

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 12, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3430 by Landgraf (Relating to the establishment of a grant program for school districts or open-enrollment charter school campuses that are designated as full-service community schools.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3430, As Introduced : a negative impact of (\$7,557,557) 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	(\$3,712,194)
2023	(\$3,845,363)
2024	(\$3,633,609)
2025	(\$3,633,609)
2026	(\$3,633,609)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$3,712,194)	2.0
2023	(\$3,845,363)	2.0
2024	(\$3,633,609)	2.0
2025	(\$3,633,609)	2.0
2026	(\$3,633,609)	2.0

Fiscal Analysis

The bill would require the commissioner of education to establish a program to provide grants to local education agencies (LEAs). Grants would go to LEAs that have campuses designated as "full-service community schools." Under the bill, a campus could be designated as a full-service community school if the campus provides certain academic, social, and health services for students, students' family members, and community members, as specified in the bill. The commissioner of education would be authorized to solicit and accept gifts, grants, and donations from any public or private source for the purposes of this section.

Methodology

Because the bill does not specify the number of grants to be awarded by the program each year, distributions from the grant program would be subject to the amount of funds appropriated or made available to the program. For the purposes of this analysis, the Texas Education Agency (TEA) made certain assumptions as to the potential scope of the grant program that would be established by the bill. TEA based its estimate on an assumption that grants awarded through the program would be comparable to the Communities in Schools program, which receives funding in the TEA bill pattern. Under these assumptions, this analysis assumes that each LEA awarded funding under the bill would receive \$172,000 under the bill. Such an award would allow each LEA to serve approximately 575 students per fiscal year. Assuming that 20 grants were made to districts each fiscal year, the cost associated with the grant program would total \$3,440,000 per fiscal year.

In addition to costs associated with the grant funds, TEA estimates that 2.0 FTEs would be required each fiscal year to administer the grant program. Salaries, benefits, and other expenses associated with these FTEs would total \$201,609 in fiscal year 2022 and \$193,609 in fiscal year 2023

Technology

The agency estimates that it would need to contract for professional services to update its grant application management program in order to implement the requirements of the bill. Costs would total \$70,585 fiscal year 2022 and \$211,754 in fiscal year 2023.

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