptroller of public accounts, and delivery to the purchasers, are incontestable.  
| **SECTION 2.** Requires this constitutional amendment to be submitted to the voters on an election to be held November 7, 1995. Sets forth the required language for the ballot. | **SECTION 1.** New Section 50b-4, Article III, Texas Constitution. ADDITIONAL STUDENT LOANS.  
  (a) Authorizes the legislature to authorize the Texas Higher Education Coordinating Board to issue and sell general obligation bonds of the State of Texas in an amount not to exceed $400 million to finance educational loans to students.  
  Same as House Engrossment  
  Same as House Engrossment  
  Same as House Engrossment  
  Same as House Engrossment  
| House Engrossment  
House Engrossment  
House Engrossment  
House Engrossment |
TO: Honorable Bob Bullock  
   Lieutenant Governor  
   Senate Chamber  
   Austin, Texas

   Honorable Pete Laney  
   Speaker of the House  
   House of Representatives  
   Austin, Texas

IN RE: Conference Committee Report for House Joint Resolution No. 50

FROM: John Keel, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 50 (proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordination Board) this office has determined the following:

The proposed constitutional amendment would provide additional bonding authority to the Texas Higher Education Coordinating Board for student loans granted through the Hinson-Hazelwood College Student Loan Program. Total issuance could not exceed $300 million. The sale of new bonds is needed to issue student loans for the 1996-97 academic year.

The Hinson-Hazelwood College Student Loan Program is designed to be self supporting. Program revenues, including loan repayments and investment earnings should be sufficient to pay debt service on bonds authorized by HJR50 and operation of the program. Historically, the Hinson-Hazelwood College Student Loan Program has never drawn on general revenue. There is no anticipation that program conditions will change resulting in a draw on the general revenue fund. However, should the program revenues be insufficient, the bonds carry a general obligation pledge, or full faith and credit of the state which would require a draw on general revenue.

Estimated debt service on the bonds is:
FY 1996 - $3.62 million
FY 1997 - $9.96 million
FY 1998 - $15.39 million
FY 1999 - $19.91 million
FY 2000 - $23.78 million
level debt service ($23.78 million for year 6 through year 25)

No additional direct or indirect costs to the state are anticipated as a result of the bond issuance other than the cost of publication. The cost to the state for publication of the resolution is $90,000.

Source: LBB Staff: JK, DF
A JOINT RESOLUTION
proposing a constitutional amendment providing for the issuance of
general obligation bonds by the Texas Higher Education Coordinating
Board.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:
SECTION 1. Article III, Texas Constitution, is amended by
adding Section 50b-4 to read as follows:
Sec. 50b-4. ADDITIONAL STUDENT LOANS. (a) The legislature
by general law may authorize the Texas Higher Education
Coordinating Board or its successor or successors to issue and sell
general obligation bonds of the State of Texas in an amount not to
exceed $300 million to finance educational loans to students. The
bonds are in addition to those bonds issued under Sections 50b,
50b-1, 50b-2, and 50b-3, Article III, Texas Constitution.

(b) The bonds shall be executed in the form, on the terms,
and in the denominations, bear interest, and be issued in
installments as prescribed by the Texas Higher Education
Coordinating Board or its successor or successors.

(c) The maximum net effective interest rate to be borne by
bonds issued under this section must be set by law.

(d) The legislature may provide for the investment of bond
proceeds and may establish and provide for the investment of an
interest and sinking fund to pay the bonds. Income from the
investment shall be used for the purposes prescribed by the
legislature.
(e) While any of the bonds issued under this section or interest on the bonds is outstanding and unpaid, there is appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, the amount sufficient to pay the principal of and interest on the bonds that mature or become due during the fiscal year, less any amount in an interest and sinking fund established under this section at the end of the preceding fiscal year that is pledged to the payment of the bonds or interest.

(f) Bonds issued under this section, after approval by the attorney general, registration by the comptroller of public accounts, and delivery to the purchasers, are incontestable.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held on the earlier of the first date on which another election on a constitutional amendment proposed by the 74th Legislature, Regular Session, 1995, is held or November 7, 1995. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment providing for the issuance of $300 million in general obligation bonds to finance educational loans to students."
H.J.R. No. 50

President of the Senate

Speaker of the House

I certify that H.J.R. No. 50 was passed by the House on March 21, 1995, by the following vote: Yeas 139, Nays 0, 1 present, not voting; that the House refused to concur in Senate amendments to H.J.R. No. 50 on May 10, 1995, by a non-record vote and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.J.R. No. 50 on May 19, 1995, by the following vote: Yeas 123, Nays 0, 2 present, not voting.

Chief Clerk of the House
H.J.R. No. 50

I certify that H.J.R. No. 50 was passed by the Senate, with amendments, on May 5, 1995, by the following vote: Yeas 29, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.J.R. No. 50 on May 19, 1995, by the following vote: Yeas 31, Nays 0.

