

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

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 17, 2007**

**TO:** Honorable Tom Craddick, Speaker of the House, House of Representatives

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

**IN RE: HB273** by Truitt (Relating to certain contracts and purchasing procedures for school districts.), **As Passed 2nd House**

**No significant fiscal implication to the State is anticipated.**

The bill would authorize the commissioner of education to audit school district reports of cooperative contract management fees. It is assumed that such audits would be conducted within the scope of existing agency audit activities.

No net cost implications are anticipated with regard to state aid distributed under the Foundation School Program. Due to changes made by House Bill 1, 79th Legislature, 3rd Called Session, increases in entitlement under the transportation allotment of the Foundation School Program are generally either offset by a decrease in districts' entitlement to hold harmless funds or an increased reduction for excess formula gain to hold districts to a total revenue target. Since the bill does not amend Texas Education Code 42.2516 regarding the calculation of school district entitlements under the Foundation School Program, no net cost to the state is expected due to any increase in entitlement for the transportation allotment that might result under the provisions of the bill.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

School districts would be required to prepare and publicly present an annual report of the amount and disposition of management fees paid under certain cooperative purchasing contracts. Local administrative costs associated with the preparation and presentation of annual reports are not expected to be significant.

The bill would authorize a school district to establish and operate a school transportation system outside the county or school district under an interlocal contract. The bill would further authorize a school district to contract with a juvenile board for all or part of the school district's school transportation services. To the extent that school districts choose to contract with a juvenile board for certain school transportation services, additional local cost could be incurred.

**Source Agencies:** 665 Juvenile Probation Commission, 701 Central Education Agency

**LBB Staff:** JOB, SD, JSp, UP