

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 16, 2019

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

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

IN RE: SB1454 by Taylor (Relating to the ownership, sale, lease, and disposition of property and management of assets of an open-enrollment charter school.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1454, As Introduced: a negative impact of (\$2,210,570) 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	(\$1,146,838)
2021	(\$1,063,732)
2022	(\$765,006)
2023	(\$573,150)
2024	(\$381,294)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund	Change in Number of State Employees from FY 2019
2020	(\$1,146,838)	1.0
2021	(\$1,063,732)	1.0
2022	(\$765,006)	1.0
2023	(\$573,150)	1.0
2024	(\$381,294)	1.0

Fiscal Analysis

The bill would amend the Education Code relating to the ownership, sale, lease, and disposition of property and management of assets of an open-enrollment charter school. The bill would require the Texas Education Agency (TEA) to administer the disposition of assets of the closed charter

school.

The bill would authorize TEA to enter into a memorandum of understanding with the General Land Office (GLO) to sell real property, and the Texas Facilities Commission to sell personal property.

Methodology

Based on information provided by TEA, one additional full-time equivalent (FTE) would be required to implement the provisions of the bill at an estimated cost of \$111,214 in fiscal year 2020 and \$107,214 in subsequent years, including salary, benefits, and other operating expenses.

Based on information provided by TEA, there are currently 38 existing properties that TEA would be responsible for overseeing. TEA anticipates that the number of properties to be overseen would decrease as the properties were disposed of under the provisions of the bill. TEA estimates the costs to maintain the properties while under TEA's care would cost an estimated \$1.0 million in fiscal year 2020, \$0.9 million in fiscal year 2021, decreasing to \$0.3 million in fiscal year 2024.

Technology

Based on information provided by TEA, the estimated technology costs to updated the Foundation School Program System would be \$17,812 in fiscal year 2020 and \$53,435 in fiscal year 2021.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 303 Facilities Commission, 305 General Land Office and Veterans' Land Board, 701 Texas Education Agency

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