

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 1, 2009**

**TO:** Honorable Jim McReynolds, Chair, House Committee on Corrections

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

**IN RE: HB160** by Deshotel (Relating to the creation and administration of a grant initiative for a community-based at-risk youth program. ), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB160, Committee Report 1st House, Substituted: a negative impact of (\$70,058,000) through the biennium ending August 31, 2011.

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>
2010	(\$35,110,000)
2011	(\$34,948,000)
2012	(\$34,948,000)
2013	(\$34,948,000)
2014	(\$34,948,000)

**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 2009</b>
2010	(\$35,110,000)	1.0
2011	(\$34,948,000)	1.0
2012	(\$34,948,000)	1.0
2013	(\$34,948,000)	1.0
2014	(\$34,948,000)	1.0

**Fiscal Analysis**

The bill would require the Texas Education Agency (TEA) to administer an Education and Self-Sufficiency program to provide assistance to students identified as at-risk of dropping out of school. The Commissioner would be required to appoint a state director for the program and would be required to award grants to school districts, campuses, and community-based organizations.

Grants would be awarded programs that provide for a variety of instructional methods; after-school programs to improve academic skills; career and technical education; mentoring; and job training opportunities for students.

The bill would authorize the state director to solicit gifts, grants, and donations.

The bill would require that donations be reported in the public records of the program.

The provisions of the bill would be effective September 1, 2009, but would be effective immediately with the required voting margins.

### **Methodology**

The Texas Education Agency estimates that approximately 2,292,574 students statewide are identified as at-risk of dropping out of school. This estimate assumes 10 percent of those students, or roughly 230,000 would be served annually by the program created by the bill.

The Texas Education Agency estimates the cost of providing after-school services for two hours per week over a 36-week school year for groups of 20 students staffed at \$150 per student per year, yielding a total annual cost of \$34.5 million.

The Commissioner would be required to designate a state director for the program at a cost of \$94,000 in FY2010 and \$86,000 in each subsequent year. It is estimated that additional contract FTEs would be required to administer the program at a cost of \$216,000 in each fiscal year.

The agency estimates a technology cost of \$300,000 in FY2010 associated with constructing a database to track donations with on-going maintenance costs of \$60,000 in each subsequent year. To the extent that donations are received that may offset estimated General Revenue costs of operating the program, those costs may be reduced.

### **Technology**

The agency estimates a technology cost of \$300,000 in FY2010 associated with constructing a database to track donations with on-going maintenance costs of \$60,000 in each subsequent year.

### **Local Government Impact**

School districts participating in the program could receive funding to offset costs. Some school districts may incur costs in excess of grant awards for staff or facilities to operate the program.

**Source Agencies:** 701 Central Education Agency, 781 Higher Education Coordinating Board

**LBB Staff:** JOB, ESi, JGM, JSc