

LEGISLATIVE BUDGET BOARD
Austin, Texas

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

July 31, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB290** by Springer (Relating to the sparsity adjustment for certain school districts under the Foundation School Program.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would create a new category of sparsity adjustment applicable to a school district that is the only district operating a campus in a county. Under current law, the sparsity adjustment provides regular program entitlement using a higher count of students than the district actually has in average daily attendance (ADA). The higher number substituted for actual ADA in the district's entitlement calculation depends on the span of grade levels offered by the district, the prior year actual ADA of the district, and potentially whether the district is at least 30 miles by bus route from the nearest high school district. The new category of sparsity adjustment would provide different criteria for a district that is the only district operating a campus in a county to qualify for the sparsity adjustment. For these districts, the bill would eliminate the potential qualification based on being located at least 30 miles from the nearest high school district and would lower the threshold relating to prior year actual ADA needed to qualify for the adjustment.

For the period covered by this estimate, the Texas Education Agency indicates that none of the districts it identifies as the sole district in a county would qualify for a different adjustment under the bill than would be provided via current law. Most of the districts identified as being the sole district in a county are projected to have ADA greater than 200 students per year and absent historic declines in enrollment would be unlikely to qualify for the adjustment provided under the bill. Among the remaining handful of districts, a few qualify for the current law sparsity adjustment and one is projected to have slightly more ADA than allowed under the bill for eligibility. Based on this analysis, it appears that only a very small number of districts might qualify for the adjustment at some time in the future. Fiscal implications for the Foundation School Program are not anticipated to be significant.

Local Government Impact

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

Source Agencies: 701 Texas Education Agency

LBB Staff: UP, AG, AM, AH