



Chair, Rep. Garnet Coleman

Treasurer, Rep. Elliott Naishtat

LSG Floor Report for Constitutional Amendments Calendar – Tuesday, April 7, 2015

Bill	Caption	Committee	Analysis & Evaluation	Recommendation
HJR 8 Rep. Otto, et al.	Proposing a constitutional amendment to dedicate certain money to the purpose of retiring state debt early.	Appropriations	<p>HJR 8 proposes a constitutional amendment that requires the comptroller to use funds in excess of the Economic Stabilization Fund (ESF) cap to pay down debt early. Passage of HB 8 would decrease the cap on the ESF by separating federal funds from GR; this would increase the amount of funds HJR 8 could use to pay down debt.</p> <p>This proposal could free up some GR funds that previously were used to pay down debt. However, it could also have a negative impact on the net GR balance because the ESF excess funds that would have been transferred to GR would be more than GR funds freed.</p>	<p><u>Will of the House</u></p> <p>Evaluated by: Tara Blagg 512-763-0031 tara@texaslsg.org</p>

LSG Floor Report For General State Calendar – Tuesday, April 7, 2015

HB 8 Rep. Otto, et al.	Relating to the deposit of money received from the federal government.	Appropriations	<p>HB 8 requires that all federal money received and the accrued interest or other earnings from those funds must be deposited into a special fund established by the comptroller that is separate from general revenue.</p> <p>Current law caps the amount of funds transferred to the Economic Stabilization Fund (ESF) from GR at 10% of the GR fund total. By separating out federal funds, the bill would lower the certifiable total in the GR fund and lower the amount allowed to be transferred to the ESF. With no other appropriations or changes to the ESF there will be a balance \$11.1 billion at the end of FY17. Passage of this bill would decrease the ESF cap for FY18-19 from \$16.7 billion to an estimated \$11.8 billion.</p> <p>Transfers from GR to ESF would decrease by approximately \$206.4 million; the decrease in funds transferred would not necessarily result in a GR gain. Contingent on the passage of HJR 8, these funds could be used to pay down debt early, instead of being freed to use for GR purposes.</p> <p>Separating out federal funds, including dedicated funds, from GR leads to the unintended benefit of the reduced reliance on dedicated funds.</p>	<p><u>Favorable</u></p> <p>Evaluated by: Tara Blagg 512-763-0031 Tara@TexasLSG.org</p>
HB 5 Rep. Otto, et al.	Relating to strategic fiscal reviews of state agencies.	Appropriations	<p>In 2015, the LBB conducted a strategic fiscal review of selected agencies. HB 5 requires the LBB to conduct a strategic fiscal review of state agencies identified by the director by September 1 of each odd-numbered year. The review must evaluate the agency's activities and effectiveness, and report on minimum and current levels of expenditures. Findings must be reported to the legislature in order to determine continuation or level of funding.</p>	<p><u>Will of the House</u></p> <p>Evaluated by: Tara Blagg 512-763-0031 tara@texaslsg.org</p>

OK for Distribution – Rep. Garnet Coleman

			Although this bill will increase much-needed agency accountability, it may also allow for the deletion or underfunding of critical programs.	
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