

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 16, 2015

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

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

**IN RE: SB1900** by Campbell (Relating to funding for an open-enrollment charter school based on certain ad valorem taxes collected by school districts.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1900, As Introduced: a negative impact of (\$643,800,000) 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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$308,100,000)
2017	(\$335,700,000)
2018	(\$341,600,000)
2019	(\$361,900,000)
2020	(\$369,400,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from Foundation School Fund 193
2016	(\$308,100,000)
2017	(\$335,700,000)
2018	(\$341,600,000)
2019	(\$361,900,000)
2020	(\$369,400,000)

Fiscal Analysis

The bill would entitle open-enrollment charter holders to additional funding per weighted student equivalent to the state average amount of interest and sinking revenue per weighted student collected by school districts with taxing authority.

**Methodology**

The bill would provide charter holders with funding in addition to current state aid received under the Foundation School Program (FSP). The Texas Education Agency estimated interest and sinking revenue to be collected by school districts with taxing authority based on current information concerning the total debt service payments to be made by school districts each year for fiscal years 2016 through 2020 for outstanding bonded debt. For the purpose of this estimate, anticipated interest and sinking collections for each year were calculated as the difference between the total known amount of debt service due for that year less the amount of state aid anticipated under the FSP Instructional Facilities Allotment and Existing Debt Allotment. On a weighted student basis, the estimated collections would provide each charter holder with funding ranging from \$776 to \$850 per weighted student over the period. Based on projected charter school weighted student counts, the total amount of funding estimated to flow to charter holders would be \$308.1 million in fiscal year 2016 and \$335.7 million in fiscal year 2017, increasing to \$369.4 million by fiscal year 2020.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 701 Central Education Agency

**LBB Staff:** UP, JBi, AM, JSp