

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 21, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB929 by Shapiro (Relating to regional education service centers.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill requires that the Comptroller contract with a consultant to perform a comprehensive audit of the services and funding mechanisms of Regional Education Service Centers (ESC's). Findings shall be reported to the Legislature not later than December 1, 2004. The bill directs the costs of the audit to be paid from appropriations to the Texas Education Agency for ESC-related core services, in an amount not to exceed \$750,000. This method of finance for audit costs results in no net cost to the state.

This fiscal note assumes that the provision of the bill that would repeal Chapter 8 of the Education Code effective September 1, 2005 is intended as a sunset provision.

Local Government Impact

Funds used to pay for the ESC audit would reduce funds available to ESC's, which may then attempt to generate more revenue by raising fees for services to school districts during the 2004-05 biennium. This potential district cost, however, is not expected to be significant.

Source Agencies: 701 Central Education Agency

LBB Staff: JK, CT, UP, JGM