

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 30, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2296 by Griggs (Relating to certain educational mandates imposed on school districts.),
As Introduced

No fiscal implication to the State is anticipated.

Section 1 of the bill would provide a 3-year exemption from state-required TAKS testing with the exception of exit-level and 3rd grade testing for a school campus or district that has been rated exemplary for three consecutive school years.

Section 2 of the bill would require that prior to an on-site investigation the Agency conduct an electronic desk audit of state funds allotted for special education, bilingual education, compensatory education, career & technology education, and gifted & talented education.

Section 3 would remove a number of restrictions in current law concerning the use of funding received under the state's Compensatory Education Allotment. The bill would also require that reporting and auditing requirements for compensatory education expenditures be managed electronically to minimize local costs.

Section 4 of the bill would replace current restrictions on the use of funds generated under the career and technology allotment with an authorization to use such funds to achieve any goal included in the district's technology plan.

Section 5 would require the Agency to promote the initiation and operation of pilot programs under which school districts and campuses that exhibit excellence in education are provided with exemptions from state regulations.

Under section 6 of the bill, provisions would be repealed concerning the dates by which audits of dropout records are to be completed and submitted to the Agency and a requirement that dropout audits meet minimum standards and formatting specifications.

Local Government Impact

Local savings could be realized due to the elimination of the external audit of compensatory education expenditures. While individual district costs for these audits vary widely, anecdotal evidence suggests the average annual cost of auditing compensatory education expenditures is estimated to be \$9,000 – \$10,000 per district.

Source Agencies: 701 Central Education Agency

LBB Staff: JK, CT, UP, PQ