

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 29, 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: HB3861 by Bohac (relating to approval of school district and charter school partnerships to operate school district campuses and programs and to eligibility for state funding.),
Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB3861, Committee Report 1st House, Substituted: a negative impact of (\$2,454,853) 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	\$1,507,759
2021	(\$3,962,612)
2022	(\$5,645,056)
2023	(\$7,445,056)
2024	(\$9,245,056)

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	Change in Number of State Employees from FY 2019
2020	(\$292,241)	\$1,800,000	2.0
2021	(\$362,612)	(\$3,600,000)	2.0
2022	(\$245,056)	(\$5,400,000)	2.0
2023	(\$245,056)	(\$7,200,000)	2.0
2024	(\$245,056)	(\$9,000,000)	2.0

Fiscal Analysis

The bill would authorize additional Foundation School Program (FSP) funding for districts that grant campus program charters. The bill prohibits the commissioner from approving more than three partnerships during a school year, excluding renewals of previously approved partnerships.

Methodology

This analysis assumes that 3 campus program charters would participate each fiscal year and that each partnership would generate additional FSP funding of \$600,000 per campus. Therefore, the total estimated additional cost to the FSP would be \$1.8 million total in fiscal year 2020, \$3.6 million in fiscal year 2021, \$5.4 million in fiscal year 2022, \$7.2 million in fiscal year 2023, and \$9.0 million in fiscal year 2024.

Based on information provided by TEA, this analysis assumes that TEA would need two additional full-time equivalents (FTEs) to implement the campus program charter program at an estimated cost of \$253,056 in fiscal year 2020 and \$245,056 in subsequent years including salary, benefits, and other operating expenses.

Technology

TEA estimates that it would need to update its FSP application at an estimated cost of \$39,185 in fiscal year 2020 and \$117,556 in fiscal year 2021.

Local Government Impact

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

Source Agencies: 701 Texas Education Agency

LBB Staff: WP, HL, AM, AH, SD