

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATURE 1st CALLED SESSION - 2005

July 17, 2005

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

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

IN RE: HB1 by Pitts (Appropriating money for the support of state government.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1, Committee Report 2nd House, Substituted: a negative impact of (\$22,313,540,357) through the biennium ending August 31, 2007.

Appropriations:

Fiscal Year	Appropriation out of GENERAL REVENUE FUND 1	Appropriation out of AVAILABLE SCHOOL FUND 2	Appropriation out of STATE TEXTBOOK FUND 3	Appropriation out of FOUNDATION SCHOOL FUND 193
2006	\$365,640,734	\$1,271,000,000	\$19,457,832	\$8,556,398,505
2007	\$366,318,466	\$1,622,000,000	\$1,971,597	\$7,979,015,981

Fiscal Year	Appropriation out of CERTIF & ASSESSMENT FEES 751	Appropriation out of GR MOE FOR TANF 759	Appropriation out of LOTTERY PROCEEDS 902	Appropriation out of TELECOMMUNICATIONS INFRA FUND 8345
2006	\$18,359,121	\$2,000,000	\$1,045,000,000	\$115,000,000
2007	\$18,378,121	\$2,000,000	\$1,046,000,000	\$115,000,000

Fiscal Year	Appropriation out of READ TO SUCCEED 5027	Appropriation out of FEDERAL FUNDS 555	Appropriation out of FED HEALTH ED WELF FD 148	Appropriation out of FEDERAL SCHOOL LUNCH FUND 171
2006	\$42,960	\$13,153,500	\$2,939,024,866	\$1,058,000,000
2007	\$42,960	\$13,153,500	\$2,938,215,169	\$1,104,000,000

Fiscal Year	Appropriation out of APPROPRIATED RECEIPTS 666	Appropriation out of STATE HIGHWAY FUND 6	Appropriation out of PERMANENT SCHOOL FUND 44	Appropriation out of INTERAGENCY CONTRACTS 777
2006	\$1,133,000,000	\$50,000,000	\$6,851,389	\$451,636
2007	\$1,284,000,000	\$50,000,000	\$6,914,804	\$448,905

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$11,277,856,192)
2007	(\$11,035,684,165)
2008	\$0
2009	\$0
2010	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/ (Cost) from <i>GENERAL REVENUE FUND 1</i>	Probable Savings/ (Cost) from <i>AVAILABLE SCHOOL FUND 2</i>	Probable Savings/ (Cost) from <i>STATE TEXTBOOK FUND 3</i>	Probable Savings/ (Cost) from <i>FOUNDATION SCHOOL FUND 193</i>
2006	(\$365,640,734)	(\$1,271,000,000)	(\$19,457,832)	(\$8,556,398,505)
2007	(\$366,318,466)	(\$1,622,000,000)	(\$1,971,597)	(\$7,979,015,981)
2008	\$0	\$0	\$0	\$0
2009	\$0	\$0	\$0	\$0
2010	\$0	\$0	\$0	\$0

Fiscal Year	Probable Savings/ (Cost) from <i>CERTIF & ASSESSMENT FEES 751</i>	Probable Savings/ (Cost) from <i>GR MOE FOR TANF 759</i>	Probable Savings/ (Cost) from <i>LOTTERY PROCEEDS 902</i>	Probable Savings/(Cost) from <i>TELECOMMUNICATIONS INFRA FUND 8345</i>
2006	(\$18,359,121)	(\$2,000,000)	(\$1,045,000,000)	(\$115,000,000)
2007	(\$18,378,121)	(\$2,000,000)	(\$1,046,000,000)	(\$115,000,000)
2008	\$0	\$0	\$0	\$0
2009	\$0	\$0	\$0	\$0
2010	\$0	\$0	\$0	\$0

Fiscal Year	Probable Savings/ (Cost) from <i>READ TO SUCCEED 5027</i>	Probable Savings/ (Cost) from <i>Federal Funds</i>	Probable Savings/ (Cost) from <i>Other Funds</i>
2006	(\$42,960)	(\$4,010,178,366)	(\$1,190,303,025)
2007	(\$42,960)	(\$4,055,368,669)	(\$1,341,363,709)
2008	\$0	\$0	\$0
2009	\$0	\$0	\$0
2010	\$0	\$0	\$0

Fiscal Analysis

The bill as substituted would appropriate current law levels of funding to the Texas Education Agency (TEA) for agency operations during the 2006-07 biennium. The bill also would make a rider appropriation, contingent upon passage of school finance and property tax relief legislation by the 79th Legislature, 1st Called Session, to implement the provisions of that legislation. Included in the contingent appropriation amount is \$25 million in each year of the biennium for additional grants under the Instructional Facilities Allotment program.

Section 2 of the bill as substituted would coordinate the appropriation of funds to TEA between the bill and Article IX, Section 13.18 (Appropriation of Vetoed Funds) of Senate Bill 1, 79th Legislature, Regular Session, depending upon whether House Bill 1 receives the votes to take immediate effect or not.

Methodology

The bill would appropriate to the Texas Education Agency \$11,278 million in General Revenue in 2006 and \$11,036 million in General Revenue in 2007. All Funds appropriations would be \$16,593 million in 2006 and \$16,547 million in 2007.

The contingent appropriation would be \$1,788 million in General Revenue for the 2006-07 biennium. This amount is not shown in the above tables.

Regarding Section 2, if House Bill 1 does not take immediate effect appropriations to the agency are reduced by \$5.5 billion, with those funds remaining in Article IX so that they are available for distribution to school districts in September and October of 2005.

Technology

The bill would fund the computer and data systems of TEA at current levels for the 2006-07 biennium.

Local Government Impact

Local school districts would receive the bulk of funds from the appropriations contained in the bill, through the Foundation School Program, pass-throughs of federal funds, and other grant programs.

Source Agencies:

LBB Staff: JOB, UP, SD, JGM