

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 22, 2019

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

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1763 by Blanco (Relating to the eligibility of the children of public school educators for free prekindergarten programs in public schools.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1763, As Introduced: a negative impact of (\$421,137,245) through the biennium ending August 31, 2021.

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
2020	(\$209,306,525)
2021	(\$211,830,720)
2022	(\$214,353,573)
2023	(\$216,925,816)
2024	(\$219,528,926)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Foundation School Fund</i> 193
2020	(\$6,296)	(\$209,300,229)
2021	(\$18,889)	(\$211,811,831)
2022	\$0	(\$214,353,573)
2023	\$0	(\$216,925,816)
2024	\$0	(\$219,528,926)

Fiscal Analysis

The bill would amend the Education Code to allow otherwise ineligible three- and four-year old children who are children of educators employed by a school district in this state to qualify for prekindergarten.

Methodology

Based on information obtained from the state demographer, it is assumed that 12.2 percent of school-aged children are aged 3- and 4-years old. According to the Texas Education Agency (TEA), there were 356,909 teachers in fiscal year 2018. TEA assumed that the number of students that would be newly eligible would be approximately equal to the percentage of 3- and 4-year old children that make up the school aged population, applied to the number of teachers statewide. Assuming a growth rate in the number of teachers of 1.2 percent, the total number of additional students estimated to participate would be 44,419 in fiscal year 2020, 44,952 in fiscal year 2021, and growing to 46,589 in fiscal year 2024. Each student would generate up to 0.5 average daily attendance (ADA), and TEA reports that the average cost per ADA is \$9,424. Based on these assumptions, the estimated cost to the Foundation School Program (FSP) for the additional students would be \$209.3 million in fiscal year 2020, \$211.8 million in fiscal year 2021, and growing to \$219.5 million in fiscal year 2024.

Technology

TEA estimates a cost of \$6,296 in fiscal year 2020 and \$18,889 in fiscal year 2021 to update the Texas Student Data System to comply with the provisions of the bill.

Local Government Impact

School districts would be entitled to additional state funding, or a decrease in recapture payments, associated with the newly eligible prekindergarten students.

Source Agencies: 701 Texas Education Agency

LBB Staff: WP, HL, AM, AH