

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 5, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB450 by González, Mary (Relating to the establishment of a new open-enrollment charter school or campus and to the expansion of an open-enrollment charter school.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB450, As Introduced : a negative impact of (\$431,208) through the biennium ending August 31, 2023.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$232,104)
2023	(\$199,104)
2024	(\$199,104)
2025	(\$199,104)
2026	(\$199,104)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$232,104)	2.0
2023	(\$199,104)	2.0
2024	(\$199,104)	2.0
2025	(\$199,104)	2.0
2026	(\$199,104)	2.0

Fiscal Analysis

The bill's provision amends current law relating to notice requirements for charter holders seeking to establish a new open-enrollment charter school campus; requires the commissioner of education to adopt a procedure for providing notice to the superintendent and board of trustees, and each member of the state legislature representing any school district in which a charter holder has proposed a new open-enrollment charter school campus; and changes the timeframe for review of expansion amendments from 60 days to 30 days.

Methodology

The bill's requirement to truncate the expansion review timeline from 60 days to 30 days would necessitate additional staff for the review of amendment submissions. On average, 150 expansion amendments are submitted annually with a subset approved by the commissioner. This estimate has determined the resources needed to meet the new review and process amendments to be 2 additional Program Specialist VI FTEs at an annual combined salary of \$145,578. Combined annual benefits would be \$47,342, and payroll contributions would be \$2,184. Total annual FTE costs would be \$195,104. Other operating expenses are estimated to be \$12,000 in FY 2022 and \$4,000 in subsequent years.

TEA estimates a need to update the charter school tracking system to allow for approval dates and effective dates to cost \$25,000 in FY 2022.

Local Government Impact

The bill's provisions would require a charter holder to submit a request for approval for an expansion amendment to establish a new campus at least 18 months before the date on which the campus is anticipated to open.

Source Agencies: 701 Texas Education Agency

LBB Staff: JMc, SL, AH