

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 23, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB894 by Bivins (Relating to the reporting and auditing requirements relating to school dropouts and to the use of compensatory education funds.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The Texas Education Agency currently conducts electronic analysis of dropout data accuracy and has desk audit indicators related to compensatory education funding employed in a risk-based assessment system. Assuming that these efforts are sufficient to meet the provisions proposed by this bill concerning dropout data, significant additional costs for Texas Education Agency operations would not be anticipated. If these systems are not sufficient, it is assumed that an auditing and reporting system could be added to the agency's data systems with no significant additional cost.

Local Government Impact

Local school districts not determined to be at-risk in either dropout data accuracy or compensatory education expenditures would realize substantial local savings due to the elimination of external audits of dropout records and compensatory education expenditures. While individual district costs for these audits vary widely, anecdotal evidence suggests that on average, districts would save the average annual cost of a dropout or compensatory education audit, approximately \$9,000 - \$10,000.

Source Agencies: 701 Central Education Agency

LBB Staff: JK, CT, UP, JGM