

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 29, 2011

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

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

IN RE: HB562 by Berman (Relating to the development of juvenile justice alternative education programs in counties with a population greater than 125,000.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB562, As Introduced: a positive impact of \$1,859,456 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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	\$929,728
2013	\$929,728
2014	\$929,728
2015	\$929,728
2016	\$929,728

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from Foundation School Fund 193
2012	\$929,728
2013	\$929,728
2014	\$929,728
2015	\$929,728
2016	\$929,728

Fiscal Analysis

The bill would allow counties with populations of 125,000 or greater to choose whether or not to operate a Juvenile Justice Alternative Education Program (JJAEP).

Methodology

The Texas Juvenile Probation Commission (TJPC) estimates that six of the twenty-six counties currently required by law to operate a JJAEP would opt out of operating a JJAEP. The Texas Education Agency (TEA) transfers \$79 per student per day of attendance at a JJAEP to TJPC for students placed in a JJAEP on a mandatory basis. Based on the number of mandatory attendance days in the 2009-10 school year in JJAEPs in the six counties identified by TJPC as likely to opt out of operations under the provisions of the bill, it is assumed that the bill would result in 29,054 fewer

mandatory attendance days per year beginning in fiscal year 2012. At the state reimbursement rate of \$79 per day, this would result in an annual reduction in funds transferred from TEA to TJPC of \$2.3 million in General Revenue annually.

It is assumed that students no longer being served in the affected JJAEPs through a mandatory placement would be served in their home school district and would generate state funding through the Foundation School Program (FSP). Assuming an average cost to the FSP per attendance day in a public school district, it is estimated that the provisions of the bill would result in an annual FSP cost of \$1.4 million in General Revenue annually, for a minimum net savings of \$0.9 million annually.

To the extent that school districts expel students who would have otherwise been served in a JJAEP on a mandatory basis and do not provide ongoing educational services, savings would increase to a maximum of \$2.3 million annually based on the assumptions referenced above.

Local Government Impact

School districts in counties in which JJAEPs were no longer operated would either serve students who would have otherwise been placed in a JJAEP in a district-run setting or would expel students without providing ongoing educational services.

Source Agencies: 665 Juvenile Probation Commission, 701 Central Education Agency

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