

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

February 25, 2013

TO: Honorable Jim Pitts, Chair, House Committee On Appropriations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1026 by Pitts (Relating to the established schedule of payments from the foundation school fund of the yearly entitlement of certain school districts.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1026, As Introduced: a negative impact of (\$1,750,000,000) through the biennium ending August 31, 2013.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2013	(\$1,750,000,000)
2014	\$0
2015	\$0
2016	\$0
2017	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from Foundation School Fund 193
2013	(\$1,750,000,000)
2014	\$0
2015	\$0
2016	\$0
2017	\$0

Fiscal Analysis

The bill would amend the statutory schedule of payments to school districts through the Foundation School Program (FSP) to reverse the deferral of the payment of the final installment of school district entitlement in a given fiscal year to the following September.

The bill could take effect immediately with the required voting margins or on the 91st day after the last day of the Eighty-third legislative session otherwise.

Methodology

The bill would result in an additional monthly FSP payment in fiscal year 2013 compared to current law at an estimated cost of \$1,750,000,000 from General Revenue Funds (Foundation School Fund No. 193) in fiscal year 2013.

Local Government Impact

School districts scheduled to receive the final installment of FSP entitlement for fiscal year 2013 in September of fiscal year 2014 under current law would receive that payment in August of fiscal year 2013 under the provisions of the bill. All future payments of the final installment of FSP entitlement in a fiscal year deferred to September under current law would be made in August of the fiscal year from which it was deferred.

Source Agencies:

LBB Staff: UP, KK, JSc