

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 18, 2007

TO: Honorable Florence Shapiro, Chair, Senate Committee on Education

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

IN RE: HB2814 by Eissler (relating to a pilot program in certain school districts for dual language education in English and another language.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2814, Committee Report 2nd House, Substituted: a negative impact of (\$10,998,362) 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	(\$4,828,831)
2009	(\$6,169,531)
2010	(\$6,108,516)
2011	(\$2,175,183)
2012	(\$2,175,183)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1
2008	(\$4,828,831)
2009	(\$6,169,531)
2010	(\$6,108,516)
2011	(\$2,175,183)
2012	(\$2,175,183)

Fiscal Year	Change in Number of State Employees from FY 2007
2008	2.0
2009	2.0
2010	1.0
2011	1.0
2012	1.0

Fiscal Analysis

The bill would create a dual language education pilot project including not more than 30 campuses in

10 districts statewide. School districts participating in the pilot project would be required to participate for at least three years, with the first year being a planning year. The bill would require the Texas Education Agency (TEA) to make periodic reports on the effectiveness of the pilot program.

The bill would direct the Commissioner to enter into a contract to license language-learning software using the language immersion methods by January 1, 2008. The bill requires expenditures for this subsection 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 for this purpose to \$4 million annually.

Methodology

TEA estimates start-up costs for dual-language programs at \$512 per student served on average. The average per pupil cost for on-going operations of a dual language program is estimated at about \$525 per student, with smaller programs experiencing relatively greater per pupil costs and larger programs experiencing relatively lesser per pupil costs.

Based on \$512 average per pupil start-up costs and \$525 average per pupil operations costs and assuming that 130 students are served per campus on not more than 30 campuses in 10 districts each year, the cost of funding the dual language pilot program grant awards is estimated at about \$1.99 million in FY2008 and \$2.04 million in each subsequent year. Costs may vary according to program size.

It is estimated that 2.0 FTEs would be required at TEA to administer the pilot program in the first two years of implementation. In the subsequent years, through the August 1, 2013 expiration of the pilot period, it is estimated that 1.0 FTE would be required to administer the program. Associated administrative costs are estimated at about \$132,031 in fiscal year 2008, \$122,031 in fiscal year 2009, and about \$61,016 in each subsequent year through 2013. It is estimated that the evaluation required by the bill would cost of \$200,000 allocated across the three-year period between 2011 and 2013.

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 would limit these expenditures to \$4 million annually. TEA indicates that prorated costs in FY2008 would be \$2.7 million, assuming that implementation begins in January 2008. Costs of \$4.0 million per year would be anticipated for fiscal years 2009 and 2010. The bill would limit expenditures to a maximum of three years; so no costs would be expect beyond FY2010.

Local Government Impact

School districts would be eligible to apply to participate in the dual language pilot program and would be assumed to receive funds associated with participation. Participating school districts would be required to establish a community education pipeline progress team to develop and implement the pilot project and would be required to submit annual progress reports to TEA.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, JSc, JSp, UP