



Travis County Commissioners Court Agenda Request

Meeting Date: Tuesday, January 15, 2013
Prepared By/Phone Number: Deece Eckstein, 854-9754
Elected/Appointed Official/Dept. Head: Deece Eckstein, 854-9754
Commissioners Court Sponsor: Judge Biscoe

AGENDA LANGUAGE:

CONSIDER AND TAKE APPROPRIATE ACTION ON LEGISLATIVE MATTERS, INCLUDING:

- A. UPDATE ON LEGISLATIVE ACTIVITIES;
- B. BRIEFING ON THE BIENNIAL REVENUE ESTIMATE ISSUED BY THE COMPTROLLER AND ITS IMPLICATIONS FOR THE STATE BUDGETING PROCESS; AND,
- C. ADDITIONS TO THE PRIORITIES, POLICY POSITIONS, AND THE POSITIONS ON OTHER PROPOSALS SECTIONS OF THE TRAVIS COUNTY LEGISLATIVE AGENDA.

SUMMARY AND IGR COORDINATOR RECOMMENDATION:

The Regular Session of the 83rd Texas Legislature opened on Tuesday, January 8, 2013. The day before, Comptroller Susan Combs released her Biennial Revenue Estimate, the Revenue Overview of which is included and on which the Court will be briefed on Tuesday.

IGR does not recommend any changes to the Travis County Legislative Agenda at this time.

BACKGROUND:

The 83rd Texas Legislature convened in Austin on Tuesday, January 8, 2013. There are 44 new members in the 150-member House of Representatives and five new members in the 31-member Senate.¹ In early

¹ One seat in the Senate remains vacant due to the October passing of Senator Mario Gallegos. A special election to fill his seat will be held on Saturday, January 26. Eight candidates are vying for the seat, and there will likely be a runoff.

action, the House re-elected Joe Straus to serve as Speaker and the Senate adopted its rules for the session, including retention of the “two-thirds rule” that affects the flow of legislation to the floor.

All the members of the Travis County delegation have returned except Senator Jeff Wentworth, who represented SD-25 in southern Travis County and has been replaced by **Senator Donna Campbell**. In addition, two Senators have been added to the Travis County delegation by virtue of redistricting: **Judith Zaffirini** (SD-21) and **Troy Fraser** (SD-24).

The day before, Comptroller Susan Combs released the Biennial Revenue Estimate² that sets the parameters for the legislative budget bill. Highlights:

- ★ The State will end the current 2012-2013 fiscal biennium with an estimated surplus of \$8.8 billion – although much of that is already spoken for because last session the Legislature left unfunded an estimated \$4.7 billion in Medicaid expenses and a \$2 billion delayed payment to schools.
- ★ The Legislature will have about \$208.2 billion for the next (2014-2015) budget. By contrast, the current budget is \$173.5 billion.
- ★ The Economic Stabilization (aka Rainy Day) Fund will end this biennium with an \$8.8 billion balance, which is expected to grow to \$11.8 billion over the next two years.

FISCAL IMPACT AND SOURCE OF FUNDING: Not applicable.

REQUIRED AUTHORIZATIONS: None.

NAMES, PHONE NUMBERS AND EMAIL ADDRESSES OF PERSONS WHO MIGHT BE AFFECTED BY OR BE INVOLVED WITH THIS REQUEST:

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² The full document is available at http://www.window.state.tx.us/finances/Biennial_Revenue_Estimate/bre2014/

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ATTACHMENTS:

- A. "Revenue Overview," Texas Comptroller of Public Accounts, Biennial Revenue Estimate, 2014-15 Biennium, January 2013.

Biennial Revenue Estimate

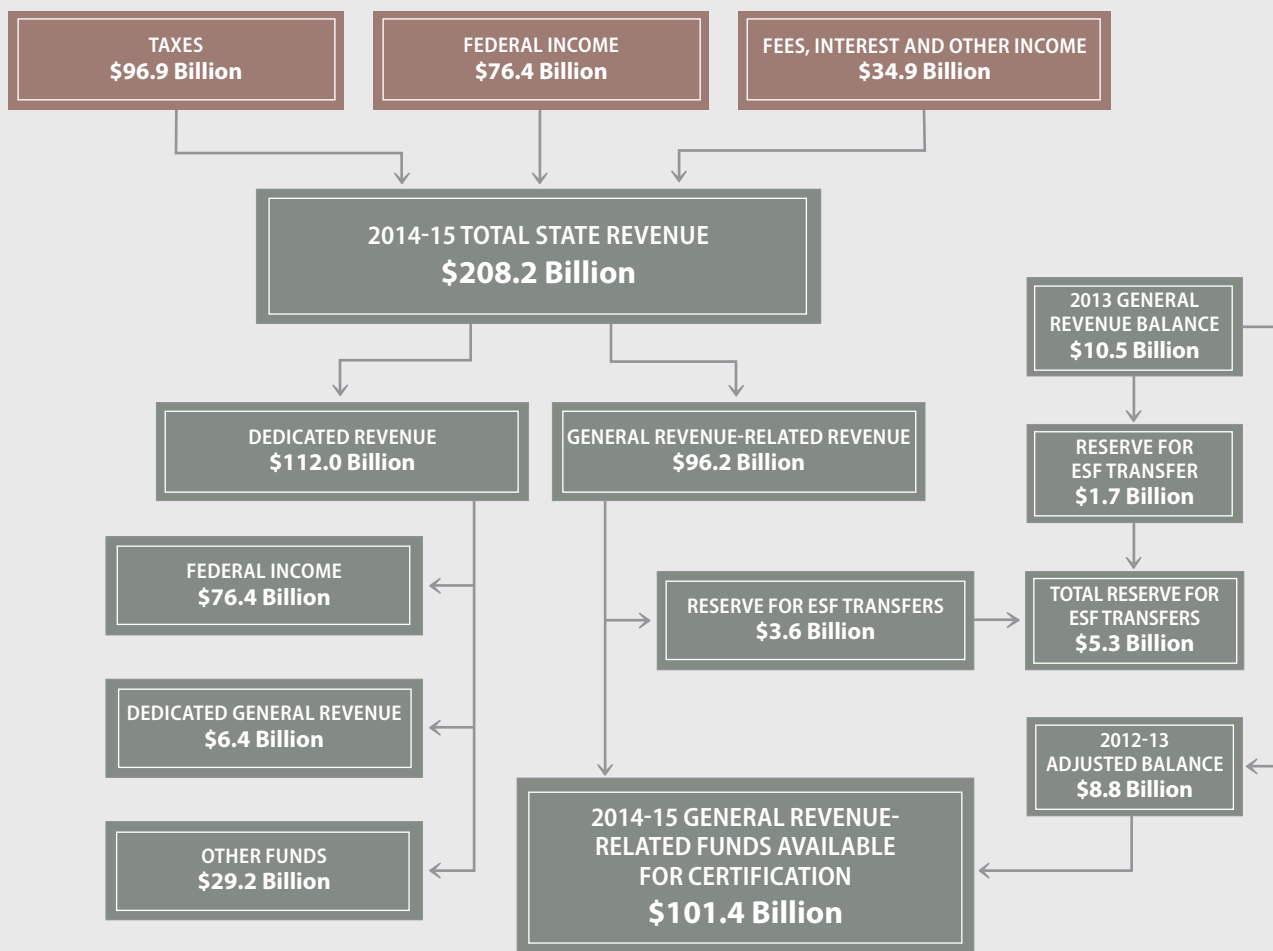


Revenue Overview

The State of Texas will have an estimated \$101.4 billion available for general purpose spending in the 2014-15 biennium, 12.4 percent greater than the corresponding amount of funds available for 2012-13. This figure

represents the sum of the 2012-13 ending balance, 2014-15 tax revenue, and 2014-15 non-tax receipts, less estimated transfers to the Economic Stabilization Fund (ESF) and adjustments to General Revenue-related dedicated account balances.

FIGURE 1
Flow of Major Revenues for the 2014-15 Biennium



Note: Totals may not sum because of rounding.
SOURCE: Susan Combs, Texas Comptroller of Public Accounts.

Aside from certain fund balances, only four funds affect the discretionary spending detailed in the General Appropriations Act. These funds, which are referred to as “General Revenue-related funds,” are the General Revenue Fund, the Available School Fund, the State Textbook Fund, and the Foundation School Fund Account. The remaining funds depend upon federal receipts or revenues that are dedicated by the constitution or by statute. A prime example is the constitutionally dedicated Permanent University Fund.

The state’s tax system is the main source of General Revenue-related funding. Tax collections in 2014-15 will generate (rounding to the nearest one-tenth billion) \$85.6 billion; and non-tax revenues will produce an additional \$10.6 billion. Factoring in the estimated \$8.8 billion ending balance carried forward from 2012-13, the total of these three sources approaches \$105.1 billion. Against this amount, \$3.6 billion must be placed in reserve for future transfers to the ESF.

Taking all state revenue sources into account, the state is expected to collect \$208.2 billion in revenue for all state funds in 2014-15. ❖