

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

Revision 1

April 4, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1108 by Shapiro (Relating to academic achievement in public schools.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1108, Committee Report 1st House, Substituted: a negative impact of (\$250,000) 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	\$0
2005	(\$250,000)
2006	(\$250,000)
2007	(\$250,000)
2008	(\$250,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1
2004	\$0
2005	(\$250,000)
2006	(\$250,000)
2007	(\$250,000)
2008	(\$250,000)

Fiscal Analysis

Section 1 of the bill, providing the Commissioner of Education the authority to establish a statewide standard for certifying that districts are securing high-quality teachers, has no fiscal impact to the state.

Section 2, providing the State Board of Education the authority to allow certain students to substitute foundation curriculum courses for certain required enrichment curriculum courses, also has no direct cost to the state.

Section 3, requiring school districts to adopt and administer personal graduation plans for students in grades 6-12 who have failed an assessment instrument or are not expected to graduate by the end of the fifth school year after they enrolled in 9th grade, has no fiscal impact to the state, but entails local

costs as described below. Section 3 of the bill also requires an intensive instruction program for students failing the state assessments; however, the required program appears substantively the same as one currently codified within Chapter 39, Education Code, and so it is assumed that the current level of state funding set-aside from the Foundation School Program Compensatory Education Allotment would be adequate to fund this provision.

Section 4, requiring the Commissioner to develop a diagnostic and assistance program for each subject assessed through the exit-level Texas Assessment of Knowledge and Skills (TAKS) and to make the program available on the Internet, entails some additional state costs related to maintaining such an Internet system, which are described below.

Section 5, authorizing the Commissioner to permit an accreditation-sanctioned campus to innovatively redesign to improve performance, has no fiscal implications to the state.

Sections 6 through 9 make conforming statutory changes related to sections 1 through 5 of the bill, and establish an effective date of September 1, 2003 for all provisions except that the Internet-available diagnostic program would be effective at the start of the 2004-05 school year.

Methodology

For Section 4: Under the bill, the Commissioner is required to develop and maintain a diagnostic and assistance program for each subject on the exit-level TAKS (math, English language arts, social studies, and science) that is available on the Internet. Because the bill also directs the Commissioner to work with representatives of institutions of higher education and school districts to fulfill the bill requirements, the state would likely be able to take advantage of "Every Child Every Advantage," the online, student-based diagnostic system for all portions of the exit-level TAKS currently being developed by UT TeleCampus at the University of Texas at Austin. The project development is being funded through private foundation resources

For the purposes of this fiscal note, it is assumed that the Commissioner could adopt this system, saving development expenses and only incurring costs related to a share of the on-going maintenance and Internet hosting of the program. The Texas Education Agency, in consultation with UT, has estimated these costs to be approximately \$250,000-\$500,000 per year, beginning in 2005.

Technology

The state costs to adopt and maintain a diagnostic and assistance program that is available on the Internet includes technology-related support costs.

Local Government Impact

Section 3 of the bill, requiring school districts to adopt and administer personal graduation plans for students in grades 6-12 who have failed an assessment instrument or are not expected to graduate by the end of the fifth school year after they enrolled in 9th grade, is expected to have an impact on school districts. TEA estimates the amount of staff time it would take to develop a graduation plan for each of the estimated 315,000 students affected by the bill would average 6 hours per student. For the purposes of this fiscal note, it is assumed that districts will absorb this cost to staff resources with current staffing levels. However, districts with large numbers of affected students may deem it necessary to hire additional staff to handle the development and tracking of student graduation plans, at a cost to the district.

Source Agencies: 701 Central Education Agency

LBB Staff: JK, CT, UP, JGM