

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

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

**August 13, 2017**

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

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

**IN RE: HB30** by Zerwas (Relating to the transfer of certain appropriations to the Texas Education Agency and the adjustment of appropriations for public school finance.), **Committee Report 2nd House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB30, Committee Report 2nd House, Substituted: an impact of \$0 through the biennium ending August 31, 2019. There could be an additional cost to supplemental appropriations in fiscal year 2019 and certain other methods of finance, including Federal Funds, could be affected depending on the approach adopted by the Health and Human Services Commission to execute the transfer as directed in the legislation.

**General Revenue-Related Funds, Five-Year Impact:**

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

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Foundation School Fund</i> 193
2018	\$311,000,000	(\$311,000,000)
2019	\$0	\$0
2020	\$0	\$0
2021	\$0	\$0
2022	\$0	\$0

**Fiscal Analysis**

The bill would transfer from the Health and Human Services Commission (HHSC) \$311.0 million in unencumbered 2018-19 General Revenue appropriations made by Senate Bill 1, 85th

Legislature, Regular Session, to the Texas Education Agency (TEA) to provide: 1) \$150.0 million to fund financial hardship grants for districts that would have otherwise experienced a significant loss of revenue during the 2017-18 or 2018-19 school years; 2) \$60.0 million to provide funding to open-enrollment charter schools for instructional facilities; 3) \$60.0 million to increase funding for the Existing Debt Allotment; and 4) \$41.0 million for the small-sized district adjustment for districts that contain less than 300 square miles.

HHSC is granted authority with respect to the strategies and objectives from which the funds would be transferred, and depending on the approach adopted by HHSC to execute the transfer there could be an additional cost to supplemental appropriations in fiscal year 2019 and certain other methods of finance, including Federal Funds, could be affected.

The bill would require the Legislative Budget Board to determine the sum-certain appropriation to the Foundation School Program as contained in Rider 3, of the TEA bill pattern in Senate Bill 1, Eighty-fifth Legislature, Regular Session.

The bill specifies that if other legislation transfers and allocates unencumbered funds to the components and in the amounts specified in the bill, the transfer and allocation made in the bill would not take effect. The bill would take effect only if House Bill 21, or another similar Act addressing public school finance becomes law; otherwise it would have no effect.

### **Methodology**

As noted above, the provisions included in this bill would be financed in the 2018-19 biennium via a transfer from HHSC.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

### **Source Agencies:**

**LBB Staff:** UP, SD, AM, AH