

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 24, 2005

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

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB1277 by Casteel (Relating to limits on the size of prekindergarten classes in public schools.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would limit class enrollment in prekindergarten classes to no more than 22 students beginning with the 2005-06 school year. To meet this requirement, school districts would need to hire an estimated 300 to 375 additional teacher full-time equivalents. Increases in total payroll have implications for the state's required contribution to the Teacher Retirement System (TRS). Assuming a 6 percent contribution rate, additional state TRS contributions associated with the provisions of the bill are estimated between \$720,000 and \$900,000 annually.

Local Government Impact

It is estimated that between 200 and 375 additional teacher full-time equivalents would be required to meet the 22-student class size limit. Costs associated with salary, benefits, and an allowance for additional staffing to support or supervise the additional teachers are estimated between \$13.5 million and \$16.9 million annually. The cost of constructing new facilities to support the provisions of the bill are estimated between \$30 million and \$37.8 million in one-time costs.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, CT, UP, JSc