

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

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

**March 23, 2011**

**TO:** Honorable Joseph Pickett, Chair, House Committee on Defense & Veterans' Affairs

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

**IN RE: HB2247** by King, Phil (Relating to the eligibility of the adjutant general's department to receive Foundation School Program funding for students enrolled in the Texas Challenge Academy.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

Currently, students who participate in the Texas Challenge Academy operated by the Adjutant General's Department are enrolled in an independent public school district and counted in average daily attendance for Foundation School Program (FSP) purposes by that school district. The bill would create a mechanism for the Adjutant General's Department to receive the state aid generated by the average daily attendance of these students. This arrangement would enable the FSP funding generated by the students' attendance to be used as match for available federal funding on a 25% state 75% federal matching basis.

Under the bill's provisions, the Texas Education Agency estimates that students participating in the Texas Challenge Academy would earn approximately \$733,908 in Foundation School Program state aid each year. This amount of state aid provided to the Adjutant General's Department would be directly offset by the discontinuation of Foundation School Program state aid the school district currently receives for the attendance of Texas Challenge Academy students.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated. Since the bill requires the Department to contract with a school district for the provision of educational services for students participating in the Texas Challenge Academy, it is assumed that the amount of contract revenue provided to the affected school district would approximately equal the amount of state aid lost by the district under the revised Foundation School Program funding mechanism.

**Source Agencies:** 401 Adjutant General's Department, 701 Central Education Agency

**LBB Staff:** JOB, KM, JGM, JSp, AI