

LEGISLATIVE BUDGET BOARD
Austin, Texas

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

August 7, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB352 by Faircloth (Relating to a reduction of the amount required to be paid by certain school districts to achieve the equalized wealth level under the public school finance system.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB352, As Introduced: a negative impact of (\$704,800,000) 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	(\$313,200,000)
2019	(\$391,600,000)
2020	(\$477,600,000)
2021	(\$582,500,000)
2022	(\$695,700,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from Foundation School Fund 193
2018	(\$313,200,000)
2019	(\$391,600,000)
2020	(\$477,600,000)
2021	(\$582,500,000)
2022	(\$695,700,000)

Fiscal Analysis

The bill would reduce recapture payments by 25 percent for districts subject to recapture in which at least 65 percent of the enrolled students are educationally disadvantaged or at risk of dropping out of school.

The bill would take effect 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 reduced recapture obligations would equal \$313.2 million in fiscal year 2018, \$391.6 million in fiscal year 2019, increasing to \$695.7 million in fiscal year 2022.

Local Government Impact

Districts subject to recapture in which at least 65 percent of the enrolled students are educationally disadvantaged or at risk of dropping out of school would have reduced recapture payments.

Source Agencies: 701 Texas Education Agency

LBB Staff: UP, AG, AM, AH