

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 17, 2017

TO: Honorable Larry Taylor, Chair, Senate Committee on Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB2142 by Taylor, Larry (Relating to the repeal of the high school allotment under the Foundation School Program.), **As Introduced**

No significant fiscal implication to the State is anticipated, assuming implementation of the bill's directive for the Basic Allotment to be increased in the General Appropriations Act. Absent that action, the bill would result in a savings to the state of \$789.2 million in the 2018-19 biennium, increasing in subsequent years.

The bill would amend and repeal various provisions in the Education Code to repeal the high school allotment. The bill would delineate legislative intent for the funding that would have been distributed via the high school allotment to be used to increase funding provided through the Foundation School Program basic allotment.

The bill would take effect September 1, 2017.

The bill would result in estimated savings associated with the repeal of the high school allotment of \$391.7 million in fiscal year 2018 and \$397.5 million in fiscal year 2019, increasing to \$416.9 million by fiscal year 2022. With assumed implementation of the legislative intent provision, the Foundation School Program basic allotment would be anticipated to increase by approximately \$55.

Based on assumed implementation of the legislative intent provisions of the bill, there would be no significant fiscal implications for state cost or savings under the Foundation School Program. In the absence of action with regard to the intent language, the changes in statute repealing the high school allotment would result in significant state savings each year.

Local Government Impact

Assuming implementation of the legislative intent provision of the bill, school districts and charter schools would receive or retain additional revenue through formula provisions of the Foundation School Program in place of revenue received through the high school allotment. Moving the funding within the equalized formula mechanism would provide the same or greater revenue for about 70 percent of school districts and charter schools, but would therefore also result in redistribution of state aid.

Source Agencies: 701 Texas Education Agency

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