LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 29, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: **HB3105** by Canales (Relating to certain enrollment status information included in the Public Education Information Management System.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3105, As Introduced: a negative impact of ($10,500,000) 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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	($6,500,000)
2005	($4,000,000)
2006	($5,000,000)
2007	($5,000,000)
2008	$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from *GENERAL REVENUE FUND 1*
2004	($6,500,000)
2005	($4,000,000)
2006	($5,000,000)
2007	($5,000,000)
2008	$0

Fiscal Analysis

The bill would require the Public Education Information Management System (PEIMS) to provide current enrollment status information for all students in grades 6 and above. The bill would require that PEIMS be able to provide the information no later than October 1, 2004.

Methodology

The bill would require PEIMS to provide "current status" information on students. Taken together with the provision of the bill that would require PEIMS to identify students who are absent for more than 30 days, it suggests that PEIMS would have to be converted to a dynamic, real-time system that is significantly different that the current snapshot system. Under this assumption, the Texas Education Agency (TEA) estimates that conversion to a dyamic, real-time system would involve substantial

costs, and that full implementation may not occur within the time frame required by the bill.

TEA estimates that contract costs in 2004 and 2005 would be approximately $6.5 million and $4 million respectively, for systems design and application development and implementation. Costs of $5 million in each year of 2006 and 2007 would be related to data maintenance and systems integration.

Technology

As noted above, the bill would have significant implications for TEA's technology costs.

Local Government Impact

School districts would likely incure initial costs to convert to real-time data systems and intergrate with the state's dynamic system. TEA estimates that the statewide costs to districts to acquire and implementation the necessary software could match or exceed the state's costs shown for the systems's implementation period.

Source Agencies: 701 Central Education Agency
LBB Staff: JK, WP, CT, UP, JGM