

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 15, 2007

TO: Honorable Bill Callegari, Chair, House Committee on Government Reform

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

IN RE: HB3297 by Callegari (Relating to unfunded mandates imposed on school districts.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3297, As Introduced: a negative impact of (\$409,400,000) 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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$194,500,000)
2009	(\$214,900,000)
2010	(\$237,300,000)
2011	(\$262,100,000)
2012	(\$289,500,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1
2008	(\$194,500,000)
2009	(\$214,900,000)
2010	(\$237,300,000)
2011	(\$262,100,000)
2012	(\$289,500,000)

Fiscal Analysis

The bill would change the requirement that school district boards of trustees establish a local school health advisory committee from mandatory to permissive and would require a school district to consider the recommendations of the local school health advisory committee in relation to district health education curriculum or instruction only if such a committee has been established.

The bill would exempt school districts from requirements to post conflict of interest disclosures statements and questionnaires on the Internet.

The bill would repeal the requirement that school districts cooperate in transferring immunization records when students transfer among districts and the related requirement that the Texas Education Agency (TEA) and the Texas Department of State Health Services (DSHS) develop a form for this

purpose.

The bill would repeal the requirement that school districts provide certain information regarding bacterial meningitis.

The bill would repeal the requirement that school districts that pay employees subject to the state minimum salary schedule (MSS) above the rates prescribed by the MSS make the required employer contribution to the Teacher Retirement System (TRS) in lieu of a state contribution for amounts paid above the MSS.

Methodology

Assuming a state contribution rate of 6 percent, the increase in state contributions to TRS resulting from the repeal of the requirement that school districts make contributions to TRS on behalf of MSS employees paid above the statutory minimum is estimated at \$195 million in FY 2008 and \$215 million in FY 2009. State costs in subsequent years would be projected to increase at a similar rate. Annual growth is assumed at 10.45 percent based on analysis of statutory minimum payments received by TRS between 1994 and 2006.

Local Government Impact

School districts would have the discretion whether to establish a local school health advisory council. School districts would not have to cooperate with the transfer of immunization records, would not have to distribute information related to bacterial meningitis, or post conflict of interest disclosure statements and questionnaires on the school district Internet website. School districts would no longer be required to pay the contribution on the portion of the member's salary that exceeds the statutory minimum to the TRS, which would result in a local savings of \$195 million in FY 2008 and \$215 million in FY 2009, increasing at a similar rate in subsequent years.

Source Agencies: 323 Teacher Retirement System, 537 State Health Services, Department of, 701 Central Education Agency

LBB Staff: JOB, MN, UP, JSc