

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 26, 2017

TO: Honorable J. M. Lozano, Chair, House Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3775** by Raney (Relating to a competitive grant program to fund promotion of early literacy programs in certain communities in this state.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Education Code to require The University of Texas Health Science Center (UTHSC) at Houston to establish and administer a competitive grant program to promote early literacy. The bill would require UTHSC Houston to award grants for the implementation of literacy programs, or the expansion of existing programs, and for the operation of those programs for a period of not less than two years. The bill would require UTHSC Houston, with the assistance of the Reach Out and Read Center, to publish guidelines for the literacy programs eligible for funding under the grant program.

The bill would allow UTHSC Houston to use program funds to administer the grant program and to purchase or contract to purchase discounted books for use by grant recipients. The bill would require UTHSC Houston to actively seek and apply for available federal funding for this program. In addition to appropriated funds, the bill would allow the institution to accept gifts, donations, grants and in-kind contributions from other public or private sources for the purpose of funding the grant program.

The bill would require UTHSC Houston, with the assistance of the Reach Out and Read National Center, to prepare and submit a biennial report to the Senate Committee on Education and the House Public Education Committee no later than December 1 of each even-numbered year regarding the grants awarded during the preceding two fiscal years.

Based on information provided by The University of Texas (UT) System Administration, the cost for UTHSC Houston to administer the program could be absorbed utilizing existing resources. UT System estimated that 270 grants would be awarded at amounts between \$500 and \$8,000 per award, depending on the scope of the literacy program receiving the grant. Based on this estimate, it is assumed that total grant costs would range between \$135,000 and \$2,160,000. Based on information provided by UT System, it is assumed that any costs related to the grant program would be paid for with institutional funds and federal funds.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 720 The University of Texas System Administration
LBB Staff: UP, THo, DEH, ED