

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 8, 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 average amounts collected by school districts under the instructional facilities allotment and the existing debt allotment.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1900, Committee Report 1st House, Substituted: a negative impact of (\$427,400,000) 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	(\$203,300,000)
2017	(\$224,100,000)
2018	(\$232,000,000)
2019	(\$246,900,000)
2020	(\$251,300,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from Foundation School Fund 193
2016	(\$203,300,000)
2017	(\$224,100,000)
2018	(\$232,000,000)
2019	(\$246,900,000)
2020	(\$251,300,000)

Fiscal Analysis

The bill would entitle open-enrollment charter holders to additional funding per student in average daily attendance equal to the state average amount of revenue per student collected by

school districts under Sections 46.003(a) and 46.032(a), Education Code.

Language adopted through a committee amendment would require a specific appropriation by the 84th Legislature in order for the entitled funding to be provided in school years 2015-16 and 2016-17. Entitlement would not be subject to a similar restriction beginning in fiscal year 2018.

Methodology

The bill would provide charter holders with funding in addition to current state aid received under the Foundation School Program (FSP). Sections 46.003(a) and 46.032(a), Education Code, the Instructional Facilities Allotment Program and the Existing Debt Allotment Program, entitle school districts to a guaranteed amount of state and local revenue per penny of tax effort for the purpose of paying the principal of and interest on outstanding debt. For the purpose of this estimate, it is assumed that language in the bill establishing funding equal to the state average amount of revenue per student collected by school districts under these Sections of the Education Code includes, as stated in those provisions, the state and local revenue constituting the entitlement under those programs.

School districts are anticipated to collect a total of \$4.1 billion under these programs annually in fiscal years 2016 and 2017. Based on the projected counts of students in average daily attendance (ADA) in school districts, the state average amount of revenue per ADA is anticipated to range from \$809 to \$864 over the period. Based on projected charter school ADA, the total amount of funding estimated to flow to charter holders would be \$203.3 million in fiscal year 2016 and \$224.1 million in fiscal year 2017, increasing to \$251.3 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