

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

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

**April 15, 2019**

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

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

**IN RE: SB725** by Lucio (Relating to funding for prekindergarten programs at certain school districts that operate early high school graduation programs.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB725, As Introduced: a negative impact of (\$75,063,715) 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2020	(\$37,160,255)
2021	(\$37,903,460)
2022	(\$38,661,529)
2023	(\$39,434,760)
2024	(\$40,223,455)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from Foundation School Fund 193</b>
2020	(\$37,160,255)
2021	(\$37,903,460)
2022	(\$38,661,529)
2023	(\$39,434,760)
2024	(\$40,223,455)

**Fiscal Analysis**

The bill would extend and expand a pilot program that provides additional prekindergarten funding as a result of the school district's participation in an early high school graduation program operated by the district. The bill would eliminate the requirement that the district be located in a

county that borders the United Mexican States and the Gulf of Mexico.

### **Methodology**

The Texas Education Agency reports that 4,551 students graduated early statewide in fiscal year 2018. Of these students, 118 students attended a school district already participating in this pilot program, providing for an additional 4,443 students in average daily attendance (ADA) that would be added to the Foundation School Program (FSP) through additional prekindergarten funding. TEA further estimated that this amount would increase by 2 percent per year.

TEA estimated the average cost per prekindergarten student in ADA is \$8,039.

Based on the assumptions laid out above, the estimated cost would be \$37.2 million in fiscal year 2020, \$37.9 million in fiscal year 2021, growing to \$40.2 million in fiscal year 2024.

### **Local Government Impact**

Districts that choose to participate in the program would receive additional funding through the provisions of the bill.

**Source Agencies:** 701 Texas Education Agency

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