

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 13, 2015

TO: Honorable Larry Taylor, Chair, Senate Committee on Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1611 by Huffines (Relating to the establishment of professional charter academies.),
As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for SB1611, As Introduced: a negative impact of (\$3,175,166) through the biennium ending August 31, 2017.

Additionally, there is a potential but indeterminate cost associated with participation in the professional charter academies by students not currently in the public school system.

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
2016	(\$2,087,583)
2017	(\$1,087,583)
2018	(\$1,087,583)
2019	(\$1,087,583)
2020	(\$1,087,583)

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 2015
2016	(\$2,087,583)	14.0
2017	(\$1,087,583)	14.0
2018	(\$1,087,583)	14.0
2019	(\$1,087,583)	14.0
2020	(\$1,087,583)	14.0

Fiscal Analysis

The bill would require the Comptroller, in coordination with the Commissioner of Education, to

establish a professional charter academy program under which eligible education professionals would be authorized to create a professional charter academy. The bill would require the Comptroller to grant a charter to operate a professional charter academy if the eligible professional meets certain criteria.

The bill would provide to a student who would attend a professional charter academy an amount equal to the average state funding per student received by open-enrollment charter schools during the preceding school year.

The bill would require the Comptroller to report to the Commissioner of Education and the Legislative Budget Board on the estimated number of students who are likely to attend each professional charter academy by October 1 of each year and the number of actual students who attend each professional charter academy by March 1 of each year.

The bill would require the Legislative Budget Board, the Comptroller, and the Texas Education Agency to modify estimates of funding under Section 42.253 using the information reported under the provisions of the bill.

Methodology

Although the number of students that would choose to attend professional charter academies as a result of the bill is unknown, this analysis assumes that any savings the state would realize as a result a student leaving the public school system to attend a professional charter academy would be offset by the amount of funding provided to the parent, student, or professional charter academy for the student to attend a professional charter academy.

The bill would provide certain students who would have otherwise attended private school the opportunity to receive funding that would be created by the legislation. Since these students would not have enrolled in the public school system, there would be no offsetting Foundation School Program savings for these students. Additional costs would be incurred to the extent that such students partake in the professional charter academy program created by the bill.

The Comptroller indicates administrative costs associated with implementing the provisions of the bill to be \$2.1 million in fiscal year 2016 and \$1.1 million in subsequent years, and 14 FTEs annually. Administrative costs would include \$1.0 million related to one-time technology costs for the purchase and development of software related to fraud prevention and capturing and maintaining grant information.

Technology

The Comptroller indicates there would be a one-time technology cost of approximately \$1 million in fiscal year 2016 to the purchase and development of software related to fraud prevention and capturing and maintaining grant information.

Local Government Impact

Collectively school districts would experience a net loss of revenue from students exiting to attend professional charter academies. Revenue implications would vary by district depending upon the number of students exiting the district.

Source Agencies: 304 Comptroller of Public Accounts, 701 Central Education Agency

LBB Staff: UP, JBi, AM, AH