

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION
Revision 1

May 8, 2013

TO: Honorable Dan Patrick, Chair, Senate Committee on Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB544** by Hancock (Relating to the transportation allotments provided under the Foundation School Program to school districts that permit students to select a campus of attendance.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB544, As Introduced: a negative impact of (\$87,046,105) through the biennium ending August 31, 2015.

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 |
|-------------|--|
| 2014 | (\$43,154,924) |
| 2015 | (\$43,891,181) |
| 2016 | (\$44,681,043) |
| 2017 | (\$45,485,124) |
| 2018 | (\$46,303,678) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from General Revenue Fund 1 | Probable Savings/(Cost) from Foundation School Fund 193 |
|-------------|--|--|
| 2014 | (\$49,550) | (\$43,105,374) |
| 2015 | (\$9,910) | (\$43,881,271) |
| 2016 | (\$9,910) | (\$44,671,133) |
| 2017 | (\$9,910) | (\$45,475,214) |
| 2018 | (\$9,910) | (\$46,293,768) |

Fiscal Analysis

The bill would include approved daily route miles traveled by a school district transportation

system for the purpose of transporting school choice eligible students, defined by the bill as students residing two or more miles from the campus of choice, in the calculation of linear density for purposes of determining school district entitlement under the transportation allotment in the Foundation School Program (FSP).

The bill would establish an allotment per approved route mile for costs associated with transporting school choice eligible students and would establish qualifying parameters for school choice programs. The bill stipulates that the rate per approved route mile for the allotment would be subject to appropriation and established in the General Appropriations Act.

Methodology

For purposes of this estimate, the Texas Education Agency (TEA) assumed that five percent of regular program ridership in school districts with more than three campuses would participate in an eligible school choice program and would meet the criteria for inclusion in the calculation of linear density as school choice eligible students. TEA assumed the same allotment rate for the school choice-related portion of the transportation allotment that applies for the transportation of Career and Technology students, which is based on the prior year's actual cost per route mile for providing regular program transportation services.

Based on this assumption, 73,207 students and an estimated 209 million route miles would generate an additional \$43.1 million in FY2014 and \$43.9 million in FY2015 in entitlement under the transportation allotment. Costs, which would accrue to General Revenue Funds (Foundation School Fund, No. 193), are assumed to increase annually with student enrollment growth, reaching an estimated \$46.3 million by FY2018.

Technology

TEA estimates that \$49,550 in General Revenue Funds would be required in FY2014 to update the FSP software system to accommodate the new allotment, with ongoing maintenance costs of \$9,910 per year beginning in FY2015.

Local Government Impact

School districts operating an eligible school choice program would generate entitlement under the transportation allotment in the FSP based on transportation services provided to participating students.

Source Agencies: 701 Central Education Agency

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