

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 25, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3829 by Talarico (Relating to creating a fine arts allotment under the public school finance system.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3829, As Introduced : a negative impact of (\$10,811,479,334) 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	(\$5,276,382,704)
2025	(\$5,535,096,630)
2026	(\$5,545,617,933)
2027	(\$5,559,164,190)
2028	(\$5,570,195,111)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Probable Savings/(Cost) from Foundation School Fund 193</i>	<i>Probable Savings/(Cost) from Recapture Payments Atten Crdts 8905</i>
2024	(\$24,003)	(\$5,276,358,701)	\$923,711,090
2025	(\$72,008)	(\$5,535,024,622)	\$951,330,767
2026	\$0	(\$5,545,617,933)	\$926,417,995
2027	\$0	(\$5,559,164,190)	\$986,184,847
2028	\$0	(\$5,570,195,111)	\$1,002,274,587

Fiscal Analysis

The bill would establish the Fine Arts Allotment under the Foundation School Program (FSP) to provide for a funding for each student in average daily attendance (ADA) in grades 6 through 12 in a fine arts course approved by the Texas Education Agency (TEA). The allotment would be calculated by multiplying the basic allotment by different funding weights: 1.3 for each ADA in grades 6 through 8, 1.2 for ADA in grades 9 or 10, and 1.1 for ADA in grades 11 or 12.

TEA would be required to approve the courses that would qualify for the new allotment, and these courses

would be required to be authorized by the State Board of Education, include music, art, theater and dance, and require a student in full-time attendance to receive not less than 225 minutes of fine arts instruction per week.

The bill would require specific funding allocation percentages for the allotment receive by districts.

The bill would require TEA to annually publish a list of approved fine arts courses.

Methodology

TEA estimates that there are 1.9 million students enrolled in fine arts courses in grades 6 through 12. 51.3 percent are enrolled in grade 6-8 fine arts courses, and 48.7 percent are enrolled in grade 9-12 fine arts courses. The agency used the percentages of total statewide 9-10 and 11-12 grade enrollment to estimate the percentage of enrollment in fine arts courses by students in grades 9-10 and 11-12 respectively.

This analysis assumes that the cost of the allotment would be \$5.3 billion in fiscal year 2024, \$5.5 billion in fiscal year 2025, increasing to \$5.6 billion in fiscal year 2028. The cost includes estimated decreases in Recapture Payments - Attendance Credits of \$923.7 million in fiscal year 2024, \$951.3 million in fiscal year 2025, increasing to \$1,002.3 million in fiscal year 2028. The decrease in recapture is reflected as a savings in the table above because recapture is appropriated as a method of finance for the FSP in the General Appropriations Act.

Technology

The agency assumes that the cost to develop and implement the requirements in the Texas Student Data System (TSDS) are \$24,003 fiscal year 2024 and \$72,008 in fiscal year 2025.

Local Government Impact

Local Education Agencies (LEAs) would continue to report attendance as they currently do during the PEIMS Summer Submission and would report an indicator for students enrolled in a fine arts education course.

Source Agencies: 701 Texas Education Agency

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