

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 11, 2007

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

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

IN RE: HB1461 by Zedler (Relating to state funding for certain students subject to school district disciplinary action.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1461, As Introduced: a negative impact of (\$70,000,000) through the biennium ending August 31, 2009.

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
2008	(\$35,000,000)
2009	(\$35,000,000)
2010	(\$35,000,000)
2011	(\$35,000,000)
2012	(\$35,000,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1
2008	(\$35,000,000)
2009	(\$35,000,000)
2010	(\$35,000,000)
2011	(\$35,000,000)
2012	(\$35,000,000)

Fiscal Analysis

The bill would provide for a student who is suspended to be counted in computing average daily attendance (ADA). The additional ADA generated under the provisions of the bill would result in additional state cost under the Foundation School Program.

The provisions of the bill would apply beginning with the 2007-2008 school year.

Methodology

Under current law, a student placed in out-of-school suspension is not counted in attendance for the period of the suspension. The Texas Education Agency indicates that 286,037 students received out-of-school suspensions in 2006 resulting in 1,096,342 days of nonattendance. This attendance would

translate to about 6,091 ADA. If it is assumed that a similar number of ADA would be generated in FY2008 and each subsequent year under the provisions of the bill, additional Foundation School Program costs of about \$35.0 million would be expected annually.

Local Government Impact

School districts would realize additional state aid under the provisions of the bill.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, UP, JSp