

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 11, 2005

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

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

IN RE: HB3091 by King, Phil (Relating to quality management certification for public schools.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3091, As Introduced: a negative impact of (\$1,000,000) through the biennium ending August 31, 2007.

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
2006	(\$500,000)
2007	(\$500,000)
2008	(\$500,000)
2009	(\$500,000)
2010	(\$500,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE FUND</i> 1
2006	(\$500,000)
2007	(\$500,000)
2008	(\$500,000)
2009	(\$500,000)
2010	(\$500,000)

Fiscal Analysis

The bill would require the commissioner of education to adopt a quality management certification program to encourage school districts and charter schools to obtain International Organization for Standardization (ISO) ISO 9000 quality management certification. The commissioner would develop a method of recognizing a school district or charter school that receives and maintains the ISO 9000 certification and, from funds appropriated for that purpose, would be required to award grants to support the program.

Methodology

The Texas Education Agency estimates that the cost for school districts and charter schools to hire consultants to help guide them through the ISO 9000 certification process would likely be at least

\$10,000. The bill would require the commissioner to award grants to support this certification, funded by appropriations made by the legislature for that purpose. For the purposes of this fiscal note, it is assumed that a sufficient grant program would provide districts with half the consultant cost, or \$5,000.

The agency estimates that grant programs of \$500,000 or less would not place a significant additional administrative cost on the agency. Since the magnitude of the grant program is not contemplated in the language the bill, a reasonable scenario would be that the legislature would appropriate \$500,000 annually for grants, allowing 100 districts or charter schools each year to receive a \$5,000 one-time grant. The bill would allow the commissioner to establish grant criteria by rule.

Since the size of the grant program would be determined by legislative appropriations for it, the actual cost of the bill would may differ significantly from the estimate contained in this fiscal note depending on actual legislative decisions.

Technology

No state technology fiscal impact is anticipated.

Local Government Impact

The agency estimates that local district costs to hire consultants to help guide them through the ISO 9000 certification process would be at least \$10,000, but possibly as high as \$20,000. State grant funding would offset this cost to some degree. In addition, local districts would benefit from any administrative efficiencies that occur as a result of the implementation ISO 9000 management practices.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, CT, UP, JGM