

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

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 21, 2015**

**TO:** Honorable John Zerwas, Chair, House Committee on Higher Education

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2741** by Capriglione (Relating to a competitive grant program to fund promotion of early literacy programs in certain communities in this state.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2741, As Introduced: a negative impact of (\$800,000) through the biennium ending August 31, 2017.

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>
2016	(\$400,000)
2017	(\$400,000)
2018	(\$400,000)
2019	(\$400,000)
2020	(\$400,000)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund</b>
	<b>1</b>
2016	(\$400,000)
2017	(\$400,000)
2018	(\$400,000)
2019	(\$400,000)
2020	(\$400,000)

**Fiscal Analysis**

The bill would amend the Education Code to create a competitive grant program for the promotion of early literacy programs in certain communities of Texas. The bill would provide that The University of Texas Health Science Center (UTHSC) at Houston establish a grant program for the implementation and operation of literacy programs over a period of at least two years. The bill

would provide that a grant recipient be a literacy program that uses the model of the Reach Out and Read National Center, partners with local adult literacy providers to encourage parent literacy, and requires that a health care practitioner voluntarily provide books to children during well-child examinations, maintain waiting rooms that encourage children to read, and provide services to increase the school readiness of children receiving services.

The bill would require UTHSC Houston, with the assistance of the Reach Out and Read National Center, to publish guidelines for literacy programs receiving funding and to submit a biennial report, not later than December 1 of each even numbered year and beginning by December 1, 2018, to the Senate Committee on Education and House Public Education Committee regarding grants awarded during the previous two fiscal years.

UTHSC Houston would be provided authority to use funds for this program to award grants, administer the competitive grant program, and purchase or contract to purchase books for grant recipients. The recipient of a grant may use grant funds to cover costs related to implementing and operating a literacy program, training and managing health care practitioners, and purchasing books. The bill would allow public or private entities, including counties, municipalities, and other political subdivisions, to apply for a grant from UTHSC Houston.

The bill would allow UTHSC Houston to use appropriated funds, seek available federal funds, and accept gifts, donations, grants, and in-kind contributions to finance the competitive grant program. The bill would provide that the program is not mandatory during a fiscal period for which the legislature had not made a specific appropriation to implement the program.

## **Methodology**

For purposes of this fiscal note, it is assumed UTHSC Houston would distribute grants beginning in fiscal year 2016 to pediatric providers and each grant would cover a two year period of operation.

Based on an analysis of information provided by UTHSC Houston, it is estimated that \$400,000 in funding would be provided to UTHSC Houston each fiscal year for the competitive grant program. It is assumed this funding would be used by UTHSC Houston to distribute grants to pediatric providers for early literacy programs and to purchase or contract to purchase discounted books for grant recipients to utilize in their literacy program. It is estimated that this would provide funding for approximately 420 sites with pediatric providers across the state. However, the number of programs could vary based on costs for the literacy programs, with factors such as the number of books purchased for the program, the age of the children served, and the location of the program in the state.

UTHSC Houston estimates that there would be a minimal cost associated with implementing the provisions of the bill with additional staff salary costs, travel and office equipment. For purpose of this fiscal note, it is assumed these costs would not be significant and could be absorbed within existing resources.

## **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 701 Central Education Agency, 720 The University of Texas System Administration, 781 Higher Education Coordinating Board

**LBB Staff:** UP, EMu, DEH, EH