

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

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

**April 24, 2007**

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

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

**IN RE: HB1672** by Swinford (Relating to eligibility for the small and mid-sized adjustment under the public school finance system.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1672, As Introduced: a negative impact of (\$61,800,000) 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2008	(\$30,900,000)
2009	(\$30,900,000)
2010	(\$30,900,000)
2011	(\$30,900,000)
2012	(\$30,900,000)

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

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from <i>FOUNDATION SCHOOL FUND</i> 193</b>
2008	(\$30,900,000)
2009	(\$30,900,000)
2010	(\$30,900,000)
2011	(\$30,900,000)
2012	(\$30,900,000)

**Fiscal Analysis**

The bill would repeal the provision in current law that prohibits districts that have a property wealth per weighted student level greater than the equalized wealth level (Chapter 41 districts) from receiving the mid-size district adjustment to the Foundation School Program basic allotment. The bill would take effect on September 1, 2007.

**Methodology**

It is estimated that allowing Chapter 41 districts to receive the mid-size adjustment would result in a state cost of approximately \$30.9 million annually, beginning in FY2008.

**Technology**

The bill would have no impact to the Texas Education Agency's technology costs.

**Local Government Impact**

Certain Chapter 41 districts would receive additional state funding under the bill's provisions.

**Source Agencies:**

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