

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

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 24, 2017**

**TO:** Honorable Dan Huberty, Chair, House Committee on Public Education

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

**IN RE: HB3759** by Biedermann (Relating to a temporary exemption for a school district from the obligation to comply with certain unfunded state educational mandates.), **As Introduced**

**Because the bill would exempt school districts from certain actions of the 85th Legislature which have not yet occurred. Given the prospective and broad nature of the potential exemptions, the fiscal implications of the bill cannot be determined at this time.**

The bill would exempt school districts for the 2018-19 and 2019-20 school years from any state educational mandate enacted after January 1, 2017, if the Legislature has not appropriated sufficient funds to meet required expenditures by the school districts. The bill does not specify the entity responsible for determining the cost of a mandate or deciding whether a state appropriation is sufficient for the mandate. Depending on how these determinations are made, there could be a range of fiscal consequences, some significant. However, any analysis of these issues would not begin until the conclusion of the 85th Legislature and until district resources are finalized in the 2018-19 and 2019-20 school years.

The Texas Commission on Environmental Quality estimates that exempting school districts located in the 17 counties subject to vehicle emissions inspection requirements by Texas Health and Safety Code, Sections 382.202 and 382.203 would result in a revenue loss to the General Revenue-Dedicated Clean Air Account No. 151. An estimate of this revenue loss cannot be determined, as the number of vehicles that would be exempted is unknown, but is not expected to be significant to the fund.

This bill also exempts school districts from complying with specified educational mandates in the Education Code, the Health and Safety Code, and the Occupations Code for the 2018-19 and 2019-20 school years. This analysis assumes these exemptions would not create a significant fiscal impact to the state.

The bill would take effect September 1, 2017, or immediately if passed with the necessary voting margins. All of the bill's exemptions expire September 1, 2020.

**Local Government Impact**

Districts could see a cost savings if they are able to forgo certain exempted state required activities, programs and/or services; the extent of any such savings cannot be estimated at this

time for the reasons discussed above. Additionally, some state exemptions may be negated by federal requirements.

**Source Agencies:** 551 Department of Agriculture, 582 Commission on Environmental Quality, 701 Texas Education Agency

**LBB Staff:** UP, THo, AM, SL, MSO