

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 8, 2019

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

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

IN RE: SJR78 by Taylor (Proposing a constitutional amendment relating to the permanent school fund.), **As Introduced**

The fiscal implications of the resolution cannot be determined at this time, other than the cost of publication.

The cost to the state for publication of the resolution is \$177,289.

The joint resolution would amend the Texas Constitution to specify that that the purpose of the Permanent School Fund (PSF) is to maximize available revenue distributions for the education of public school students. The resolution would establish the Biennial Education Fund (BEF), which would consist of distributions from the PSF of other sources of revenue determined by the Legislature. The purpose of the BEF would be to provide funding for teacher merit pay and for improving achievement among historically underperforming student groups. The resolution would also eliminate language specifying that the General Land Office may distribute to the Available School Fund (ASF) up to \$300 million per year from revenue derived from land or properties.

Due to uncertainty regarding the nature of future returns and the effect of the resolution on distributions from the PSF to the ASF, the Technology and Instructional Materials Fund (TIMF), and the BEF, the fiscal implications of the bill cannot be determined at this time.

To the extent that transfers from the Permanent School Fund to the ASF decreased so that a transfer could instead be made to the BEF, funding from the Foundation School Fund No. 193 would increase by a corresponding amount to cover the decrease in ASF revenue available to fund the Foundation School Program. However, because both the Available School Fund and the Foundation School Fund No. 193 are within the General Revenue Fund, there would be no net impact to General Revenue from such changes.

Local Government Impact

No 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, AM, THo, SD, PBO

