

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 16, 2023

TO: Honorable Brandon Creighton, Chair, Senate Committee on Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1614 by Dutton (Relating to a grant program to provide free public school prekindergarten programs to certain children who are eligible for the subsidized child-care program administered by the Texas Workforce Commission.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1614, As Engrossed : a negative impact of (\$20,218,364) 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>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2024	(\$10,062,884)
2025	(\$10,155,480)
2026	(\$10,016,361)
2027	(\$10,016,361)
2028	(\$10,016,361)

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 2023</i>
2024	(\$10,062,884)	1.0
2025	(\$10,155,480)	1.0
2026	(\$10,016,361)	1.0
2027	(\$10,016,361)	1.0
2028	(\$10,016,361)	1.0

Fiscal Analysis

The bill would require the Commissioner to establish and administer a grant program to support school districts and open-enrollment charter schools in increasing partnerships with community-based child-care providers to provide prekindergarten classes.

The bill would permit the Commissioner to provide grants for the enrollment of not more than 3,500 children in a prekindergarten class each school year.

The bill would permit a school district or open-enrollment charter school to apply for a grant under the program in partnership with a community-based child-care provider. The bill would require a school district or open-enrollment charter school to use money received under the grant program to fund the enrollment of eligible children in prekindergarten classes through a partnership between the district or charter school and a community-based child-care provider. A child would be eligible for enrollment in a prekindergarten class using money received under the grant program if the child is at least three years old and receives subsidized child-care services provided through the child-care services program administered by the Texas Workforce Commission.

Methodology

The agency assumes there would be a fiscal impact to the state for the Commissioner to establish and administer the grant program. The agency estimates that the cost to award grants for 3,500 students under the program would be \$9.9 million in each fiscal year. In addition, TEA assumes that they would require 1 FTE, including 0.5 Program Specialist V for program design and implementation and 0.5 Grant Specialist IV for logistical and business/financial services components to administer the program. The agency assumes that the total fiscal impact across these two positions (totaling 1 FTE) is estimated to be \$98,911 in fiscal year 2024 and \$98,761 each year thereafter.

Technology

The agency assumes there would be technology costs associated with implementing the bill.

The agency assumes that the cost to develop and implement the requirements in the Texas Student Data System (TSDS) would be \$45,694 in fiscal year 2024 and \$137,081 in fiscal year 2025.

The agency assumes that the cost to develop and implement the requirements in the TREx would be \$679 in fiscal year 2024 and \$2,038 in fiscal year 2025.

Local Government Impact

School districts and open-enrollment charter schools could apply for the grant program that would be established under the bill. However, no significant fiscal implication to units of local government is anticipated.

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

LBB Staff: JMc, KSk, ASA, MJe