

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

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 28, 2021**

**TO:** Honorable Harold V. Dutton, Jr., Chair, House Committee on Public Education

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB220** by Bernal (relating to establishing resource campuses to improve a public school campus not performing satisfactorily.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB220, Committee Report 1st House, Substituted: a negative impact of (\$18,823,010) through the biennium ending August 31, 2023.

**General Revenue-Related Funds, Five- Year Impact:**

<i>Fiscal Year</i>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2022	\$0
2023	(\$18,823,010)
2024	(\$37,646,020)
2025	(\$56,469,031)
2026	(\$56,469,031)

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

<i>Fiscal Year</i>	<b>Probable Savings/(Cost) from Foundation School Fund 193</b>
2022	\$0
2023	(\$18,823,010)
2024	(\$37,646,020)
2025	(\$56,469,031)
2026	(\$56,469,031)

**Fiscal Analysis**

The bill would allow a campus that had received an accountability rating of F for four out of ten years to apply to the Commissioner of Education for designation as a resource campus. A campus approved as a resource campus would be exempt from certain interventions and sanctions related to the state accountability system and would be eligible for additional funding under Education Code Sec. Section 48.252, which allows certain campuses to receive funding as if they were open-enrollment charter schools. A resource campus would be subject to certain requirements related to staffing and instructional practices, including that salaries for staff would have to be higher than the district average, school days would have to be longer, and class sizes could not exceed a 22-to-1 ratio.

**Methodology**

According to the Texas Education Agency, there were 172 campuses which received four or more overall ratings of improvement required or F in the state accountability system over the last 10 years. Twenty-two of these campuses currently receive funding under the Education Code Section 48.252 statute. A total of 94 campuses receive funding under this provision. The statewide funding generated for these campuses is \$44,234,074, an average of \$470,545 per campus in 2021.

Based on these assumptions, if an additional 40 campuses received funding beginning in the 2023 school year and an additional 40 campuses received funding in each of 2024 and 2025 until an additional 120 campuses had been added, the estimated cost to the FSP would be \$18.8 million in 2023, increasing to \$56.4 million in 2025 and 2026.

### **Local Government Impact**

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

**Source Agencies:** 701 Texas Education Agency

**LBB Staff:** JMc, SL, AH, THO