

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: HB1982 by Latham (Relating to the creation of the Public Education Management Institute of Texas.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1982, As Introduced: a negative impact of (\$2,208,850) 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	(\$391,215)
2009	(\$1,817,635)
2010	(\$3,279,337)
2011	(\$3,162,006)
2012	(\$3,285,620)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1
2008	(\$391,215)
2009	(\$1,817,635)
2010	(\$3,279,337)
2011	(\$3,162,006)
2012	(\$3,285,620)

Fiscal Year	Change in Number of State Employees from FY 2007
2008	4.0
2009	17.0
2010	25.0
2011	25.0
2012	25.0

Fiscal Analysis

The bill would create the Public Education Management Institute of Texas, headquartered at Sam

Houston State University, and operated jointly with the University of North Texas and Texas State University-San Marcos. The institute would be established to provide training for public school administrators. Resident students, whether or not the person is sponsored by an employing school district, may participate in the training program. The costs to a resident student for participating in the institute's training program, including tuition, books, room, board and travel, are to be paid for out of a new fund established for that purpose. The Public Education Management Institute of Texas Fund would be created to provide funding for public school administrators in Texas to attend the training. The bill requires the Public Education Management Institute of Texas to be established not later than January 1, 2008. Training programs are required to be available January 1, 2009.

Methodology

It is assumed for the purposes of this fiscal note that General Revenue funding would be used to support the program since there is no revenue stream for the Public Education Management Institute of Texas Fund. The Texas State University System indicates that in fiscal year 2008, it will need to hire a project manager, business manager, technology specialist and administrative assistants at a total cost of salaries and benefits of \$361,325. The remaining \$30,000 in fiscal year 2008 is for operating funds and technology upgrades.

In fiscal year 2009, the Texas State University System, indicates it would need to hire 13 additional Full Time Equivalent (FTE) positions, including four project coordinators, four instructors, two custodians, two project coordinators and a publications officer at a total cost of salaries and benefits of \$882,635. Funding in fiscal year 2009 also include operating funds and technology upgrades (\$210,000), furniture and equipment (\$125,000). These costs would increase as the institute becomes fully operational at 25 FTEs.

It is assumed tuition revenue bonds would be issued in fiscal year 2009, therefore there is no debt service included in fiscal year 2008. The cost for the debt service is based on a 20 year note with a 6% interest rate. The debt service is \$600,000 in fiscal year 2009 and \$1.2 million beginning in fiscal year 2010.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 701 Central Education Agency, 752 University of North Texas, 758 Texas State University System

LBB Staff: JOB, JSp, RT, GO