

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION
Revision 1

May 17, 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: 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.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB2117, Committee Report 2nd House, Substituted: a negative impact of (\$5,775,171) 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	(\$3,824,771)
2022	(\$5,507,214)
2023	(\$7,307,214)
2024	(\$9,107,214)

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)	(\$3,600,000)	1.0
2022	(\$107,214)	(\$5,400,000)	1.0
2023	(\$107,214)	(\$7,200,000)	1.0
2024	(\$107,214)	(\$9,000,000)	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 new partnerships approved by the Commissioner of Education to no more than three per year.

Methodology

Based on information provided by the Texas Education Agency (TEA), it is assumed that TEA would approve three new campus program charters in each fiscal year, beginning 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 \$1.8 million total in fiscal year 2020, and would increase by an additional \$1.8 million in 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

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, AH, AM, HL, SD