

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 9, 2007

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

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

IN RE: HB2814 by Eissler (relating to a language immersion pilot project in certain school districts.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2814, Committee Report 1st House, Substituted: a negative impact of (\$12,008,105) 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	(\$3,008,105)
2009	(\$9,000,000)
2010	(\$9,000,000)
2011	(\$5,250,000)
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1
2008	(\$3,008,105)
2009	(\$9,000,000)
2010	(\$9,000,000)
2011	(\$5,250,000)
2012	\$0

Fiscal Year	Change in Number of State Employees from FY 2007
2008	1.0
2009	1.0
2010	1.0
2011	1.0
2012	0.0

Fiscal Analysis

The bill would require the Commissioner of Education to establish a 3-year language immersion pilot

project in not more than 10 school districts and not more than 30 elementary schools. The Commissioner would be directed to provide funding to participating school districts sufficient to cover costs of participating in the pilot. The bill would require that participating districts establish community education pipeline progress teams made up of educators, administrators, parents, and community leaders to develop and implement the pilot project. Participating districts would be required to submit annual self-reports of progress under the program, and the Texas Education Agency (TEA) would be required to perform an annual review of the pilot project based on information received through district self-reporting. The bill directs that total funding for the language immersion pilot project not exceed \$5 million per year. Grants awarded in the first year would be limited to grants for planning purposes and may not exceed 5 percent of the amount required for full implementation.

The bill would direct the Commissioner to enter into a contract to license language-learning software using language immersion methods by January 1, 2008. The bill requires expenditures for this subsection of the bill to be sufficient to support language learning opportunities for a maximum of one million students and employees for a maximum of three years. The bill would limit expenditures to \$4 million annually.

The bill directs the agency to contract with education research centers for an evaluation of the pilot project in the 2010-2011 school year. The contracted amount may not exceed \$250,000.

The pilot program would expire at the end of FY2011.

Methodology

The bill stipulates that total funding for the language immersion pilot project may not exceed \$5 million in General Revenue per year. The bill stipulates that planning grants in FY2008 may not exceed 5 percent of the cost of total implementation, or \$250,000 in General Revenue. TEA indicates that one additional FTE would be required to implement the program at a cost of \$58,105 in General Revenue annually. It is assumed that after the first year, the agency would award the difference between administrative costs and the \$5 million cap as grants to districts for a total annual cost of \$5 million in FY2009, FY2010, and FY2011.

The bill would direct the Commissioner to enter into a contract to license language-learning software using language immersion methods by January 1, 2008. The bill requires expenditures for this subsection of the bill to be sufficient to support language learning opportunities for a maximum of one million students and employees for a maximum of three years. The bill would limit these expenditures to \$4 million annually. The Texas Education Agency indicates that prorated costs in FY2008 would total \$2.7 million, assuming that implementation begins in January 2008. Costs of \$4.0 million per year would be anticipated in fiscal years 2009 and 2010. No costs for language-learning software are estimated for FY2011 because the bill appears to limit expenditures to a maximum of three years.

The cost of the evaluation conducted by TEA in FY2011 would be \$250,000 in General Revenue, and for purposes of this estimate it is assumed that the directed expenditure is in excess of the \$5 million program limitation.

Local Government Impact

Participating school districts would be required to establish a community education pipeline progress team to develop and implement the pilot program and would be required to submit annual progress reports to TEA. Participating school districts would receive grant funding to support implementation of the pilot program.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, JSp, UP, JSc