

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 15, 2009

TO: Honorable Rob Eissler, Chair, House Committee on Public Education

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

IN RE: HB2037 by Howard, Donna (relating to the creation of the Permanent School Fund Management Council to manage the permanent school fund; providing a criminal penalty.),
Committee Report 1st House, Substituted

No significant fiscal implication to the State is anticipated.

The bill would establish a Permanent School Fund Management Council (the Council) to administer the Permanent School Fund including the management of investments.

The bill would direct the Council to contract with a corporation formed by the Comptroller of Public Accounts to provide administrative support of the Council.

The bill would specifically prohibit investments in real estate without the consent of the School Land Board. The bill would require the State Auditor's Office (SAO) to perform an annual financial audit of the Permanent School Fund and would direct the Council to reimburse the SAO for related expenses.

The bill would direct that all FTEs employed by the Texas Education Agency to support the SBOE functions related to management of the PSF be transferred to the Comptroller of Public Accounts. No net fiscal impact to the state is anticipated.

The bill would take effect on December 1, 2009 contingent on approval of the associated constitutional amendment.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 308 State Auditor's Office, 701 Central Education Agency

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