

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 25, 2023

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB30 by Huffman (Relating to supplemental appropriations and reductions in appropriations and giving direction and adjustment authority regarding appropriations.), **Conference Committee Report**

Estimated Two-year Net Impact to General Revenue Related Funds for SB30, Conference Committee Report : a negative impact of (\$14,251,966,667) through the biennium ending August 31, 2025.

In addition, General Revenue Dedicated account balances available for certification are expected to decline by \$874,393,254 during the 2022-23 biennium. Combined with the cost above, the bill would result in a net impact of **(\$15,126,359,921)** to General Revenue Related funds available for certification through the biennium ending August 31, 2025.

Appropriations:

<i>Fiscal Year</i>	<i>Appropriation out of General Revenue Fund 1</i>	<i>Appropriation out of Coronavirus Relief Fund 325</i>	<i>Appropriation out of Federal Funds</i>	<i>Appropriation out of Foundation School Fund 193</i>
2023	\$15,774,899,755	(\$200,000,000)	\$4,730,475,169	(\$8,416,615,108)
2024	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0

<i>Fiscal Year</i>	<i>Appropriation out of Hazardous/Waste Remed Acc 550</i>	<i>Appropriation out of Flood Infrastructure Fund 194</i>	<i>Appropriation out of Various General Revenue Dedicated</i>	<i>Appropriation out of Various Other Funds</i>
2023	\$3,755,606	\$624,949,080	\$5,713,926	\$11,390,274
2024	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0

<i>Fiscal Year</i>	<i>Appropriation out of Dept Ins Operating Acct 36</i>	<i>Appropriation out of Appropriated Receipts 8084</i>	<i>Appropriation out of Clean Air Account 151</i>	<i>Appropriation out of Water Resource Management 153</i>
2023	\$19,386,418	\$493,086	\$452,561	\$129,357
2024	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0

<i>Fiscal Year</i>	Appropriation out of Watermaster Administration 158	Appropriation out of Waste Management Acct 549	Appropriation out of Operating Permit Fees Account 5094	Appropriation out of Coastal Protection Acct 27
2023	\$160,000	\$51,200	\$89,537	\$55,000
2024	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0

<i>Fiscal Year</i>	Appropriation out of Veterans Land Adm Fd 522	Appropriation out of Permanent School Fund 44	Appropriation out of State Parks Acct 64	Appropriation out of Game, Fish, Water Safety Ac 9
2023	\$50,000	\$45,000	\$9,746,457	\$27,830,270
2024	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0

<i>Fiscal Year</i>	Appropriation out of Oil & Gas Regulation 5155	Appropriation out of Tx Dept of Motor Vehicles Fnd 10	Appropriation out of State Highway Fund 6	Appropriation out of Unempl Comp Sp Adm Acct 165
2023	\$1,482,922	\$1,747,218	\$31,009,632	\$2,750
2024	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0

<i>Fiscal Year</i>	Appropriation out of Texas B-on-Time Student Loan Acct 5103	Appropriation out of Crime Victims Comp Acct 469	Appropriation out of Texas Enterprise Fund 5107	Appropriation out of Volunteer Fire Dept Assistance 5064
2023	\$141,460,191	\$5,000,000	\$150,000,000	\$10,049,891
2024	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0

<i>Fiscal Year</i>	Appropriation out of Port Access	Appropriation out of Texas Racing Comm Acct 597
2023	\$200,000,000	\$727,168
2024	\$0	\$0
2025	\$0	\$0

General Revenue-Related Funds, Six- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2023	(\$10,022,628,686)
2024	(\$689,152,405)
2025	(\$3,540,185,576)
2026	\$0
2027	\$0
2028	\$0

All Funds, Six-Year Impact:

<i>Fiscal Year</i>	Probable (Cost) from General Revenue Fund 1	Probable (Cost) from General Revenue Fund w.r.t. ESF transfers 1	Probable (Cost) from Coronavirus Relief Fund 325	Probable (Cost) from Federal Funds
2023	(\$16,174,899,755)	\$5,705,386,654	\$200,000,000	(\$4,730,475,169)
2024	\$0	(\$689,152,405)	\$0	\$0
2025	\$0	(\$3,540,185,576)	\$0	\$0
2026	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0

<i>Fiscal Year</i>	Probable Savings from Foundation School Fund 193	Probable (Cost) from Hazardous/Waste Remed Acc 550	Probable (Cost) from Various General Revenue Dedicated	Probable (Cost) from Various Other Funds
2023	\$446,884,415	(\$3,755,606)	(\$5,713,926)	(\$11,390,274)
2024	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0

