

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 1, 2013

TO: Honorable Linda Harper-Brown, Chair, House Committee on Government Efficiency & Reform

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HJR99 by Villarreal (Proposing a constitutional amendment providing for the issuance of general obligation bonds to finance pay-for-performance contracts for certain programs and services for health programs.), **As Introduced**

No significant fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$108,921.

The joint resolution would amend the Texas Constitution to authorize the Pay-for-Performance Advisory Committee to authorize a third-party to issue general obligation bonds in an aggregate not to exceed \$100 million to fund programs and services for health. The bill would require the bonds to be issued in a manner prescribed by the Texas Public Finance Authority.

The proposed constitutional amendment would be submitted to the voters at an election to be held November 5, 2013.

Article III, Section 49-j of the Texas Constitution limits the authorization of additional state debt if the percentage of debt service payable from the General Revenue Fund exceeds 5 percent of the average annual unrestricted General Revenue for the previous three fiscal years. At the end of fiscal year 2012, the Bond Review Board estimates the constitutional debt limit for issued, and authorized but unissued debt to be 3.48 percent. The Bond Review Board estimates that the additional authorization of \$100 million in not self-supporting general obligation bond authority would increase the ratio for issued, and authorized but unissued debt by 0.02 percent.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 347 Public Finance Authority, 352 Bond Review Board, 529 Health and Human Services Commission

LBB Staff: UP, KJo, EP, EMO, JJO