

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 16, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3339 by Martinez Fischer (Relating to an appropriation of money from the economic stabilization fund to be used for public education.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3339, As Introduced: an impact of \$0 through the biennium ending August 31, 2015.

Appropriations:

Fiscal Year	Appropriation out of <i>Economic Stabilization Fund</i> 599
2014	\$5,400,000,000
2015	\$0

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	\$0
2015	\$0
2016	\$0
2017	\$0
2018	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>Economic Stabilization Fund</i> 599	Probable Revenue (Loss) from <i>Economic Stabilization Fund</i> 599
2014	(\$5,400,000,000)	(\$43,359,000)
2015	\$0	(\$82,214,000)
2016	\$0	(\$111,530,000)
2017	\$0	(\$142,554,000)
2018	\$0	(\$175,794,000)

Fiscal Analysis

The bill would appropriate from the Economic Stabilization Fund \$4,000,000,000 for the 2014-15 biennium to support the Foundation School Program and \$1,400,000,000 for the 2014-15 biennium for the purpose of providing funding for grant programs administered by the Texas Education Agency at the level at which they were funded in the 2010-11 biennium. If funds are insufficient for that purpose, the bill provides that a proportional allocation be made to each program.

This bill would take effect September 1, 2013 if it receives a vote of two-thirds of the members present in each house of the Legislature, as provided by Section 49-g(m), Article III, Texas Constitution.

Methodology

For purposes of this estimate, the fiscal implication to the state is solely as a result of appropriating \$5.4 billion from the Economic Stabilization Fund for the Foundation School Program and for non-FSP programs. Ongoing appropriations for these programs are not estimated. If they were to continue in FY 2016 and beyond, it is assumed that they would be a cost to General Revenue rather than to the ESF.

The bill does not specify the means of allocating additional funds through the FSP; nor does it specify the allocation of funds between fiscal years.

With respect to the non-FSP programs, the Texas Education Agency estimates that it would require 18.0 new full-time equivalent (FTE) positions to administer the grant programs for which funding is restored under the provisions of the bill. Positions would be allocated among several TEA divisions including Grants and Federal Compliance, Educator Leadership and Quality, and Standards and Programs. The total cost associated with these FTEs would be \$1.5 million in FY2014 and \$1.4 million in each subsequent year, inclusive of salary, benefits, and other operating expenses.

The fiscal impacts of the bill with respect to the Economic Stabilization Fund were based on the Comptroller's *2014-15 Biennial Revenue Estimate*. The amendment's provisions would decrease the balance in the Economic Stabilization Fund, which would lead to a loss of interest income that would otherwise have been earned on the full balance.

Local Government Impact

School districts and charter schools would receive increased state aid through the FSP and could apply for funding through TEA-administered grants based on the provisions of the bill.

Source Agencies: 701 Central Education Agency

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