

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 23, 2007

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

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

IN RE: HB1140 by Hochberg (Relating to a grant available to school districts to provide services to students with disabilities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1140, As Introduced: a negative impact of (\$20,140,000) through the biennium ending August 31, 2009.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$10,070,000)
2009	(\$10,070,000)
2010	(\$10,070,000)
2011	(\$10,070,000)
2012	(\$10,070,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2007
2008	(\$10,070,000)	1.0
2009	(\$10,070,000)	1.0
2010	(\$10,070,000)	1.0
2011	(\$10,070,000)	1.0
2012	(\$10,070,000)	1.0

Fiscal Analysis

This bill would create a special education grant available to school districts to assist in covering the cost of education for students with disabilities. The funds for these grants would come from appropriated funds for this purpose, federal funds, or any other available funds. School districts would be eligible to apply for this grant if the district does not receive sufficient funds under Texas Education Code Section 42.151 for a particular student with disabilities, or all students with disabilities in the district, to pay for the services provided to the student or students. School districts applying for grant funds would be required to report to the commissioner a comparison of state funds received for students with disabilities and the expenses incurred by the district providing services to students with disabilities.

This bill would take effect immediately upon passage of the necessary voting margins or September 1, 2007 and would apply to the 2007-2008 school year.

Methodology

The bill's eligibility criteria likely would render nearly every school district eligible for grant funding. The bill does not suggest a total amount of grant funding based on eligibility, but rather specifies funding be from funds appropriated for this purpose, federal funds, or other available funds. For the purposes of this estimate, TEA assumes that \$10 million would be appropriated annually for this grant program. For the work of adopting rules, reviewing applications and determining grant awards, it is estimated that the agency would need 1 additional program specialist position at an annual cost, including salary, benefits, and equipment, of approximately \$70,000. If funds appropriated for this program are higher than estimated, state costs will increase commensurately; however, TEA's administrative costs likely would be determined by the number of grants received and not the total amount of funds available for distribution.

Technology

No significant impact to the agency's technology costs is expected.

Local Government Impact

Districts with successful grant applications would receive additional state aid for the education of students with disabilities.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, JSp, UP, JGM