

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

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

**March 4, 2003**

**TO:** Honorable Florence Shapiro, Chair, Senate Committee on Education

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

**IN RE: SB186** by Janek (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 Texas Education Agency (TEA) 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 (NCES).

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 apply beginning with the 2005-06 school year.

Potential problems with the adaptability of the NCES' dropout methodology to the state's accountability system present 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.

**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:**

**LBB Staff:** JK, CT, UP, JGM