

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

February 12, 2007

TO: Honorable Rob Eissler, Chair, House Committee on Public Education

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

IN RE: HB135 by Villarreal (Relating to limits on the size of prekindergarten classes in public schools.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would limit class enrollment in prekindergarten classes to no more than 22 students beginning with the 2007-08 school year. To meet this requirement, the Texas Education Agency estimates that school districts would need to hire an estimated 152 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 to be \$294,000 annually. If the state contribution rate for TRS were increased, state TRS costs associated with the bill would increase accordingly.

Local Government Impact

It is estimated that 152 additional teacher full-time equivalents would be required to meet the 22-student class size limit. Costs associated with salary and benefits for the additional teachers are estimated to be \$6.5 million annually. The Texas Education Agency indicates that additional costs for facilities cannot be reasonably estimated with available data.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, UP, JSc, JSp