

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 12, 2019

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

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

IN RE: HJR151 by Huberty (Proposing a constitutional amendment allowing increased distributions to the available school fund.), **As Engrossed**

The fiscal implications of the bill cannot be determined at this time because of a lack of information regarding future investment returns and potential discretionary transfers based on those returns.

The proposed amendment to the Texas Constitution would allow for, but not require, discretionary distributions by both the School Land Board and the State Board of Education of up to \$600,000,000 to the Available School Fund from revenue derived during each fiscal year from Permanent School Fund land or properties. Current law authorizes discretionary transfers of up to \$300.0 million annually only from the School Land Board. The bill would result in a General Revenue savings to the extent the bill would result in increased transfers to the Available School Fund. However, because future returns on Permanent School Fund investments are unknown, and because the transfers authorized by the bill are discretionary and would be based on these unknown investment returns, such savings cannot be estimated at this time.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 305 General Land Office and
Veterans' Land Board, 701 Texas Education Agency

LBB Staff: WP, KK, AM, THo, HL, MW, PBO