

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 21, 2011

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

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

IN RE: HB2877 by Aycock (Relating to required sale or lease of unused or underutilized school district facilities to charter schools.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2877, As Introduced: a negative impact of (\$224,466) 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	(\$139,758)
2013	(\$84,708)
2014	(\$84,708)
2015	(\$84,708)
2016	(\$84,708)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2011
2012	(\$139,758)	1.0
2013	(\$84,708)	1.0
2014	(\$84,708)	1.0
2015	(\$84,708)	1.0
2016	(\$84,708)	1.0

Fiscal Analysis

The bill would require the commissioner of education annually to identify within each school district any facilities or portions of facilities that are unused or underutilized and to post the information on the Agency's website for the purpose of providing open enrollment charter holders the opportunity to lease or purchase the identified properties. Costs for personnel and technology expenses to implement these requirements are estimated at \$139,758 in fiscal year 2012 and \$84,708 annually thereafter.

Methodology

The Texas Education Agency conducted an informal survey of school districts and open-enrollment charter schools on the topic of school facilities in May 2010. Of the 59 open-enrollment charter schools responding, 39 indicated that they leased space, and three of those indicated that the space was

leased from public school districts. The self-reported estimated growth of responding charters was 50 percent over five years, and the future average square footage needed was 65,194. Of the 462 school districts that responded to the survey, 25 indicated that they had space available for lease, with an estimated total square footage of 501,927 within the next five years. Of the school district respondents, only nine had space within the same county as currently active open-enrollment charter schools. There were 110 charter schools located in the same county as the nine school districts.

The Agency would require one additional full-time equivalent (FTE) position to identify unused and underutilized school facilities, publish the information online, and provide related technical support related to school districts and open-enrollment charter schools. Costs associated with the additional FTE position would be \$84,408 in fiscal year 2012 and \$76,408 annually thereafter.

Technology

Systems modification and maintenance costs would be incurred to include a new module in the Foundation School Program (FSP) online system to collect facilities information. The estimated systems modification cost in FY 2012 is \$55,350, with ongoing maintenance costs of \$8,300 annually in FY 2013 and beyond.

Local Government Impact

School districts would be required to lease or sell school facilities that are identified by the commissioner of education as unused or underutilized to open enrollment charter holders at or below fair market value. School districts could incur additional costs associated with gathering and reporting data concerning school facilities. School districts with unused or underutilized facilities could realize additional revenue from the lease or sale of such properties.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, LXH, JGM, JSp