

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 28, 2015**

**TO:** Honorable Dan Patrick, Lieutenant Governor, Senate

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: SB9** by Hancock (Relating to limitations on the rate of growth of appropriations for certain categories of spending. ), **As Passed 2nd House**

**No fiscal implication to the State is anticipated.**

The bill would require the Legislative Budget Board to recommend a limit on the rate of growth of appropriations from all sources of revenue other than the federal government in a state biennium for the following spending categories:

- (1) transportation;
- (2) higher education;
- (3) health care;
- (4) public safety and corrections; and
- (5) other general government.

The Legislative Budget Board would adopt a proposed rate of growth for each spending category based on the estimated rate of growth in the population served by expenditures in that spending category and the estimated rate of inflation in a representative set of goods and services for which appropriations are made for that spending category.

If the legislature exempts an appropriation from the application of this proposed limit for the next state fiscal biennium, the board shall exclude then current or previous appropriations that are of a nature similar to the exempted appropriations.

Not later than January 1 of each odd-numbered year, the LBB would issue a report containing the proposed limit of appropriations from the specified revenue sources to appropriate standing legislative committees, and would also include the proposed limits in budget recommendations.

The proposed limit would not change the spending limit established in Article VIII, Section 22 of the Texas Constitution.

The bill's provisions would apply beginning with the proposed limit adopted prior to the 2018-19 biennium.

The bill would take effect on September 1, 2015.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

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

**LBB Staff:** UP, KK, SD, SJS