

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 15, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB3171 by Pitts (Relating to reducing compliance monitoring by the Texas Education Agency of school districts and charter schools and programs.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3171, As Introduced: a positive impact of \$1,749,184 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	\$874,592
2005	\$874,592
2006	\$874,592
2007	\$874,592
2008	\$874,592

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2003
2004	\$874,592	(14.0)
2005	\$874,592	(14.0)
2006	\$874,592	(14.0)
2007	\$874,592	(14.0)
2008	\$874,592	(14.0)

Fiscal Analysis

The bill would limit compliance monitoring only to activities necessary to: comply with federal law or regulations; to ensure financial accountability; and to ensure data integrity for the purposes of the Public Education Information Management System (PEIMS) and the state's accountability system.

Methodology

The bill would result in cost savings for the operations of the Texas Education Agency. The reduction in monitoring requirements would constitute a savings to the agency equivalent to approximately 14 full-time equivalent positions and the corresponding savings in operating costs and travel estimated to be \$874,592 annually.

Technology

The bill has no significant effects on the state's technology costs.

Local Government Impact

School district savings are likely due to the elimination of the external audit of compensatory education expenditures, estimated to average \$9,000-\$10,000 annually. Districts also would likely realize reduced workload costs associated with preparations for on-site monitoring visits.

Source Agencies: 701 Central Education Agency

LBB Staff: JK, CT, UP, JGM