

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATURE 1st CALLED SESSION - 2017

July 24, 2017

TO: Honorable Dan Huberty, Chair, House Committee on Public Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB234** by Bernal (Relating to the compensatory education allotment under the Foundation School Program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB234, As Introduced: a negative impact of (\$2,421,851,899) through the biennium ending August 31, 2019.

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
2018	(\$1,196,021,980)
2019	(\$1,225,829,919)
2020	(\$1,314,416,941)
2021	(\$1,357,702,192)
2022	(\$1,410,790,762)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from Foundation School Fund 193
2018	(\$1,196,021,980)
2019	(\$1,225,829,919)
2020	(\$1,314,416,941)
2021	(\$1,357,702,192)
2022	(\$1,410,790,762)

Fiscal Analysis

The bill would increase the weight used to calculate the compensatory education allotment of the Foundation School Program for educationally disadvantaged students from 0.2 to 0.25.

The bill would take effect on September 1, 2017, if it receives a vote of two-thirds of all members

elected to each chamber; otherwise, it would take effect on the 91st day after the last day of the legislative session.

Methodology

Based on information provided by the Texas Education Agency, this analysis estimates costs to the state from increasing the weight used to calculate the compensatory education allotment would equal \$1,196.0 million in fiscal year 2018, \$1,225.8 million in fiscal year 2019, increasing to \$1,410.8 million in fiscal year 2022.

Local Government Impact

Districts serving students eligible for the compensatory education allotment would receive an increase in the district's entitlement under the Foundation School Program.

Source Agencies: 701 Texas Education Agency

LBB Staff: UP, AG, AM, AH