

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

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 19, 2011**

**TO:** Honorable Rob Eissler, Chair, House Committee on Public Education

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

**IN RE: HB511** by Dutton (Relating to the closure of a school campus by the board of trustees of a school district.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB511, As Introduced: a negative impact of (\$467,640) through the biennium ending August 31, 2013.

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>
2012	(\$245,820)
2013	(\$221,820)
2014	(\$187,945)
2015	(\$187,945)
2016	(\$187,945)

**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 2011</b>
2012	(\$245,820)	3.0
2013	(\$221,820)	3.0
2014	(\$187,945)	2.5
2015	(\$187,945)	2.5
2016	(\$187,945)	2.5

**Fiscal Analysis**

The bill would require the commissioner of education to review and approve the campus closure decisions of local school boards of trustees. Action to implement a campus closure decision would be contingent upon approval by the commissioner.

**Methodology**

The bill would have significant fiscal implications for the operations of the Texas Education Agency. The Agency's analysis of organization data indicate that on average about 140 schools were closed each year from 2008-2010. It is assumed for the purpose of this estimate that approvals would be required for an increased level of campus closures in 2012 and 2013 with campus closures each year thereafter falling to a level similar to the average observed for the 2008-2010 period. The Agency

estimates costs for the 2012-2013 biennium totaling \$467,640, with an additional 3.0 FTE positions needed to analyze information related to financial performance, academic performance, special program compliance, and proposals for re-drawing attendance zones for students of affected campuses. Under the assumption that campus closure actions would return to a level similar to the average observed for the 2008-2010 period beginning in FY14, the Agency estimates costs would decline to approximately \$187,945 annually, with personnel requirements declining as well to 2.5FTEs.

### **Local Government Impact**

School districts would incur costs associated with notifications and hearings required under the bill. Costs would vary among districts depending upon the number of campuses proposed for closure.

**Source Agencies:** 701 Central Education Agency

**LBB Staff:** JOB, LXH, JGM, JSp