

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 25, 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 community-based at-risk youth program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB160, As Introduced: a negative impact of (\$70,189,000) 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:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|--------------------|---|
| 2010 | (\$35,230,000) |
| 2011 | (\$34,959,000) |
| 2012 | (\$34,959,000) |
| 2013 | (\$34,959,000) |
| 2014 | (\$34,959,000) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from General Revenue Fund 1 | Change in Number of State Employees from FY 2009 |
|--------------------|--|---|
| 2010 | (\$35,230,000) | 5.0 |
| 2011 | (\$34,959,000) | 5.0 |
| 2012 | (\$34,959,000) | 5.0 |
| 2013 | (\$34,959,000) | 5.0 |
| 2014 | (\$34,959,000) | 5.0 |

Fiscal Analysis

The bill would require the Texas Education Agency to establish 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. The program would be required to coordinate community-based efforts to provide for small school environments; a variety of instructional methods to foster self-respect, self-confidence, and leadership; after-school programs to improve academic skills; mentoring for students; vocational education training; and job training opportunities for students and their parents.

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.

Based on current agency resources operating the Communities in Schools program, which is similar, it is estimated that 5.0 FTEs would be required to administer the program at a cost of \$430,000 in FY2010 and \$399,000 in each subsequent 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.

The Communities in Schools program, which is similar to the program contemplated in the bill, has estimated start-up costs of \$350,000 to \$450,000 when implementing a new local program.

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

LBB Staff: JOB, ESi, JGM, JSc