

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 23, 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: HB2881** by Bernal (Relating to establishing resource campuses to improve a public school campus not performing satisfactorily.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated until the 2024-25 school year.**

The bill would allow a campus that had received an accountability rating of F for four years in a 10-year period to apply for designation as a resource campus. A campus approved by the Commissioner of Education as a resource campus would be exempt from state accountability interventions and sanctions and would be eligible for additional funding under the Foundation School Program (FSP). The Commissioner would have to notify a campus of the decision regarding its application within 60 days after the request was received. The campus would begin operating as a resource campus during the second school year after approval of its request.

The bill specifies various requirements related to the hiring and duties of the principal, educators, and other staff at a resource campus. The bill would prohibit the Commissioner from imposing sanctions for continued unacceptable performance ratings against a resource campus for the first two years of its operation as a resource campus.

Educators at a resource campus would be required to receive a salary higher than the district's average salary. A school day would have to be longer than a similar campus at the district that is not a resource campus. Class size could not exceed 22 students per teacher. Every classroom would have to have advanced technology and applications. A portion of additional funding received as a result of the designation of a resource campus would have to be used for higher educators salaries and additional technology in every classroom.

The bill specifies that only campuses receiving an F rating under the states accountability system for four years out of the prior ten would be eligible for designation as a resource campus. The first point at which campuses will be rated under the A-F accountability system will be in August 2019, at the end of the 2018-19 school year. Therefore, this analysis assumes that the first year in which any campuses will be eligible to apply for this designation would be for the 2021-2022 school year, and that the number of campuses that had received four consecutive F ratings in that year would be small.

This analysis assumes that any campus applications and determinations by the Commissioner would occur in the 2022-2023 school year. The bill specifies that a school would have to wait two school years after having its application approved before it was eligible to operate as a resource campus. Therefore, this analysis assumes that no campus would be eligible to operate as a

resource campus until the 2024-2025 school year, which is outside of the five year window typically evaluated in a fiscal note. This analysis also assumes that any administrative costs to the agency resulting from the bill would also occur outside of this fiscal note's five year window of analysis.

Based on these assumptions, this bill is not expected to have a significant impact in the first five years.

However, the following information is provided for the purposes of illustrating the scope of potential costs which are expected to occur in later years. If the bill instead specified that campuses with "unacceptable" ratings prior to the A-F system were considered to have the equivalent of F ratings, the number of campuses eligible for designation as a resource campus would be larger, and the fiscal impact associated with the bill could also occur sooner, possibly as early the 2021-2022 school year (state fiscal year 2022). As a hypothetical example, according to the Texas Education Agency, if 30 campuses with an average of 400 students per campus operated as a resource campus in a school year, an average FSP increase of approximately \$1,500 per pupil would result in an additional \$18.0 million in FSP entitlement.

### **Local Government Impact**

School districts that chose to operate resource campus would be eligible for additional FSP funding under the provisions of the bill.

**Source Agencies:** 701 Texas Education Agency

**LBB Staff:** WP, HL, AM, THo