

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 12, 2003

TO: Honorable David Swinford, Chair, House Committee on Government Reform

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1091 by Swinford (Relating to the adoption of a financial management services cooperatives pilot program for school districts, open-enrollment charter schools, and regional education service centers.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1091, As Introduced: a negative impact of (\$1,000,000) through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$500,000)
2005	(\$500,000)
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2003
2004	(\$500,000)	0.0
2005	(\$500,000)	0.0
2006	\$0	0.0
2007	\$0	0.0
2008	\$0	0.0

Fiscal Analysis

This bill would require the Texas Education Agency to establish a two-year financial management services cooperatives pilot program. Under the program, the Agency would award grants of up to \$100,000 to as many as 10 entities to fund start-up costs associated with the formation of financial management services cooperatives composed of school districts and/or regional education service centers. The Agency would be required at the end of the two-year period to review the program's progress and make recommendations regarding the continuation of the program. The reporting mechanism would be the Agency's comprehensive annual report issued in 2004.

Methodology

For this estimate, it is assumed that \$500,000 would be awarded in FY2004 and \$500,000 would be awarded in FY2005.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. Participating school districts could experience savings over time.

Source Agencies: 304 Comptroller Of Public Accounts, 701 Central Education Agency

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