

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: HB4148 by Dutton (Relating to the transfer of students between public schools.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4148, As Introduced : a negative impact of (\$2,793,807) 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	(\$1,257,136)
2025	(\$1,536,671)
2026	(\$1,123,303)
2027	(\$1,123,303)
2028	(\$1,123,303)

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	(\$1,257,136)	10.0
2025	(\$1,536,671)	10.0
2026	(\$1,123,303)	10.0
2027	(\$1,123,303)	10.0
2028	(\$1,123,303)	10.0

Fiscal Analysis

The bill would establish conditions and restrictions governing the transfer of students within a district and to another district.

School districts would be required to establish capacity at each school and grade level in the district and collect data on student transfers and denials. School districts would be required to report the data to the Texas Education Agency (TEA) and the agency would be required to post a report summarizing the transfer data.

Every six years, the agency would be required to conduct and publish a study of statewide transfer trends. The bill would require the agency to annually audit transfer practices of ten percent of school districts.

Methodology

Related to program design, implementation and oversight, TEA assumes five FTEs would be required for rulemaking, district support, and other agency reporting requirements. The agency assumes four FTEs would be required to perform the annual auditing functions that would be required under the bill. Finally, the agency assumes one FTE would be required as indirect support. The agency assumes that the fiscal impact of these ten FTEs would be \$1.1 million each fiscal year.

Technology

The agency assumes that the cost to develop and implement the requirements in the Texas Student Data System would be \$137,789 fiscal year 2024 and \$413,368 in fiscal year 2025.

Local Government Impact

This analysis assumes there would be a fiscal impact to school districts. Districts would be required to report transfer data to the agency and the Board of Trustees of a district would be required to determine transfer capacity at each district campus. The Board of a school district would also be required to adopt an admissions policy that would meet the requirements of the bill.

Source Agencies: 701 Texas Education Agency

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