

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 8, 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 state funding and accountability provisions applicable to school district campuses and programs operated under school district and charter partnerships.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3861, As Introduced: a negative impact of (\$24,583,608) 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	(\$6,274,430)
2021	(\$18,309,178)
2022	(\$30,245,056)
2023	(\$42,245,056)
2024	(\$54,245,056)

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	(\$274,430)	(\$6,000,000)	2.0
2021	(\$309,178)	(\$18,000,000)	2.0
2022	(\$245,056)	(\$30,000,000)	2.0
2023	(\$245,056)	(\$42,000,000)	2.0
2024	(\$245,056)	(\$54,000,000)	2.0

Fiscal Analysis

The bill would authorize additional Foundation School Program (FSP) funding for districts that

grant campus program charters.

Methodology

Based on information provided by the Texas Education Agency (TEA), it is assumed that 10 campus program charters would participate in fiscal year 2020. TEA estimates that the additional FSP funding generated per campus program charter would be \$600,000 per campus; therefore, the total estimated additional cost to the FSP would be \$6.0 million total in fiscal year 2020. TEA further assumed that in subsequent years, an additional 20 campus program charters would be created each year at an estimated cost of \$12.0 million per year. Therefore, the total estimated cost to the FSP of the campus program charters would be \$6.0 million in fiscal year 2020, \$18.0 million in fiscal year 2021, \$30.0 million in fiscal year 2022, \$42.0 million in fiscal year 2023, and \$54.0 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 \$21,374 in fiscal year 2020 and \$46,122 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, AM, AH, SD