

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 27, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3591 by Jetton (relating to the creation of a high-speed Internet access grant program to facilitate instruction and learning for public school students.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3591, Committee Report 1st House, Substituted : a negative impact of (\$280,639,184) through the biennium ending August 31, 2023.

The Commissioner of Education is required to implement the provisions of this bill only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the Commissioner may, but is not required to, implement the provisions of the bill using other appropriations available for that purpose.

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> | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|--------------------|---|
| 2022 | (\$280,325,592) |
| 2023 | (\$313,592) |
| 2024 | (\$237,241) |
| 2025 | (\$237,241) |
| 2026 | (\$237,241) |

All Funds, Five-Year Impact:

| <i>Fiscal Year</i> | Probable (Cost) from General Revenue Fund 1 | Change in Number of State Employees from FY 2021 |
|--------------------|--|---|
| 2022 | (\$280,325,592) | 3.0 |
| 2023 | (\$313,592) | 3.0 |
| 2024 | (\$237,241) | 2.0 |
| 2025 | (\$237,241) | 2.0 |
| 2026 | (\$237,241) | 2.0 |

Fiscal Analysis

The bill would require the Texas Education Agency to establish a program to provide grants to local education agencies for the purposes of providing high-speed Internet service to facilitate instruction and learning for students. If funds are not appropriated by the Legislature for the program, the commissioner could use gifts,

grants, and donations from any public or private source, including from the federal government, to implement the program.

Methodology

According to the Texas Education Agency, the grant program established by the bill would require \$280.0 million in funding in fiscal year 2022. The agency's estimate assumes that the program would be able to cover the cost of addressing the high-speed Internet connectivity needs of all economically disadvantaged households that do not currently have high speed broadband but do have access in their communities. The figure is based on the agency's estimated cost to serve 1.5 million households that have an economically disadvantaged student that have at least two providers currently serving their area. The agency assumes that the funds would be front-loaded in fiscal year 2022.

The agency estimates that 2.0 FTEs would be required in the 2022-23 biennium to implement the bill, and 1.0 FTE in subsequent years. These grant coordinators would review applications, manage grant funds, prepare reports, and perform other tasks related to managing the program.

Technology

The agency would require 1.0 information technology FTE who would provide consultative services and technical assistance. The agency also projects that a \$30,000 would be required for a professional services contract to provide technical assistance to LEAs.

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