

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

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

**March 26, 2007**

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

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

**IN RE: HB3087** by Phillips (Relating to the development of applied mathematics and science courses for use in public high schools.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3087, As Introduced: a negative impact of (\$5,487,454) 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	(\$682,727)
2009	(\$4,804,727)
2010	(\$4,562,727)
2011	(\$3,322,727)
2012	(\$4,122,727)

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

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2007
2008	(\$682,727)	2.5
2009	(\$4,804,727)	2.5
2010	(\$4,562,727)	2.5
2011	(\$3,322,727)	2.0
2012	(\$4,122,727)	2.0

**Fiscal Analysis**

The provisions of the bill that would be expected to have a fiscal impact to the state include: the support and reimbursement of vertical teams established to develop and recommend essential knowledge and skills for an applied mathematics course and an applied science course; development and implementation of an end-of-course (EOC) assessment for each course; and the adoption of instructional materials for each course. The bill would require implementation of the courses in school districts beginning with the 2010-2011 school year, with implementation of the requirement for the end-of-course assessment to account for 15% of a student's course grade beginning with the 2011-2012 school year.

**Methodology**

Creating and staffing the vertical teams responsible for developing and recommending the essential knowledge and skills for the applied math and applied science courses would be estimated to require an additional 0.5 FTE at the Texas Higher Education Coordinating Board for the period of FY2008-2010. It is assumed that the position would continue through FY2010 to provide coordination with the Texas Education Agency concerning the development of end-of-course assessments for the applied courses. Salary, benefits and operating costs associated with the 0.5 FTE would be estimated to average about \$40,000 per year for fiscal years 2008, 2009, and 2010. Reimbursable costs for vertical team members are estimated to be approximately \$20,000 per year for FY2008 and FY2009.

For purposes of this estimate it was assumed that one applied mathematics course and one applied science course would be developed. TEA estimates the cost to create the required end-of-course assessment instrument for each of these courses including optional college readiness questions to be \$500,000 in FY 2008, \$4.6 million in FY 2009, \$4.4 million in FY 2010, \$3.2 million in FY 2011, and \$4 million in FY 2012. It is assumed that test development would take place during the FY 2008 – 2010 period, with field testing, continuing test development, and establishing performance standards occurring in FY2011. Test administration and ongoing test development would be anticipated in FY 2012.

Additional staff resources would be necessary to develop the end-of-course assessments required under the bill. It is estimated that TEA would need 2 additional positions, one each to coordinate the development of the math and science EOC instruments with the newly-created curriculum standards, and oversee the implementation of the tests. These positions are estimated to cost approximately \$123,000 annually, starting in FY2008.

Costs associated with the adoption of instructional materials for the new courses are estimated using expenditures for adoptions under Proclamation 2004 in June 2006 as a proxy. Assuming that the adoptions required under this bill would represent an effort equivalent to 25% of the effort expended for Proclamation 2004, costs would be estimated to be about \$22,000 in FY2009.

### **Technology**

The Texas Education Agency and the Texas Higher Education Coordinating Board do not expect the bill to have a significant impact on state technology costs.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 701 Central Education Agency, 781 Higher Education Coordinating Board

**LBB Staff:** JOB, UP, JGM, JSp