

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**  
Revision 1

**April 4, 2003**

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

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB689** by Coleman (Relating to the adoption and ownership of mathematics and science textbooks for public grade school students.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB689, As Introduced: a negative impact of (\$77,775,774) through the biennium ending August 31, 2005.

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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2004	(\$500,000)
2005	(\$77,275,774)
2006	(\$82,762,376)
2007	\$82,332,812
2008	(\$73,445,786)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from STATE TEXTBOOK FUND 3</b>
2004	(\$500,000)
2005	(\$77,275,774)
2006	(\$82,762,376)
2007	\$82,332,812
2008	(\$73,445,786)

**Fiscal Analysis**

The bill would allow public school students in grades one through six to own their mathematics and science textbooks at the end of the school year. The textbooks adopted by the Board of Education would carry a low cost enabling students to keep their books as resources to review the core concepts of essential knowledge and skills.

The bill would take effect in the 2004-05 school year; the State Board of Education would need to adopt textbooks no later than 60 days before school districts and open-enrollment charter schools can select textbooks for that school year.

Given the Constitutional requirement of the state to provide free textbooks, it is assumed for the purposes of this fiscal note that the state and not school districts would incur costs for this program.

## **Methodology**

For the purpose for this analysis, it is assumed that all public school students grades one through six will receive mathematics and science textbooks. Latest student enrollment data for 2001-2002 from the Texas Education Agency's (TEA's) Public Education Information Management System (PEIMS) show 1,916,281 students enrolled from grades one through six. Based on current trends, it is assumed that there will be an increase of 2% per annum in the student population over the next six years. From information obtained from TEA's Textbook Division relating to textbook costs, it is assumed that an inflationary rate of 5% per year will impact book prices.

The textbooks required under the bill are required only to cover "core concepts" of essential knowledge and skills. Without significantly changing the physical quality of the books, TEA estimates the price per book to be \$19 for both subject areas. This cost is based on current contract costs for textbook consumables, such as workbooks, etc. By comparison, the average price of textbooks in traditional subject areas for the grades affected by the bill is \$33.58 per book. An estimated number of K-6 graders for the 2004-05 school year, the first year in which students may take possession of their books, is 2,033,573. Books costing \$19 each in two subject areas for 2,033,573 students equals a state cost of \$77,275,774 for fiscal year 2005. This figure increases in the out years based on enrollment increases of 2% and an assumed 5% inflation factor for the cost of textbooks.

The bill eliminates the need for the traditional six-year cycle of purchasing of math and science textbooks for grades one through six, resulting in a state savings. Math textbooks in grades one through five were scheduled for purchase in fiscal year 2007, at a projected cost of \$170,981,899. Grade 6 math textbooks were scheduled for purchase in fiscal year 2008, at a projected cost of \$21,508,194. These costs would be rendered unnecessary by the bill and thus are reflected as a state savings. Science textbooks were scheduled for purchase in fiscal year 2011, and so state savings related to that subject area fall outside the five-year analysis of this fiscal note.

In order to implement the program, there would also need to be a number of changes to TEA's EMAT system to process textbook orders differently. TEA estimates that that the system modifications may cost between \$500,000 and \$1,000,000, to be incurred in fiscal year 2004. Freight costs to deliver books six times more frequently than current practice would increase under the bill, although the actual amount of increased state cost is unclear at this time.

## **Technology**

TEA's EMAT textbook ordering system would need to be modified at an expense of \$500,000.

## **Local Government Impact**

Given that students are to take textbooks home with them at the end of each school year under the bill, there may be district savings with regard to maintaining their textbook inventories and warehousing. There may be additional local costs for the purchase of supplemental materials to cover essential knowledge and skills that would no longer be covered in the textbooks provided by the state.

**Source Agencies:** 701 Central Education Agency

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