

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 16, 2007

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

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

IN RE: HB3618 by Raymond (Relating to certain health programs and grants and other related funds for school districts located in the border region.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3618, As Engrossed: a negative impact of (\$2,595,520) 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	(\$61,000)
2009	(\$2,534,520)
2010	(\$1,616,049)
2011	(\$1,644,877)
2012	(\$1,676,330)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1
2008	(\$61,000)
2009	(\$2,534,520)
2010	(\$1,616,049)
2011	(\$1,644,877)
2012	(\$1,676,330)

Fiscal Analysis

The bill would require the commissioner of education, in consultation with the Department of State Health Services, to adopt criteria to ensure that at least one coordinated health program available for schools is designed to prevent and detect obesity and Type 2 diabetes by taking into account the needs of school districts located near the Texas-Mexico border that meet specific criteria. School districts meeting the criteria prescribed in the bill would be required to implement this coordinated health program. The bill would require that each district's program include the distribution of health curriculum teacher's guides for each grade level, health curriculum student workbooks for each student in each grade level, a physical education activity pad, a cafeteria program instructor's guide and food service staff workbooks, and a newsletter for the family of each student in the district. The bill would require bilingual program materials.

The bill would require that participating school districts measure the height and weight of each student in grades kindergarten through eight at the beginning of the school year and at another appropriate time during implementation of the program. School districts would be required to track the measurements of the student and the progress of the student under the program through a data entry system provided over the Internet.

The bill would require affected districts to report student height, weight, and progress during the first year of program implementation to an entity that would administer the program. The administering entity would be required to evaluate and analyze the reported measurements to determine the effectiveness of the program in the first year.

The bill would direct the Department of State Health Services to distribute funds to cover the costs associated with the program to each affected school district. It is assumed that state funding distributed by the Department of State Health Services would be used to pay costs for student, teacher, employee, and family materials required under the bill. These materials would be bilingual and would include the health curriculum teacher's guides, health curriculum student workbooks, a physical education activity pad, a cafeteria program instructor's guide, food service staff workbooks, and a newsletter for the family of each student in the district.

The bill would require the Department of State Health Services (DSHS) to employ 1 grant writer to assist school districts in obtaining funding for school-based health centers.

The bill would take effect immediately upon passage by the necessary voting majorities or September 1, 2007.

Methodology

It is assumed that activities under the bill for FY2008 would primarily consist of actions by the commissioner and the Department of State Health Services (DSHS) to ensure that a program meeting the requirements of the bill is adopted and that affected districts are notified of the program's availability and the requirement to implement the program. The first year of program implementation by school districts would be assumed to occur in FY2009.

The Texas Education Agency indicates that approximately six school districts would meet the specific criteria contained in the bill. The districts identified are Brownsville ISD, El Paso ISD, San Elizario ISD, Ysleta ISD, Socorro ISD, and Laredo ISD. The total enrollment in affected districts for the 2006-2007 school year is approximately 223,000 students, with about 149,000 enrolled in grades kindergarten through eight. The districts employ approximately 15,000 teachers and at least 100 food service workers. Growth in student, teachers, and food service staff populations is assumed at approximately 2 percent per year.

The bill references an entity administering the program and evaluating program data during the first year of implementation. For the purpose of this fiscal note it is assumed that the data collection and evaluation would be contracted to a third party vendor for an estimated state cost of \$850,000 in FY2009. It is assumed that the data collection and evaluation costs would be one-time in nature per language in the bill requiring the activities for the purpose of determining the effectiveness of the program in the first year.

Costs for the type of student and employee consumable workbook materials required under the bill are estimated to range from \$3 - \$10 per workbook. Assuming an average cost of \$6.50 per workbook, the estimated annual cost to affected school districts for the required student and food service workers' workbooks would be approximately \$1.5 million in FY2009 increasing to \$1.6 million by FY2012. Assuming that teacher and instructor guides would be provided at a similar price per copy but would be durable rather than consumable, costs in FY2009 for these materials would be approximately \$100,000 with relatively insignificant costs in each subsequent year to provide new teachers and cafeteria program instructors with guides. It is assumed that costs for student, teacher, and employee materials required under the bill and the family newsletter would be paid by the state through the funding mechanism to be administered by the Department of State Health Services.

With regard to the provision requiring DSHS to employ a grant-writer, costs of approximately \$55,000 are estimated in fiscal year 2008 and \$65,000 in fiscal years 2009-2012 for 1 Full-Time-Equivalent (FTE) position. This estimate includes costs for salaries, benefits, travel, and other administrative costs.

Technology

DSHS estimates an additional cost of approximately \$6,000 in fiscal year 2008 and \$7,000 in fiscal years 2009-2012 for computer hardware and software.

Local Government Impact

To the extent that affected school districts may not currently be measuring the height and weight of students in grades kindergarten through eight and tracking such measurements, local costs associated with workload to support this activity could be incurred.

The bill could result in additional grant funding for school districts' school-based health centers.

Source Agencies: 537 State Health Services, Department of, 701 Central Education Agency

LBB Staff: JOB, CL, UP, JSp