

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 20, 2023

TO: Honorable Brad Buckley, Chair, House Committee on Public Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1572 by Dutton (Relating to instructional facilities funding for certain open-enrollment charter schools.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1572, As Introduced : a negative impact of (\$617,027,668) through the biennium ending August 31, 2025.

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
2024	(\$299,430,658)
2025	(\$317,597,010)
2026	(\$329,089,199)
2027	(\$338,104,169)
2028	(\$343,853,670)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from Foundation School Fund 193
2024	(\$299,430,658)
2025	(\$317,597,010)
2026	(\$329,089,199)
2027	(\$338,104,169)
2028	(\$343,853,670)

Fiscal Analysis

The bill would amend the formula for instructional facilities funding for certain open-enrollment charter schools. The bill would remove the option to multiply funds per student by the rate that would result in a total amount charter schools are entitled to that would equal to \$60 million for the current year.

Methodology

The bill would remove the \$60 million cap on instructional facilities funding for open-enrollment charter schools. Open-enrollment charter schools would under this bill be entitled to per ADA funding for instructional

facilities equal to the guaranteed level of state and local funds per student per cent of tax effort under Section 46.032(a) multiplied by the state average interest and sinking fund tax rate imposed by school districts for the current year. The Texas Education Agency estimates that the cost to the Foundation School Program would be \$299.4 million in fiscal year 2024, \$317.6 million in fiscal year 2025, increasing to \$343.9 million in fiscal year 2028.

Local Government Impact

Open-enrollment charter schools could receive more state funding for instructional facilities as the cap of \$60 million is removed.

Source Agencies: 701 Texas Education Agency

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