

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 19, 2009

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

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

IN RE: SB382 by Van de Putte (Relating to a competitive grant program to fund promotion of early literacy programs in certain communities in this state.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB382, As Engrossed: a negative impact of (\$1,000,000) 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	(\$500,000)
2011	(\$500,000)
2012	(\$500,000)
2013	(\$500,000)
2014	(\$500,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
2010	(\$500,000)
2011	(\$500,000)
2012	(\$500,000)
2013	(\$500,000)
2014	(\$500,000)

Fiscal Analysis

The provisions of the bill would require The University of Texas Health Science Center at Houston (UTHSCH) to establish a competitive grant program to promote early literacy and to award grants to implement or expand literacy programs. UTHSCH, 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. UTHSCH estimates that it would provide services to 50,000 children under the program.

The bill would take effect on September 1, 2009.

Methodology

Based on updated information provided by The University of Texas Health Science Center at Houston (UTHSCH), it is estimated that the total costs of the program would be \$500,000 per year.

UTHSCH estimates that it would purchase approximately 168,755 books per year at a cost of \$2.50 per book for an annual cost of \$421,888 and it would need \$23,112 in training and program materials and \$5,000 for research and to complete an annual program evaluation. UTHSCH also estimates that a portion of the grants would cover \$38,318 in personnel expenses and \$11,682 in administrative materials that would be part of the initial grants amounts.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 720 The University of Texas System Administration

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