<i>Fiscal Year</i>	Probable (Cost) from Dept Ins Operating Acct 36	Probable (Cost) from Appropriated Receipts 8084	Probable (Cost) from Clean Air Account 151	Probable (Cost) from Water Resource Management 153
2023	(\$19,386,418)	(\$493,086)	(\$452,561)	(\$129,357)
2024	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0

<i>Fiscal Year</i>	Probable (Cost) from Watermaster Administration 158	Probable (Cost) from Waste Management Acct 549	Probable (Cost) from Operating Permit Fees Account 5094	Probable (Cost) from Coastal Protection Acct 27
2023	(\$160,000)	(\$51,200)	(\$89,537)	(\$55,000)
2024	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0

<i>Fiscal Year</i>	Probable (Cost) from Veterans Land Adm Fd 522	Probable (Cost) from Permanent School Fund 44	Probable (Cost) from State Parks Acct 64	Probable (Cost) from Game, Fish, Water Safety Ac 9
2023	(\$50,000)	(\$45,000)	(\$9,746,457)	(\$27,830,270)
2024	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0

<i>Fiscal Year</i>	Probable (Cost) from Oil & Gas Regulation 5155	Probable (Cost) from Tx Dept of Motor Vehicles Fnd 10	Probable (Cost) from State Highway Fund 6	Probable (Cost) from Unempl Comp Sp Adm Acct 165
2023	(\$1,482,922)	(\$1,747,218)	(\$31,009,632)	(\$2,750)
2024	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0

<i>Fiscal Year</i>	Probable Savings from Deferred Maintenance 5166	Probable Savings/(Cost) from Economic Stabilization Fund 599	Probable Revenue Gain/(Loss) from Economic Stabilization Fund - Interest Earnings 599	Probable Revenue (Loss) from Economic Stabilization Fund - Investment Income 599
2023	\$400,000,000	\$0	\$0	\$0
2024	\$0	(\$5,705,387,000)	(\$85,768,000)	(\$90,971,000)
2025	\$0	\$689,152,000	\$161,460,000	(\$173,533,000)
2026	\$0	\$3,356,470,000	\$0	(\$128,325,000)
2027	\$0	\$0	\$0	(\$101,350,000)
2028	\$0	\$0	\$0	(\$105,374,000)

<i>Fiscal Year</i>	Probable (Cost) from Texas B-on-Time Student Loan Acct 5103	Probable (Cost) from Crime Victims Comp Acct 469	Probable (Cost) from Texas Enterprise Fund 5107	Probable (Cost) from Volunteer Fire Dept Assistance 5064
2023	(\$141,460,191)	(\$5,000,000)	(\$150,000,000)	(\$10,049,891)
2024	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0

<i>Fiscal Year</i>	Probable (Cost) from Port Access	Probable (Cost) from Texas Racing Comm Acct 597
2023	(\$200,000,000)	(\$727,168)
2024	\$0	\$0
2025	\$0	\$0
2026	\$0	\$0
2027	\$0	\$0
2028	\$0	\$0

Fiscal Analysis

The bill would make supplemental appropriations, reductions in appropriations, and provide direction and adjustment authority regarding appropriations for the 2022-23 biennium.

The bill would take effect immediately as provided for 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 Funds 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. Sections 4.11, 4.13, 4.14, 4.33, 4.34, 4.36, 4.37, 4.38, and 8.51 of this Act take effect only if this Act receives a vote of two-thirds of the members present in each house of the legislature, as provided by Section 17(j) or 18(i), Article VII, Texas Constitution.

Methodology

A portion of the \$8.2 billion Foundation School Fund appropriation reduction has already been accounted for in the CPA's January 2025 *Biennial Revenue Estimate (BRE)*. After taking that adjustment into account, the net effect of this appropriation reduction is a \$446.9 million increase in General Revenue Related funds available for certification through the biennium ending August 31, 2025.

Appropriations made in the bill would lower the CPA's BRE estimate of the 2022-23 ending unencumbered General Revenue (GR) balance. Consequentially, the estimated transfer of GR to the Economic Stabilization Fund (ESF) related to this balance would be eliminated, resulting in a \$5.7 billion GR savings in FY 2023.

Additionally, the elimination of this transfer to the ESF would result in that fund not reaching the constitutional maximum balance in 2024-25 as previously estimated in the BRE. Not reaching the ESF maximum balance would lower the reduction of the GR set-aside for the ESF severance tax related transfer and corresponding interest income, resulting in a GR cost of \$0.7 billion in fiscal year 2024 and \$3.5 billion in fiscal year 2025.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD