

- SUBJECT:** Rules, report on discretionary transfers from School Land Board fund
- COMMITTEE:** Appropriations — favorable, without amendment
- VOTE:** 19 ayes — Otto, Sylvester Turner, Bell, G. Bonnen, Burkett, Capriglione, S. Davis, Gonzales, Howard, Hughes, Koop, Longoria, McClendon, Miles, Muñoz, Phelan, J. Rodriguez, Sheffield, Walle
- 0 nays
- 8 absent — Ashby, Dukes, Giddings, Márquez, R. Miller, Price, Raney, VanDeaver
- WITNESSES:** For — (*Registered, but did not testify:* Dana Harris, Greater Austin Chamber of Commerce; Colby Nichols, Texas Association of Community Schools, Texas Rural Education Association, Instructional Materials Coordinators' Association of Texas; Christy Rome, Texas School Coalition)
- Against — None
- On — (*Registered, but did not testify:* Susan Biles, General Land Office; Ursula Parks and Brendon Riggs, Legislative Budget Board)
- BACKGROUND:** The General Land Office holds certain funds in the real estate special fund from a real estate portfolio that is managed by the School Land Board for the public schools. At its discretion, the School Land Board can make transfers from the real estate special fund directly to the available school fund and the State Board of Education-controlled part of the permanent school fund.
- According to the Legislative Budget Board (LBB), the School Land Board has no formal policies or procedures to determine whether to transfer funds or how much to transfer, and there are no formal policies to notify the controller of a transfer. HB 1551 would track recommendations by the LBB in its January 2015 report on Texas State Government Effectiveness

and Efficiency to increase the transparency of discretionary transfers from the real estate special fund.

DIGEST:

HB 1551 would require the School Land Board to adopt rules to establish the procedure it would use to determine the date and amount of a transfer from the real estate special fund account to the available school fund or to the State Board of Education for investment in the permanent school fund, as allowed by Natural Resources Code, sec. 51.413.

By September 1 of even-numbered years, the board would have to submit a report that specifically and in detail stated the date a transfer would be made and the amount the board would transfer during the subsequent fiscal biennium from the real estate special fund account of the permanent school fund to the available school fund or to the State Board of Education for investment in the permanent school fund. The report would have to be submitted to the Legislature, the comptroller, the State Board of Education, and the Legislative Budget Board.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015.