

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**April 18, 2005**

**TO:** Honorable Kent Grusendorf, Chair, House Committee on Public Education

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB3359** by Hunter (Relating to the provision of free prekindergarten for the children of public school educators.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3359, As Introduced: a negative impact of (\$32,640,000) through the biennium ending August 31, 2007.

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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2006	(\$16,320,000)
2007	(\$16,320,000)
2008	(\$16,320,000)
2009	(\$16,320,000)
2010	(\$16,320,000)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from FOUNDATION SCHOOL FUND 193</b>
2006	(\$16,320,000)
2007	(\$16,320,000)
2008	(\$16,320,000)
2009	(\$16,320,000)
2010	(\$16,320,000)

**Fiscal Analysis**

The bill would extend eligibility for state-funded half-day prekindergarten programs to children of educators employed by a school district.

The bill would apply beginning with the 2005-06 school year.

**Methodology**

The Texas Education Agency does not collect data that would identify children of educators who would be eligible to attend prekindergarten under this bill. For the purposes of this estimate, "educator" is assumed to refer to school district professional staff, a larger population than classroom teachers alone. Extrapolating from census 2000 data for Texas, it would be reasonable to assume that

there would be approximately 7,450 children of prekindergarten age who are dependents of educators. Assuming 100 percent participation in the program, this estimated population would equate to about 3,400 students in average daily attendance (ADA).

On average, the cost to the Foundation School Program (FSP) would be about \$4,800 per ADA for each additional student served in prekindergarten. Based on these assumptions, the estimated cost of extending eligibility for FSP-funded half-day prekindergarten to children of educators would be \$16.3 million annually.

### **Local Government Impact**

It is assumed that additional school district costs associated with the provisions of the bill would earn an offsetting amount of state aid for the additional students served.

**Source Agencies:** 701 Central Education Agency

**LBB Staff:** JOB, CT, UP, JSc