

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 20, 2021

TO: Honorable Greg Bonnen, Chair, House Committee on Appropriations

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2021 by Bonnen (relating to the acceptance, rejection, and uses of certain money provided by the federal government to this state.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would create the Board on Administration of Federal Funds consisting of the Lieutenant Governor; the Speaker of the House of Representatives; the Chair and Vice-Chair of the standing committee of the Senate with jurisdiction over appropriations; the Chair and Vice-Chair of the of the standing committee of the House with jurisdiction over appropriations; two members of the Senate appointed by the Lieutenant Governor; and two members of the House of Representatives, appointed by the Speaker of the House of Representatives. The Lieutenant Governor and the Speaker are joint chairs of the board.

The Board can consider federal contracts or grants made available to the State as a result of the public health emergency declared by the United States Secretary of Health and Human Services under Section 319, Public Health Service Act (42 U.S.C. Section 247d), on January 31, 2020; any additional federal funding appropriated to the state for federal fiscal years 2022 and 2023 that is designated as being an emergency requirement pursuant to Section 251(b)(2)(A), Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. Section 901(b)(2)(A)); and federal money made available under federal legislation enacted after the 87th Legislature, Regular Session, 2021, adjourns that addresses investments in infrastructure, capital projects, and economic and workforce development.

The Board can not consider current and future allocations made to the state under Section 302(b), Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. Section 633(b)); or (2) a federal grant of \$10 million or less in total allocation from a single grant source in a single award.

The Board may make a proposal to accept, reject, allocate, or establish uses for money provided by the federal government and appropriated by the Legislature.

The Board may also make a proposal to reject money provided by the federal government that has been appropriated to a state agency contingent on the receipt of the money from the federal government, or accept that money and transfer the authority to spend, obligate the expenditure of, or distribute the money to a different state agency.

The Board may make a proposal to instruct a state agency to use the money for a purpose different from, or in addition to, the purpose for which the appropriation to the state agency was made.

The Board may not make a proposal during a regular or special session of the Legislature.

The proposal must be published in the Texas Register. After publication and a public hearing, the Board may adopt, amend, amend then adopt, or reject the proposal with an affirmative vote of a majority of the members of the board from each house. A proposal adopted by the Board takes effect only if approved by the Governor.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD, SJS