

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 11, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4969 by Schaefer (Relating to a parent-directed supplemental services and instructional materials program for public school students; establishing an allotment under the Foundation School Program; authorizing a fee.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4969, As Introduced : a negative impact of (\$3,927,000) through the biennium ending August 31, 2025.

The fiscal implications of the provisions of the bill related to the Parent-Directed Supplemental Services for Students Grant cannot be determined due to unknown program demand and the potential program eligibility to include a large percentage of public school students.

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	(\$1,501,448)
2025	(\$2,427,165)
2026	(\$1,060,935)
2027	(\$1,060,935)
2028	(\$1,060,935)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$1,501,448)	6.0
2025	(\$2,427,165)	6.0
2026	(\$1,060,935)	6.0
2027	(\$1,060,935)	6.0
2028	(\$1,060,935)	6.0

Fiscal Analysis

The bill would require the Texas Education Agency (TEA) to establish and administer a parent-directed program for public school students through which a parent may direct supplemental services and supplemental instructional materials for a student who meets the eligibility requirements for participation in the program.

The bill would direct TEA to designate Education Service Centers (ESC) to administer the parent-directed program. The bill would also direct TEA to establish eligibility criteria and an online application process, approval of program vendors and distribution of funds.

Methodology

Costs of the Parent-Directed Supplemental Services for Students Grant program cannot be determined, as the number of applicants cannot be determined. As an illustrative example, based on a fifty percent participation rate of the estimated 5,166,000 public school students, the direct grant and administrative fees for ESCs would cost an estimated \$2.7 billion.

TEA estimates the need for 6.0 program, administrative and technology FTEs to administer student accounts, reimburse ESCs, develop vendor lists, and develop rules and eligibility criteria to cost \$937,282 in FY24, \$960,829 in FY25, and \$952,179 in subsequent years.

Technology

The agency estimates the technology cost to develop and implement the program, and continuing DCS costs would be \$564,166 FY24, \$1,466,336 in FY 25, and \$108,756 in subsequent years. TEA estimates the need for 3.0 technology FTEs to support maintenance, included in the estimates above.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 701 Texas Education Agency

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