_________________________________________
Secretary of the Senate

RECEIVED:

________________________________________
Date

________________________________________
Secretary of State
President of the Senate

I certify that H.J.R. No. 50 \( \frac{50}{(1)} \) was passed by the House on \( \frac{\text{March 21}}{(2)} \), 1995, by the following vote:

Yea\( ? \) 139, Nays 0, Present, not voting 1

that the House refused to concur in Senate amendments to H.J.R. No. 50 \( \frac{50}{(5)} \) on \( \frac{\text{May 10}}{(5)} \), 1995, by the following vote:

Yea\( ? \) 139, Nays 0, Present, not voting 1

and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.J.R. No. 50 \( \frac{50}{(8)} \) on \( \frac{\text{May 19}}{(8)} \), 1995, by the following vote:

Yea\( ? \) 123, Nays 0, Present, not voting 2

Chief Clerk of the House

RECEIVED:

Date

Secretary of State

**** Preparation: CT21;

I certify that H.J.R. No. 50 \( \frac{50}{(1)} \) was passed by the Senate, with amendments, on \( \frac{\text{May 5}}{(2)} \), 1995, by the following vote: Yeas 29, Nays 0

at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.J.R. No. 50 \( \frac{50}{(5)} \) on \( \frac{\text{May 19}}{(5)} \), 1995, by the following vote:

Yea\( ? \) 31, Nays 0

Secretary of the Senate

**** Preparation: CT22;
BACKGROUND

Since Texas voters first approved $85 million in bonds to support the state's Hinson-Hazlewood College Student Loan Program in 1965, voters have returned to the polls three times to approve bonds to fund it. In fiscal year 1993, the Hinson-Hazlewood Program became self-supporting. The Texas Higher Education Coordinating Board cannot meet loan demand without new bonding authority.

PURPOSE

As enrolled, H.J.R. 50 requires submission to the voters of a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article III, Texas Constitution, by adding Section 50b-4, as follows:

Sec. 50b-4. ADDITIONAL STUDENT LOANS. (a) Authorizes the legislature by general law to authorize the Texas Higher Education Coordinating Board (board) or its successor to issue and sell general obligation bonds of the State of Texas in an amount not to exceed $300 million to finance educational loans to students. Provides that the bonds are in addition to those bonds issued under Sections 50b, 50b-1, 50b-2, and 50b-3, Article III, Texas Constitution.

(b) Requires the bonds to be executed in the form prescribed by the board or its successor or successors.

(c) Requires the maximum net effective interest rate to be borne by bonds issued under this section to be set by law.

(d) Authorizes the legislature to provide for the investment of bond proceeds and to establish and provide for the investment of an interest and sinking fund to apply the bonds. Requires income from the investment to be used for the purposes prescribed by the legislature.

(e) Appropriates out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, the amount sufficient to pay the principal of and interest on the bonds that mature or become due during the fiscal year, less any amount in an interest and sinking fund established under this section at the end of the preceding fiscal year that is pledged to the payment of the bonds or interest.

(f) Provides that bonds issued under this section, after approval by the attorney general, registration by the comptroller of public accounts, and delivery to the purchasers, are incontestable.

SECTION 2. Requires this constitutional amendment to be submitted to the voters on an election to be held on November 7, 1995. Sets forth the required language for the ballot.

SRC-EWB H.J.R. 50 74(R)
Proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board.

H.J.R. No. 50

JAN 1 9 1995
Filed with the Chief Clerk

FEB 01 1995
Read first time and referred to Committee on **FINANCIAL INSTITUTIONS**

2-20-95
Reported favorably

FEB 24 1995
Sent to Committee on Calendars

MAR 21 1995
Read second time (comm. subst.) (amended) and adopted (passed to third reading) by a record vote of __________ yeas, __________ nays, __________ present, not voting

MAR 21 1995
Read third time (amended) and finally adopted (ratified or adoption) by a record vote of __________ yeas, __________ nays, __________ present, not voting

MAR 21 1995
Engrossed

MAR 22 1995
Sent to Senate

OTHER HOUSE ACTION:

MAR 22 1995
Received from the House

MAR 23 1995
Read and referred to Committee on **FINANCE**

MAY 01 1995
Reported favorably **as amended**

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

Ordered not printed

Laid before the Senate

MAY 05 1995
Senate and Constitutional Rules to permit consideration suspended by **unanimous consent**

MAY 05 1995
Read second time, **amended**, and passed to third reading by **unanimous consent**

MAY 05 1995
Senate and Constitutional 3 Day Rules suspended by a vote of __________ yeas, __________ nays

MAY 05 1995
Read third time, __________, and passed by __________ yeas, __________ nays

Returned to the House

OTHER SENATE ACTION:

MAY 05 1995
Signed and passed by __________ yeas, __________ nays
MAY 5 1995
Returned from the Senate (as substituted)
(with amendments)

MAY 10 1995
House concurred in Senate amendments by a (non-record vote)
(record vote of _______ yeas, _________ nays, _________ present, not voting)

MAY 10 1995
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: Hernandez, Chair; Chisum
Romo; Elkins; Gutierrez

5-15-95
Senate granted House request. Senate conferees appointed: Buentello, Chair;
Sornice; Edie; J. Turner; Zaffirini

MAY 19 1995
Conference committee report adopted (rejected) by the House by a record vote of
123 yeas, 0 nays, 2 present, not voting

MAY 19 1995
Conference committee report adopted (rejected) by the Senate by a record vote of
31 yeas, 6 nays