

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATURE 1st CALLED SESSION - 2017

August 12, 2017

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB30 by Zerwas (Relating to making supplemental appropriations and giving direction and making adjustments regarding appropriations for public school finance.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB30, As Engrossed: an impact of \$0 through the biennium ending August 31, 2019.
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Appropriations:

Fiscal Year	Appropriation out of <i>Foundation School Fund</i> 193
2018	\$963,500,000
2019	(\$963,500,000)

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	(\$963,500,000)
2019	\$963,500,000
2020	\$0
2021	\$0
2022	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>Foundation School Fund</i> 193
2018	(\$963,500,000)
2019	\$963,500,000
2020	\$0
2021	\$0
2022	\$0

Fiscal Analysis

The bill would appropriate \$963.5 million in each fiscal year of the 2018-19 biennium to the Texas Education Agency (TEA) from the Foundation School Fund for Strategy A.1.1, FSP-Equalized Operations.

The bill would require the Legislative Budget Board to determine the sum-certain appropriation to the Foundation School Program specified by Rider 3 in the agency's bill pattern in the 2018-19 General Appropriations Act (GAA) for each fiscal year of the 2018-19 biennium.

The bill would further amend Rider 3 of the TEA bill pattern to establish the Basic Allotment at \$5,350 in each fiscal year of the 2018-19 biennium for purposes of distributing state aid in accordance with Section 42.101 of the Education Code.

The bill would require the Commissioner of Education to allocate \$15 million in each fiscal year of the 2018-19 biennium to school districts and open-enrollment charter schools to assist in covering the cost of educating students with disabilities as provided for in the bill.

The bill would reduce 2018-19 GAA appropriations made to TEA by \$1,927,000,000 in fiscal year 2019, and state that it is the intent of the Legislature that the August 2019 Foundation School Program payment to school districts be deferred and made in September 2019.

The bill would only take effect if the 85th Legislature, 1st Called Session, 2017, enacts both: 1) H.B. 21 or another Act that improves equity in and reduces the amount of school property tax revenue subject to recapture under the public school finance system and increases the state's share of the funding of the Foundation School Program; and 2) an Act authorizing the deferral of the August 2019 Foundation School Program payment to school districts.

Methodology

The amounts identified above represent changes to previously authorized amounts and purposes for the state fiscal biennium beginning September 1, 2017.

As an appropriations bill, this legislation is subject to certification by the Comptroller of Public Accounts.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: UP, KK, AM, AH