

CHAPTER 391

S.B. No. 142

AN ACT

relating to authorizing public junior colleges to establish an endowment fund.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Subchapter A, Chapter 130, Education Code, is amended by adding Section 130.007 to read as follows:

*Sec. 130.007. ENDOWMENT FUND. (a) The board of trustees of a public junior college may establish an endowment fund outside the state treasury in a depository selected by the board of trustees.*

*(b) The board of trustees may deposit local funds collected by the board to the credit of the endowment fund.*

*(c) The board of trustees may accept gifts and grants from any public or private source for the endowment fund.*

*(d) The endowment fund consists of local funds deposited to the credit of the endowment fund, gifts, grants, and income from investing the endowment fund.*

*(e) The board of trustees may invest the endowment fund in securities, bonds, and other investments that the board considers prudent. In making investments under this section, the board shall exercise the judgment and care under the circumstances then prevailing that a person of ordinary prudence, discretion, and intelligence exercises in the management of the person's own affairs.*

*(f) The board may not spend any money deposited in the endowment fund as local funds, gifts, or grants but may spend any income from investing the endowment fund for the operation or maintenance of the junior college.*

SECTION 2. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed the Senate on May 5, 1993: Yeas 30, Nays 0; the Senate concurred in House amendment on May 23, 1993: Yeas 30, Nays 0; passed the House, with amendment, on May 21, 1993: Yeas 132, Nays 0, two present not voting.

Approved June 2, 1993.

Effective June 2, 1993.