

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 7, 2021

TO: Honorable Larry Taylor, Chair, Senate Committee on Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1615 by Bettencourt (Relating to the adult high school charter school program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1615, As Introduced : a negative impact of (\$6,600,440) through the biennium ending August 31, 2023.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2022	(\$1,937,063)
2023	(\$4,663,377)
2024	(\$7,915,028)
2025	(\$12,320,829)
2026	(\$18,113,469)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from Foundation School Fund 193	Change in Number of State Employees from FY 2021
2022	(\$434,277)	(\$1,502,786)	3.0
2023	(\$509,119)	(\$4,154,258)	3.0
2024	(\$361,366)	(\$7,553,662)	3.0
2025	(\$361,366)	(\$11,959,463)	3.0
2026	(\$361,366)	(\$17,752,103)	3.0

Fiscal Analysis

The bill would modify the Adult High School Diploma and Industry Certification Charter School Program and redesignate the program as the Adult High School Charter School Program.

The bill would create an advisory committee to make recommendations to the Commissioner of Education regarding the program.

The bill would authorize the Commissioner of Education to grant no more than two charters in a calendar year under the program, including a total of not more than two charters before September 1, 2024; and four charters before September 1, 2026, excluding the charter currently operating under current law.

The bill would amend the Education Code to provide that funding for the applicable charters being provided through the Foundation School Program (FSP), and provides how certain provisions of the FSP shall be applied

to the charters operating under the provisions of the bill.

Methodology

The Texas Education Agency (TEA) anticipates enrollment at Adult High School Charter Schools to increase from 1,015 students in fiscal year 2022, to 3,243 students in fiscal year 2026, and the number of charter schools operating under the program would increase by four during that timeframe.

Based on information provided by TEA, the costs to the FSP of these additional students is estimated to be \$1,502,786 in fiscal year 2022, \$4,154,258 in fiscal year 2023, increasing to \$17,752,103 in fiscal year 2026.

TEA estimates that costs related to the advisory committee, including travel, lodging, supplies, and copies would total \$11,660 in fiscal year 2022.

TEA estimates that three additional FTEs would be required to implement the provisions of the bill. Estimated salary for the three FTEs would be \$265,159 per fiscal year, with related benefits and payroll contribution of \$90,207 per fiscal year, and other operating expenses of \$18,000 in fiscal year 2022, and \$6,000 in subsequent years.

Technology

TEA estimates information technology costs related to implementing the provisions of the bill to be \$49,251 in fiscal year 2022 and \$147,753 in fiscal year 2023.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission, 701 Texas Education Agency

LBB Staff: JMc, SL, AH