

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 24, 2007**

**TO:** Honorable Tom Craddick, Speaker of the House, House of Representatives

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

**IN RE: HB2864** by Chisum (Relating to a pilot program to provide supplemental technology-based instruction to students in rural school districts. ), **As Passed 2nd House**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2864, As Passed 2nd House: a negative impact of (\$8,150,000) 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2008	(\$4,000,000)
2009	(\$4,150,000)
2010	(\$4,000,000)
2011	(\$4,150,000)
2012	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from GENERAL REVENUE FUND 1</b>
2008	(\$4,000,000)
2009	(\$4,150,000)
2010	(\$4,000,000)
2011	(\$4,150,000)
2012	\$0

**Fiscal Analysis**

The bill would direct the Commissioner of Education to establish a pilot program providing grants to school districts with enrollment of fewer than 5,000 students that are not located in a standard metropolitan statistical area for the purpose of providing technology-based supplemental instruction.

The bill stipulates that the grant award amounts equate to \$200 per student served per year, not to exceed \$4 million in total expenditures annually, and would require that participating school districts contribute an additional \$100 per student served per year.

The bill would require the Texas Education Agency (TEA) to conduct a performance evaluation of the pilot program, providing an interim report to the legislature by December 1, 2008 and a final evaluation by December 1, 2010. The bill stipulates that evaluation costs not exceed \$150,000 per

fiscal year.

The pilot program would conclude at the end of fiscal year 2011.

### **Methodology**

For purposes of this estimate, it is assumed that grants are awarded in the maximum total amount allowable under the provisions of the bill of \$4 million per year in fiscal years 2008 through 2011 in General Revenue. It is assumed that evaluation costs would be incurred in the maximum total amount allowable under the provisions of the bill at \$150,000 per year in fiscal year 2009 and in fiscal year 2011. For purposes of this estimate it is assumed that the evaluation expenditure is in excess of the \$4 million program limitation

### **Local Government Impact**

Eligible school districts would be required to apply to grant funds under the program, and districts receiving grant awards would be required to match state grant funds at a rate of \$100 per student served per year.

**Source Agencies:** 701 Central Education Agency

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