

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 26, 2011

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

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

**IN RE: HB4** by Pitts (Relating to making supplemental appropriations and giving direction and adjustment authority regarding appropriations.), **As Passed 2nd House**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB4, As Passed 2nd House: a positive impact of \$353,716,810 through the biennium ending August 31, 2013.

Appropriations:

Fiscal Year	Appropriation out of General Revenue Fund 1	Appropriation out of General Revenue Dedicated Accounts	Appropriation out of State Textbook Fund 3	Appropriation out of Foundation School Fund 193
2011	(\$1,076,765,522)	(\$195,297,805)	(\$10,000,000)	\$499,242,300
2012	\$272,092,973	\$0	\$0	\$0
2013	\$24,850,235	\$0	\$0	\$0

Fiscal Year	Appropriation out of Judicial Fund 573	Appropriation out of Federal Funds 555	Appropriation out of Permanent School Fund 44
2011	\$6,579,371	(\$4,319,216)	
2012	\$0	\$0	\$18,000,000
2013	\$0	\$0	\$18,000,000

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2011	\$619,134,548
2012	(\$256,330,238)
2013	(\$9,087,500)
2014	\$0
2015	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/ (Cost) from General Revenue Fund 1	Probable Savings/ (Cost) from General Revenue Dedicated Accounts	Probable Savings/ (Cost) from State Textbook Fund 3	Probable Savings/ (Cost) from Foundation School Fund 193
2011	\$1,076,765,522	\$195,297,805	\$10,000,000	(\$499,242,300)
2012	(\$272,092,973)	\$0	\$0	\$0
2013	(\$24,850,235)	\$0	\$0	\$0
2014	\$0	\$0	\$0	\$0
2015	\$0	\$0	\$0	\$0

Fiscal Year	Probable Savings/ (Cost) from Judicial Fund 573	Probable Savings/ (Cost) from Federal Funds 555	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable Savings/ (Cost) from Permanent School Fund 44
2011	(\$6,579,371)	\$4,319,216	\$31,611,326	\$0
2012	\$0	\$0	\$15,762,735	(\$18,000,000)
2013	\$0	\$0	\$15,762,735	(\$18,000,000)
2014	\$0	\$0	\$0	\$0
2015	\$0	\$0	\$0	\$0

Fiscal Analysis

The bill would reduce appropriations made out of the General Revenue Fund No. 001 by \$779,822,314 as follows:

FY 2011 – Reduction of \$1,076,765,522

FY 2012 – Increase of \$272,092,973

FY 2013 – Increase of \$24,850,235

The bill would reduce appropriations made out of the State Textbook Fund No. 003 by \$10,000,000 in fiscal year 2011.

The bill would increase appropriations made out of the Foundation School Fund No. 193 by \$499,242,300 in fiscal year 2011, which consists of reductions of \$50,757,700, offset by an increase in appropriations of \$550,000,000.

The bill would reduce appropriations made out of General Revenue-dedicated accounts by \$195,297,805 in fiscal year 2011.

The bill would increase appropriations made out of Other Funds by \$67,279,371 as follows:

FY 2011 -- An increase of \$31,279,371 which consists of an increase of \$6,579,371 out of the Judicial Fund No. 573; an increase of \$29,000,000 out of G.O. Bond Proceeds No. 780; and a reduction of \$4,300,000 out of balances.

FY 2012 and FY 2013 -- An increase of \$18,000,000 each fiscal year out of the Permanent School Fund No. 044.

Certain appropriations made in the bill would be offset by revenue above the Biennial Revenue Estimate as follows:

FY 2011 -- A total of \$31,611,326 which consists of \$17,311,326 in a suspense account related to settlement proceeds; \$4,300,000 out of balances for the Department of Information Resources; and \$10,000,000 due to a transfer from the Major Events Trust Fund No. 0869.

FY 2012 -- A total of \$15,762,735 which consists of \$15,262,735 related to tourism appropriations and \$500,000 related to the Agrilife appropriation.

FY 2013 -- A total of \$15,762,735 which consists of \$15,262,735 related to tourism appropriations and \$500,000 related to the Agrilife appropriation.

The bill would authorize the following increases to agency FTE caps:

Texas Education Agency -- 31 in fiscal year 2012 and 31 in fiscal year 2013  
Office of Court Administration -- 8 in fiscal year 2012 and 8 in fiscal year 2013.

### **Methodology**

The amounts represented above for fiscal year are in addition to previously appropriated amounts for the state fiscal biennium ending August 31, 2011. The supplemental appropriations would be effective for the two-year period beginning with the effective date of the bill.

### **Local Government Impact**

Appropriations reductions would result in negative fiscal implications to units of local government to the extent the reductions affect agency grants to those units of government. Appropriations increases to the Foundation School Program would ensure full funding of formula entitlements to school districts in fiscal year 2011.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, KK, ER, MS, JT, SD