

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 8, 2025

TO: Honorable Giovanni Capriglione, Chair, House Committee on Delivery of Government Efficiency

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4359 by Capriglione (Relating to the review of school districts by the Sunset Advisory Commission.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4359, As Introduced: a negative impact of (\$1,217,080) through the biennium ending August 31, 2027.

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 <i>General Revenue Related Funds</i> |
|------------------------|---|
| 2026 | (\$621,040) |
| 2027 | (\$596,040) |
| 2028 | (\$596,040) |
| 2029 | (\$596,040) |
| 2030 | (\$596,040) |

All Funds, Five-Year Impact:

| <i>Fiscal Year</i> | Probable Savings/(Cost) from <i>General Revenue Fund</i> 1 | <i>Change in Number of State Employees from FY 2025</i> |
|------------------------|--|---|
| 2026 | (\$621,040) | 5.0 |
| 2027 | (\$596,040) | 5.0 |
| 2028 | (\$596,040) | 5.0 |
| 2029 | (\$596,040) | 5.0 |
| 2030 | (\$596,040) | 5.0 |

Fiscal Analysis

The bill would require the Sunset Advisory Commission to review the operations and conduct forensic audits of two independent or consolidated school districts each review cycle. The commission would prepare a report of their findings identifying areas of the districts' operations that do not effectively or efficiently use the districts' funds and make recommendations to address review findings.

Methodology

Based on information provided by the Sunset Advisory Commission, this analysis assumes five additional staff

would be required to implement the provisions of the bill at a cost of \$621,040 in fiscal year 2026 and \$596,040 in subsequent years. This staff would include two auditors to perform the forensic auditing, a data analyst to assist with methodology and data visualizations, and two policy analysts to aid in conducting two additional reviews each cycle. Sunset would also incur travel costs for most school districts.

Local Government Impact

There would be an impact on school districts under review related to dedicating time and resources to support the review.

Source Agencies: 116 Sunset Advisory Commission, 701 Texas Education Agency

LBB Staff: JMc, RStu, CMA, MMF, NV