

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 23, 2019

TO: Honorable Dan Patrick, Lieutenant Governor, Senate

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

IN RE: SB2117 by Bettencourt (Relating to approval of school district and charter school partnerships to operate school district campuses and programs and to eligibility for state funding.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for SB2117, As Passed 2nd House: a negative impact of (\$3,975,171) 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	(\$1,950,400)
2021	(\$2,024,771)
2022	(\$1,907,214)
2023	(\$1,907,214)
2024	(\$1,907,214)

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	(\$150,400)	(\$1,800,000)	1.0
2021	(\$224,771)	(\$1,800,000)	1.0
2022	(\$107,214)	(\$1,800,000)	1.0
2023	(\$107,214)	(\$1,800,000)	1.0
2024	(\$107,214)	(\$1,800,000)	1.0

Fiscal Analysis

The bill would authorize additional Foundation School Program (FSP) funding for districts that grant campus program charters. The bill requires that the partnering campus and charter entity meet certain accountability requirements for the enhanced funding.

The bill would limit the number of partnerships to those that were under contract during the 2017-2018 school year.

Methodology

This analysis assumes the three eligible campus program charters would continue, generating an additional \$600,000 FSP funding per campus; therefore, the total estimated additional cost to the FSP would be \$1.8 million total in fiscal year 2020 and each subsequent year.

Based on information provided by TEA, this analysis assumes that TEA would need one additional full-time equivalent (FTE) to implement the campus program charter program at an estimated cost of \$111,214 in fiscal year 2020 and \$107,214 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 \$39,186 in fiscal year 2020 and \$117,557 in fiscal year 2021.

Local Government Impact

Eligible school districts that chose to continue 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, CPa, AM, AH, SL, HL, SD