

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 2, 2007

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

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

IN RE: **HB1647** by Dutton (Relating to the computation of average daily attendance under the Foundation School Program and to participation by charter schools in the Public Education Information Management System for additional purposes, including computation of average daily attendance.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1647, As Introduced: a negative impact of (\$395,136) 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	(\$297,568)
2009	(\$97,568)
2010	(\$97,568)
2011	(\$97,568)
2012	(\$97,568)

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	(\$297,568)	1.0
2009	(\$97,568)	1.0
2010	(\$97,568)	1.0
2011	(\$97,568)	1.0
2012	(\$97,568)	1.0

Fiscal Analysis

Section 1 of the bill require that open-enrollment charter schools participate in the Public Education Information Management System (PEIMS).

Section 2 of the bill would require that school districts and open-enrollment charter schools submit attendance data to PEIMS every six weeks. State funding would be based upon the attendance reported under these provisions.

This bill would take effect September 1, 2007 or immediately upon enactment with the necessary voting majorities.

Methodology

This bill could have significant implications for the Foundation School Program (FSP), particularly if the attendance reported to PEIMS under these provisions were substantially different from the attendance that was adopted by rider in the General Appropriations Act. If reported attendance were substantially higher, state funding to school districts and open-enrollment charter schools may have to be pro-rated during a fiscal year.

The bill would impact the operations of the Texas Education Agency (TEA) by adding four additional data collections to PEIMS. Each of the data collections would be similar reducing overall costs. The agency estimates that the PEIMS vendor contract would cost an estimated \$200,000 in FY2008 to make the required changes, with \$40,000 each year thereafter as maintenance costs. The agency also estimates that one new full-time equivalent position would be required to assist with the four additional data collections, at a cost of \$57,568 annually.

Technology

The agency indicates that the PEIMS vendor contract would cost an estimated \$200,000 in FY2008 to make the required changes, with \$40,000 each year thereafter as maintenance costs.

Local Government Impact

The agency estimates the cost to school districts to update either locally developed software or vendor software to be \$10,000 per district for a cost of \$12 million statewide.

In districts where actual attendance is different than the attendance estimate upon which payments are based, the bill would have an impact on the timing by which the state settles-up Foundation School Program payments to match entitlement.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, JSp, UP, JGM