

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 14, 2007

TO: Honorable Florence Shapiro, Chair, Senate Committee on Education

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

IN RE: HB1609 by Crossover (Relating to the Communities In Schools program.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB 1609, As Engrossed: a negative impact of (\$28,738,048) 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	(\$14,369,024)
2009	(\$14,369,024)
2010	(\$14,369,024)
2011	(\$14,369,024)
2012	(\$14,369,024)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from FOUNDATION SCHOOL FUND 193
2008	(\$14,369,024)
2009	(\$14,369,024)
2010	(\$14,369,024)
2011	(\$14,369,024)
2012	(\$14,369,024)

Fiscal Analysis

This bill would amend Texas Education Code 42.152 to set aside at least \$30 million annually from the compensatory education allotment to fund the Communities In School (CIS) program.

The bill would codify provisions concerning program performance goals, objectives, and measures and would provide the commissioner of education authority to withhold funding from a CIS program that consistently fails to achieve performance criteria. The bill would make conforming amendments with regard to current administrative responsibilities and structure.

The bill would take effect September 1, 2007.

Methodology

Current funding for CIS from state funds is \$15,630,976 per year. Increasing this to \$30 million would require an additional \$14,369,024 in appropriations from the Foundation School Fund per year.

These additional appropriations would be paid through reductions to districts' Tier 1 compensatory education allotments. However, due to the changes in school finance made by House Bill 1, 79th Legislature, 3rd Called, a reduction in a district's Tier 1 state aid would result in a corresponding increase in hold harmless state aid in order to reach the district's total revenue target. Therefore, increases in appropriations for set-aside programs result in increased state cost. In the event Education Code 42.2516 were changed to restore set-aside funding to its pre-House Bill 1 (79-3) functionality, the bill would have no net state fiscal impact.

Technology

The bill would have no fiscal impact upon the agency's technology costs.

Local Government Impact

School districts with local Communities in Schools programs in place could see an increase in state funding for those programs.

In the event Education Code 42.2516 were changed to restore set-aside funding to its pre-House Bill 1 functionality, the bill would reduce districts' funding through the compensatory education allotment.

Local CIS programs that consistently fail to meet state established performance criteria would be subject to suspension of state funding.

Source Agencies: 701 Central Education Agency

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