

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 12, 2003

TO: Honorable Kent Grusendorf, Chair, House Committee on Public Education

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB381 by Dutton (Relating to the computation of public school dropout and completion rates.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would require the agency to collect data from school districts relating to dropout and school completion rates using the dropout definitions and data standards adopted by the United States Department of Education's National Center for Education Statistics.

The bill would also eliminate the use of the number of students taking end of course exams in the computation of performance indicators.

This legislation would take effect September 1, 2003, and the changes effected by the bill would begin with the 2005-2006 school year.

Potential problems with the adaptability of the National Center for Education Statistics' (NCES') dropout methodology to the state's accountability system present the Texas Education Agency (TEA) with uncertainties regarding the needed changes to this system and the data collection system that supports it. However, the agency is anticipated to be able to prioritize existing resources to meet the obligations incurred by the bill.

According to TEA, implementation of the bill would require modifications to the existing Public Education Information Management System (PEIMS) data collection and processing system. The agency estimates the need to hire contractors to (1) rewrite the dropout leaver record reconciliation and assignment software and (2) rewrite all PEIMS interface programs (EDIT+ collection programs, validation edits and reports), at a one-time cost of \$350,000. However, given the substantial personnel and fiscal resources currently devoted to dropout data collection, analysis and reporting within the Department of Accountability Reporting and Research and the PEIMS division at TEA, the agency is anticipated to be able to incorporate costs associated with the bill into its current administrative operating budget.

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Local Government Impact

There may be a small cost to local school districts related to changes to PEIMS data reporting software as necessitated by the provisions of the bill. However, these costs are not expected to be significant.

Source Agencies: 304 Comptroller Of Public Accounts, 701 Central Education Agency

LBB Staff: JK, CT, UP, JGM