

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 13, 2019

TO: Honorable Larry Taylor, Chair, Senate Committee on Education

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
 Legislative Budget Board

IN RE: HB1131 by Cole (Relating to the creation of a state financing program administered by the Texas Public Finance Authority to assist school districts with certain expenses; granting authority to issue bonds or other obligations.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1131, As Engrossed: a negative impact of (\$195,824) through the biennium ending August 31, 2021.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2020	(\$99,912)
2021	(\$95,912)
2022	(\$95,912)
2023	(\$95,912)
2024	(\$95,912)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Appropriated Receipts</i> 666	Change in Number of State Employees from FY 2019
2020	(\$99,912)	(\$138,384)	2.0
2021	(\$95,912)	(\$136,184)	2.0
2022	(\$95,912)	(\$136,184)	2.0
2023	(\$95,912)	(\$136,184)	2.0
2024	(\$95,912)	(\$136,184)	2.0

Fiscal Analysis

The bill would authorize a school district to borrow money from the Texas Public Finance

Authority (TPFA); and issue bonds and notes, enter into loan agreements, lease agreements, lease purchase agreements, or other appropriation financing agreements with TPFA for the purpose of purchasing or leasing vehicles, equipment, or appliances, or to pay for costs associated with the improvement of existing instructional facilities, limited to maintenance, repair, rehabilitation, or renovation of eligible facilities.

The bill would establish the school district equipment and improvement fund as a trust fund outside the treasury administered by the Comptroller for TPFA and limits the amounts of such outstanding obligations to \$100 million.

The bill would require school districts to consult with, and receive the approval of, the Commissioner of Education in order to be eligible for assistance.

Methodology

Based on information provided by TPFA, the cost of administering the program would be funded with Appropriated Receipts through financing fees charged to participating school districts. Estimated costs include \$138,383 in fiscal year 2020, and \$136,183 in subsequent years for one full-time equivalent (FTE). Estimated costs include salary benefits, and other operating expenses.

This analysis assumes that the Texas Education Agency would need one FTE to administer the approvals for assistance by school districts. The estimated costs, including salary, benefits, and other operating expenses is \$99,912 in fiscal year 2020, and \$95,912 in subsequent years.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 347 Public Finance Authority, 352 Bond Review Board, 701 Texas Education Agency

LBB Staff: WP, HL, AM, AH, LLo, LCO