

**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: HB3418** by Guillen (Relating to state grants for student clubs in high schools that serve students at risk of dropping out of school.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3418, As Engrossed: a negative impact of (\$5,533,000) 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	(\$2,699,000)
2009	(\$2,834,000)
2010	(\$2,684,000)
2011	(\$2,684,000)
2012	(\$2,684,000)

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

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from GENERAL REVENUE FUND 1</b>	<b>Change in Number of State Employees from FY 2007</b>
2008	(\$2,699,000)	3.0
2009	(\$2,834,000)	3.0
2010	(\$2,684,000)	3.0
2011	(\$2,684,000)	3.0
2012	(\$2,684,000)	3.0

**Fiscal Analysis**

The bill would direct the Commissioner of Education to award grants to school districts on to support certain student clubs at district high school campuses at which at least 60 percent of students meet the statutory definition of at-risk of dropping out of school. Grants may not exceed \$5,000 per club per year and \$5 million statewide per biennium, and funding must be matched by the district from any funds available, including donations. School clubs eligible for funding under the program would include academic or co-curricular clubs, other than athletics, in which 50 percent or more of students participating are identified as at-risk of dropping out of school. Grant agreements between the commissioner and school districts must require the district and the student club to participate in a program evaluation.

Clubs that receive grants must report on club activities and the extent to which the club's goals were

met to the district board of trustees at the end of the school year.

### **Methodology**

For purposes of this estimate, it is assumed that the Commissioner would award 1000 grants of \$5,000 per grant for a total annual cost of \$2.5 million in General Revenue in grant awards.

The Texas Education Agency (TEA) estimates that three additional FTEs would be required to implement the provisions of the bill at a cost of \$199,000 in FY2008 and \$184,000 annually in each subsequent year. TEA estimates that an evaluation of the program would cost an estimated \$150,000 in FY2009.

### **Local Government Impact**

Certain school districts would be eligible for grant funding to support certain student clubs and would be required to provide matching funds.

**Source Agencies:** 701 Central Education Agency

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