

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 17, 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.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1615, Committee Report 1st House, Substituted : a negative impact of (\$1,600,721) through the biennium ending August 31, 2023.

The Texas Education Agency is required to implement this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the agency may, but is not required to, implement the Act using other appropriations available for the purpose.

**General Revenue-Related Funds, Five- Year Impact:**

<i>Fiscal Year</i>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2022	(\$324,664)
2023	(\$1,276,057)
2024	(\$7,118,888)
2025	(\$9,983,461)
2026	(\$12,893,788)

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	<b>Probable Savings/(Cost) from General Revenue Fund 1</b>	<b>Probable Savings/(Cost) from Foundation School Fund 193</b>	<b>Change in Number of State Employees from FY 2021</b>
2022	(\$261,660)	(\$63,004)	2.0
2023	(\$340,502)	(\$935,555)	2.0
2024	(\$192,749)	(\$6,926,139)	2.0
2025	(\$192,749)	(\$9,790,712)	2.0
2026	(\$192,749)	(\$12,701,039)	2.0

**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 one charter before September 1, 2023; two charters before September 1, 2024; and four charters before September 1, 2026, excluding the charter currently operating under current law. The bill would also limit the number of students that may be enrolled in an adult education program operated under the provisions of the bill to 350 during the first two years after the charter is granted.

The bill would provide that a school operating under the program in the 2020-21 school year should be eligible for average daily attendance hold harmless provisions and guidance regarding remote instruction implemented by the Texas Education Agency (TEA).

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**

TEA anticipates enrollment at Adult High School Charter Schools to increase from 1,015 students in fiscal year 2022, to 2,624 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 \$63,004 in fiscal year 2022, \$935,555 in fiscal year 2023, increasing to \$12,701,039 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 two additional FTEs would be required to implement the provisions of the bill. Estimated salary for the three FTEs would be \$140,836 per fiscal year, with related benefits and payroll contribution of \$47,913 per fiscal year, and other operating expenses of \$12,000 in fiscal year 2022, and \$4,000 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