

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 27, 2009

TO: Honorable Dan Branch, Chair, House Committee on Higher Education

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

IN RE: HB429 by King, Susan (Relating to a competitive grant program to fund promotion of early literacy programs in certain communities in this state.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB429, As Introduced: a negative impact of (\$2,402,341) 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	(\$1,198,565)
2011	(\$1,203,776)
2012	(\$1,209,140)
2013	(\$1,220,345)
2014	(\$1,225,109)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2009
2010	(\$1,198,565)	2.3
2011	(\$1,203,776)	2.3
2012	(\$1,209,140)	2.3
2013	(\$1,220,345)	2.3
2014	(\$1,225,109)	2.3

Fiscal Analysis

The bill would require The University of Texas Health Science Center at Houston (UTHSCH) to establish a competitive grant program to promote early literacy through which UTHSCH will award grants to implement or expand literacy programs. The Texas Higher Education Coordinating Board, with the assistance of the Reach Out and Read National Center, would be directed to adopt standards for the literacy program and to design performance indicators to measure a grant recipient's performance.

UTHSCH would be required to monitor and formally evaluate the performance of each grant recipient on an annual basis and to comply with annual reporting requirements. UTHSCH would also be required to actively seek and apply for any available federal funds to finance the competitive grant program. In addition, UTHSCH would be authorized to use appropriated funds to assist in financing

the program. UTHSCH estimates that it would be able to provide services to approximately 100,000 additional families under the program.

The Texas Higher Education Coordinating Board estimates that duties required of the Coordinating Board under the provisions of the bill could be implemented using current resources.

The bill would take effect on September 1, 2009.

Methodology

The University of Texas Health Science Center at Houston estimates that the duties required would result in added administrative and training costs of \$198,565 in fiscal year 2010 with slight annual increases in subsequent years for a Program Director and Training Coordinator.

Specific grant amounts are not delineated in the provisions of the bill; however, it is estimated that \$1.0 million in funding per year would be allocated through grants from The University of Texas Health Science Center at Houston.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 720 The University of Texas System Administration, 781 Higher Education Coordinating Board

LBB Staff: JOB, KK, RT, DE, JSp