

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: HB3204 by Dutton (relating to the methods to achieve a college, career, or military outcomes bonus under the Foundation School Program.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3204, Committee Report 1st House, Substituted : a negative impact of (\$7,555,436) 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	(\$3,756,659)
2023	(\$3,798,777)
2024	(\$3,735,600)
2025	(\$3,735,600)
2026	(\$3,735,600)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund</i>	<i>Probable Savings/(Cost) from Foundation School Fund</i>
	1	193
2022	(\$21,059)	(\$3,735,600)
2023	(\$63,177)	(\$3,735,600)
2024	\$0	(\$3,735,600)
2025	\$0	(\$3,735,600)
2026	\$0	(\$3,735,600)

Fiscal Analysis

The bill's provisions would allow for a high school graduate to qualify for the College Career Military Readiness (CCMR) outcomes bonus by reporting their employment at or above a minimum salary level, as established by commissioner rule. Based on commissioner rule, schools could award qualifying graduates a portion of the bonus.

Methodology

TEA estimates 849 additional graduates would qualify for a CCMR outcomes bonus in a given year, assuming a

minimum salary level at or above 150% of the Texas median wage. This would result in an annual \$4,400 per graduate bonus or \$3,735,600 statewide beginning in FY 2022.

TEA's cost estimate to implement data collection related to the salary and employment status of graduates to be \$21,059 FY 2022 and \$63,177 in FY 2023.

Technology

TEA would need to collect and report on additional data related to the salary and employment status of graduates.

Local Government Impact

The bill's provisions would require districts to gather and report data on the salary and employment status of graduates. School districts and charter schools may generate additional funding if more graduates meet career readiness indicators. Additionally, schools would need to plan for providing a portion of the CCMR Outcome bonus to graduates who meet requirements.

Source Agencies: 701 Texas Education Agency

LBB Staff: JMc, SL, AH