

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 12, 2007

TO: Honorable Rob Eissler, Chair, House Committee on Public Education

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

IN RE: HB164 by Raymond (Relating to a grant program for after-school child-care programs provided by school districts.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB164, As Introduced: a negative impact of (\$46,450,000) through the biennium ending August 31, 2009.

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
2008	(\$23,225,000)
2009	(\$23,225,000)
2010	(\$23,225,000)
2011	(\$23,225,000)
2012	(\$23,225,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2007
2008	(\$23,225,000)	2.0
2009	(\$23,225,000)	2.0
2010	(\$23,225,000)	2.0
2011	(\$23,225,000)	2.0
2012	(\$23,225,000)	2.0

Fiscal Analysis

The bill would authorize a grant program to provide certain school districts with funding for the operation of one or more after-school child care programs for students enrolled in grades kindergarten through eight. School districts eligible for funding under the bill would be those located in counties with a population of less than 500,000 that have a majority of enrolled students from low-income families. The bill specifies that eligible districts must propose to use grant funding to operate an after-school child care program at one or more schools with a significant enrollment of students from low-income families.

Assuming a grant program would offset 50% of the average operating cost per student for about 5% of low-income students in grades kindergarten through eight in eligible districts, grants would be expected to total \$23,125,000 annually. The Texas Education Agency anticipates approximately

\$100,000 in operating costs associated with administering the grant program.

Methodology

The Texas Education Agency estimates that approximately 500,000 economically disadvantaged children in grades kindergarten through eight are enrolled in school districts that would be eligible to receive a grant under the bill. Based on data the Agency gathered from existing after-school programs, the operating cost per child appears to vary from \$1,200 to \$2,500, producing an average operating cost per child of \$1,850.

The bill does not specify an amount of overall funding for the grant program. For the purpose of this estimate, it is assumed that the grant program would serve approximately 5% of the 500,000 economically disadvantaged students identified in eligible school districts. Assuming that grants would offset about 50% of the average operating cost per student, the annual cost for grants would be \$23,125,000. The estimated cost of the grant program would be expected to vary if a larger or smaller population of students were to be served or if the level of operating costs to be offset by grants were to increase or decrease from the levels assumed.

Local Government Impact

Eligible school districts that receive grants would realize additional revenue to support the operation of one or more after-school child care programs for students enrolled in grades kindergarten through eight.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, UP, JSp