

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 3, 2009

TO: Honorable Eliot Shapleigh, Chair, Senate Committee on S/C on Base Realignment and Closure

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

IN RE: SB196 by Shapleigh (Relating to an allotment under the foundation school program for certain students who are military dependents.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB196, As Introduced: a negative impact of (\$19,800,000) 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	(\$9,900,000)
2011	(\$9,900,000)
2012	(\$9,900,000)
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>FOUNDATION SCHOOL FUND</i> 193
2010	(\$9,900,000)
2011	(\$9,900,000)
2012	(\$9,900,000)
2013	\$0
2014	\$0

Fiscal Analysis

The bill would provide an additional allotment under the Foundation School Program (FSP) compensatory education allotment equal to \$650 per student in average daily attendance for those students who have a parent or guardian serving on active duty in a combat zone as a member of the United States armed forces or who have transferred to a school district as a result of actions taken under the Defense Base Closure and Realignment Act of 1990.

The bill would limit the total cost of the additional allotment on a statewide basis to \$9.9 million annually, with proportional reductions to each district's allotment if entitlement exceeded this amount.

The bill would take effect September 1, 2009. The allotment would expire at the end of fiscal year 2012.

Methodology

The bill would limit the state cost of the allotment to \$9.9 million each year. Based on past estimates of eligible students, the maximum amount would be expended each year.

The Texas Education Agency (TEA) would be required to collect information from districts to identify eligible students for the purpose of calculating entitlement and would incur costs to modify the FSP payment system. These administrative costs would not be anticipated to reach significant levels.

Technology

The bill would require minor modification of the FSP payment system.

Local Government Impact

School districts serving eligible students would realize additional state aid under the bill. The bill would require that such funds be spent to provide supplemental programs and services for those students.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, KK, JGM, JSp