

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82nd LEGISLATURE 1st CALLED SESSION - 2011

June 2, 2011

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: SB2 by Ogden (appropriating money for the support of state government for the period beginning September 1, 2011 and ending August 31, 2013; and authorizing and prescribing conditions, limitations, rules, and procedures for allocating and expending the appropriated funds; and declaring an emergency.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB2, Committee Report 1st House, Substituted: a negative impact of (\$29,325,081,009) through the biennium ending August 31, 2013.

Appropriations:

Fiscal Year	Appropriation out of <i>General Revenue Fund</i> 1	Appropriation out of <i>Available School Fund</i> 2	Appropriation out of <i>Foundation School Fund</i> 193	Appropriation out of <i>Lottery Proceeds</i> 902
2012	\$41,354,788	\$1,249,948,815	\$13,473,614,119	\$1,002,457,000
2013	\$112,706,035	\$1,876,989,252	\$10,561,900,000	\$1,006,111,000

Fiscal Year	Appropriation out of <i>General Revenue Dedicated Funds</i>	Appropriation out of <i>Federal Funds</i>	Appropriation out of <i>State Highway Fund</i> 6	Appropriation out of <i>Appropriated Receipts</i> 666
2012	\$38,145,356	\$87,670,192	\$0	\$906,500,000
2013	\$74,468,400	\$185,839,021	\$696,386	\$835,600,000

Fiscal Year	Appropriation out of <i>Property Tax Relief Fund</i> 304
2012	\$2,198,994,000
2013	\$2,338,574,000

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	(\$15,767,374,722)
2013	(\$13,557,706,287)
2014	\$0
2015	\$0
2016	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings from General Revenue Fund 1	Probable (Cost) from Available School Fund 2	Probable (Cost) from Foundation School Fund 193	Probable (Cost) from Lottery Proceeds 902
2012	(\$41,354,788)	(\$1,249,948,815)	(\$13,473,614,119)	(\$1,002,457,000)
2013	(\$112,706,035)	(\$1,876,989,252)	(\$10,561,900,000)	(\$1,006,111,000)
2014	\$0	\$0	\$0	\$0
2015	\$0	\$0	\$0	\$0
2016	\$0	\$0	\$0	\$0

Fiscal Year	Probable (Cost) from General Revenue Dedicated Funds	Probable (Cost) from Federal Funds	Probable (Cost) from State Highway Fund 6	Probable (Cost) from Appropriated Receipts 666
2012	(\$38,145,356)	(\$87,670,192)	\$0	(\$906,500,000)
2013	(\$74,468,400)	(\$185,839,021)	(\$696,386)	(\$835,600,000)
2014	\$0	\$0	\$0	\$0
2015	\$0	\$0	\$0	\$0
2016	\$0	\$0	\$0	\$0

Fiscal Year	Probable (Cost) from Property Tax Relief Fund 304	Change in Number of State Employees from FY 2011
2012	(\$2,198,994,000)	12.0
2013	(\$2,338,574,000)	20.0
2014	\$0	0.0
2015	\$0	0.0
2016	\$0	0.0

Fiscal Analysis

Section 5 of the bill would amend the Texas Education Agency bill pattern in Article III of the General Appropriations Act.

Other sections of the bill would make appropriations contingent upon the passage of other legislation.

Methodology

Section 5 of the bill would make an appropriation to the Texas Education Agency of \$15.7 billion in General Revenue, \$18.8 billion in All Funds, in fiscal year 2012 and \$13.4 billion in General Revenue, \$16.6 billion in All Funds, in fiscal year 2013 for the purpose of funding payments to school districts for state aid under the Foundation School Program (FSP).

These appropriated amounts include adjustments referenced in subsections c, d, and e of Section 5 of the bill, reflecting updated estimates of projected FSP costs (subsection c), the assumption of a decrease in cost in FY2013 of \$2.3 billion contingent on enactment of legislation enabling deferral of the August 2013 FSP payment to the following fiscal year (subsection d), and the assumption of voter approval of the constitutional amendment associated with and subsequent transfer of funds from the General Land Office to the Available School Fund pursuant to the provisions of HJR 109, Eighty-second Legislature, Regular Session, 2011 (subsection e).

The appropriation made in this bill is contingent on enactment of legislation amending Chapter 42 of the Texas Education Code to adjust state aid payments to the level of appropriation. For purposes of this estimate, the cost of the Foundation School Program is estimated at \$15.7 billion in General Revenue, \$18.8 billion in All Funds, in fiscal year 2012 and \$13.4 billion in General Revenue, \$16.6 billion in All Funds, in fiscal year 2013.

Other sections of the bill would make appropriations contingent upon the passage of other legislation.

Local Government Impact

The appropriation made in this bill would deliver funding for school district entitlements to state aid under the Foundation School Program, assuming the contingencies referenced above.

Source Agencies:

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