

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 29, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB538 by Patterson (Relating to the removal of restrictions on funding and payment of costs for certain full-time online educational programs.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB538, As Introduced : a negative impact of (\$406,208) 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	(\$207,104)
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	(\$207,104)	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 provisions would allow new full-time online programs to be offered by school districts and open-enrollment charter schools through the Texas Virtual School Network (TXVSN) and for full-time foundation school program (FSP) funding to be earned.

While the number of school districts and charter schools that choose to offer a full-time online program could increase, this analysis assumes that the increase in TXVSN enrollment would be offset by a decrease in on-campus students and the impact to the FSP would not be significant.

Methodology

To administer the statewide TXVSN program and provide necessary support to participating districts and charter schools, TEA estimates the need for two additional Program Specialist VI positions. The combined annual salary for these positions would be \$145,578. Benefits would be \$47,342 and the Payroll Contribution would be \$2,184. Other operating expenses would be \$12,000 in FY 2022 and \$4,000 in subsequent years. Employee costs in FY 2022 would total \$207,104 and \$199,104 in subsequent years.

Local Government Impact

School districts and charter schools choosing to operate a TXVSN full-time online program would incur initial startup costs related to additional administrators, teachers, and technology staff; the development or purchase of online courses and a learning management system; and costs to administer statewide assessments and provide special education and related services.

However, once the program was established, students attending the TXVSN program would generate FSP funding for the district.

Source Agencies: 701 Texas Education Agency

LBB Staff: JMc, SL, AH