

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 19, 2007

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

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

IN RE: HB1101 by Miller (Relating to rules and procedures of the University Interscholastic League.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would establish student challenges of eligibility determinations under University Interscholastic League (UIL) rules as contested cases under Chapter 2001, Government Code. Under Chapter 2001, Government Code, a contested case is subject to a formal hearing process. While the bill's provisions have no implications for net gain or loss of general revenue, the anticipated caseload of UIL eligibility challenges would represent a significant increase in the activities of the State Office of Administrative Hearings (SOAH). Costs associated with the additional hearing caseload of approximately \$7,680,000 each year would be recovered through an interagency contract with the UIL. The UIL indicates that the costs would be borne by schools and parents.

The bill's provisions with regard to challenges of eligibility determinations would apply beginning with FY2008.

For the purpose of this fiscal note, it is assumed that student challenges of eligibility determinations under UIL rules would represent at least 4,800 new contested cases each year. The figure is based on a total of current year cases in the UIL Waiver Office and the minimum expected challenges handled at the UIL district level. The SOAH estimates an average of 16 billable hours per case at the authorized rate of \$100 per hour for a total annual cost of \$7,680,000. The SOAH's analysis indicates that the additional caseload would require approximately 53 additional administrative law judges, 10 administrative technicians, and 2 additional docket clerks. The personnel requirements are based on assumptions of 1,440 hours per administrative law judge FTE per year and one administrative technician for every five administrative law judge FTEs. It is assumed for the purpose of this fiscal note that all cases would be heard in Austin. If the venue is elsewhere, costs would increase to reflect billable travel by the SOAH.

Local Government Impact

The UIL indicates that school districts and individual families would bear the cost of contested cases as noted above. Under the assumptions noted above, the estimated hearing process cost per case for a student challenge of eligibility determination would be at least \$1,600. The estimated cost does not include legal representation of the parties to the case or travel to the hearing venue.

Source Agencies: 308 State Auditor's Office, 360 State Office of Administrative Hearings, 701 Central Education Agency, UIL University Interscholastic League

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