

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 26, 2021

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2 by Bonnen (Relating to making supplemental appropriations and reductions in appropriations and giving direction and adjustment authority regarding appropriations.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2, As Passed 2nd House : a positive impact of \$5,113,757,961 through the biennium ending August 31, 2023.

The bill's provisions would result in a net decrease of (\$69,420,116) to the estimate of General Revenue Related funds available for certification in the *Revised Biennial Revenue Estimate*.

Combining this increase with estimates of the related fiscal year 2020 lapses not included in the bill would result in a net 2020–21 biennial certification savings of \$1,730,172,241 over estimates in the *Revised Biennial Revenue Estimate*.

Appropriations:

<i>Fiscal Year</i>	Appropriation out of General Revenue Fund 1	Appropriation out of General Revenue Dedicated Accounts	Appropriation out of Federal Funds 8902	Appropriation out of Tx Dept of Motor Vehicles Fnd 10
2021	(\$5,113,757,961)	\$30,929,649	\$562,449,718	\$13,044,036
2022	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0

<i>Fiscal Year</i>	Appropriation out of Economic Stabilization Fund 599	Appropriation out of State Highway Fund 6	Appropriation out of TPFA Master Lease Prj Fund 735	Appropriation out of Telecommunications Revolving - AR 8123
2021	\$531,070,462	\$510,390,655	\$30,000	\$827,125
2022	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0

<i>Fiscal Year</i>	Appropriation out of Telecommunications Revolving - IAC 8125	Appropriation out of Statewide Technology Account - IAC 8126	Appropriation out of Statewide Network Apps Acct - AR 8143	Appropriation out of Revenue Bond Proceeds 8226
2021	\$56,728	\$229,982	\$39,595	\$23,719,160
2022	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0

<i>Fiscal Year</i>	Appropriation out of Interagency Contracts	Appropriation out of DIR Clearing Fund Account 8122	Appropriation out of Other Special State Funds	Appropriation out of Appropriated Receipts
2021	\$8,651,468	\$581,051	\$14,280,000	\$9,049,259
2022	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0

General Revenue-Related Funds, Six- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2021	\$5,113,757,961
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

All Funds, Six-Year Impact:

<i>Fiscal Year</i>	Probable Savings from General Revenue Fund 1	Probable (Cost) from Various General Revenue Dedicated	Probable (Cost) from Federal Funds 8902	Probable (Cost) from Tx Dept of Motor Vehicles Fnd 10
2021	\$5,113,757,961	(\$30,929,649)	(\$562,449,718)	(\$13,044,036)
2022	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0
2024	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0

<i>Fiscal Year</i>	Probable (Cost) from Economic Stabilization Fund 599	Probable Revenue (Loss) from Economic Stabilization Fund 599	Probable (Cost) from State Highway Fund 6	Probable (Cost) from TPFA Master Lease Prj Fund 735
2021	(\$531,070,462)	(\$398,538)	(\$510,390,655)	(\$30,000)
2022	\$0	(\$7,663,000)	\$0	\$0
2023	\$0	(\$8,732,000)	\$0	\$0
2024	\$0	(\$8,860,000)	\$0	\$0
2025	\$0	(\$8,990,000)	\$0	\$0
2026	\$0	(\$8,953,000)	\$0	\$0

<i>Fiscal Year</i>	Probable (Cost) from DIR Clearing Fund Account 8122	Probable (Cost) from Telecommunications Revolving - AR 8123	Probable (Cost) from Telecommunications Revolving - IAC 8125	Probable (Cost) from Statewide Technology Account - IAC 8126
2021	(\$581,051)	(\$827,125)	(\$56,728)	(\$229,982)
2022	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0
2024	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0

<i>Fiscal Year</i>	Probable (Cost) from Statewide Network Apps Acct - AR 8143	Probable (Cost) from Revenue Bond Proceeds 8226	Probable (Cost) from Interagency Contracts	Probable (Cost) from Other Special State Funds
2021	(\$39,595)	(\$23,719,160)	(\$8,651,468)	(\$14,280,000)
2022	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0
2024	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0

<i>Fiscal Year</i>	Probable (Cost) from Appropriated Receipts
2021	(\$9,049,259)
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

Fiscal Analysis

The bill would make supplemental appropriations, reductions in appropriations, and give direction and adjustment authority regarding appropriations.

The bill would make net appropriations reductions of \$5,113,757,961 from General Revenue Fund Account 0001 . The bill would make net appropriations increases of \$30,929,649 from General Revenue-Dedicated accounts.

The bill would increase appropriations from the Economic Stabilization Fund by \$531,070,462.

The bill would increase appropriations from other funds, federal funds, and accounts not mentioned above by \$1,143,348,777.

The bill would take effect immediately as provided for a general appropriations act under Section 39, Article III, Texas Constitution. Sections of the bill that authorize appropriations or reauthorization of existing appropriations from the Economic Stabilization Fund take effect only if this bill receives a vote of two-thirds of the members present in each house of the Legislature, as provided by Section 49-g(m), Article III, Texas Constitution.

Methodology

The appropriation reduction at the Texas Education Agency related to the Foundation School Program was accounted for in the Comptroller's May 2021 *Revised Biennial Revenue Estimate* (RBRE). The remaining increase in revenue available for certification relative to the RBRE comes from appropriation reductions and

fiscal year 2020 lapses not accounted for in the RBRE.

The Comptroller indicates there would be a loss of interest and investment income from the Economic Stabilization Fund resulting from the amounts appropriated from the ESF not being available for investment purposes.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, SD, KK