

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 27, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB171 by Dutton (Relating to certain facilities transactions between school districts and charter schools.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB171, As Introduced: a negative impact of (\$1,227,298) 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	(\$1,031,236)
2019	(\$196,062)
2020	(\$106,917)
2021	(\$106,917)
2022	(\$106,917)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Change in Number of State Employees from FY 2017
2018	(\$1,031,236)	1.0
2019	(\$196,062)	1.0
2020	(\$106,917)	1.0
2021	(\$106,917)	1.0
2022	(\$106,917)	1.0

Fiscal Year	Change in Number of State Employees from FY 2017
2018	1.0
2019	1.0
2020	1.0
2021	1.0
2022	1.0

Fiscal Analysis

The bill's provisions would require the commissioner to adopt rules and procedures for identifying underutilized school district facilities to facilitate their purchase or lease by open-enrollment charter schools.

The bill would take effect September 1, 2017, or immediately if passed with the necessary voting margins.

Methodology

According to TEA, the estimated cost to modify and create a new module of the Foundation School Program software system for underutilized school district facilities would be \$887,200 in FY 2018 and \$60,025 in FY 2019. Ongoing support is estimated at \$12,005 annually for FY 2020 and beyond.

Data collection requirements would have an annual cost of \$41,124 in FY 2018 and FY 2019. These costs include identifying what district facilities are considered to be unused or underutilized, TEA review of collected data in order to apply rules to determine whether a campus is unused or underutilized, and the generation of a report that allows charters to see identified facilities.

One FTE would be required to administer the data collection, create the rules and procedures, respond to public information requests regarding the data and procedures, and post the underutilized facilities on the agency website.

Technology

The Foundation School Program online software system would be modified to include a new module to collect facilities information. At least nine new web pages and a minimum of one report would be created for the collection and distribution of facility data. Contract costs assume two software developers, two software test analysts, one business analyst, one technical writer, and a project manager.

Local Government Impact

School districts would be required to report facility data to the TEA and may be required to negotiate with charter schools to sell or lease the district's underutilized facilities. TEA anticipates costs associated with compiling and submitting facility data of approximately \$500 per district.

Source Agencies: 701 Texas Education Agency

LBB Staff: UP, THo, AM, SL