

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 17, 2007

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

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

IN RE: SB50 by Zaffirini (relating to early childhood education.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB50, Committee Report 2nd House, Substituted: a negative impact of (\$3,012,400) 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	(\$1,765,400)
2009	(\$1,247,000)
2010	(\$1,697,000)
2011	(\$1,247,000)
2012	(\$1,122,000)

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	(\$1,765,400)	2.0
2009	(\$1,247,000)	2.0
2010	(\$1,697,000)	2.0
2011	(\$1,247,000)	2.0
2012	(\$1,122,000)	2.0

Fiscal Analysis

Provisions of the bill with anticipated cost implications are discussed below:

Sections 1 and 6 of the bill would require school districts to electronically report raw scores of student reading diagnostic instruments to the Texas Education Agency (TEA), who would be required to contract with the State Center for Early Childhood Development (SCECD) to receive and use the scores.

Section 7 would provide that licensed child-care providers that participate in a school readiness intergration project would be eligible for enhanced reimbursement rates.

Section 8 would require the Department of Family and Protective Services (DFPS) to develop or seek

proposals for the development and maintenance of one of the following: one or more daycare employee training modules, a statewide bilingual training portal, or marketing strategy.

Section 13 of the bill would require TEA to contract with an outside party to evaluate SCECD management and implementation of school readiness integration projects in even numbered years.

Section 15 would direct TEA to provide staff assistance to the Texas Advisory Council on Early Childhood Education Career Development. Members of the council would be entitled to the reimbursement of travel expenses while conducting council business.

Subchapter D of section 15 would govern the establishment of early childhood education partnership projects, and direct projects to pay qualified expenses, including higher education tuition, on-campus housing costs, books, transportation, and other instruction-related expenses, to participants meeting certain criteria. The subchapter would expire September 1, 2011.

The bill would take effect September 1, 2007.

Methodology

Sections 1 and 6: Currently, TEA contracts with SCECD using a vendor to collect raw scores as part of a pilot project. TEA estimates the cost to collect these data is \$1 per child or approximately \$350,000 for participating 3, 4, and 5 year old children. TEA estimates the need for an additional contract with regional education service center (RESC) IV to resolve data matching errors and conduct data quality activities, at a cost of \$200,000 annually.

Section 7: It is assumed for the purposes of this fiscal note that Section 4 of the bill simply would codify existing TWC rules regarding enhanced reimbursement rates, and therefore would not result in an increased state cost.

Section 8: To develop an interactive internet based training module to encompass current law pre-service training requirements, DFPS anticipates that the one-time technology development costs and 2 FTEs to provide user support and content oversight on an ongoing basis would total \$194,209 for FY2008 and \$114,937 each year thereafter. The agency anticipates that some portion of these amounts could be offset through the use of available federal Temporary Assistance for Needy Families (TANF) funds.

Section 13: TEA recently conducted an evaluation of SCECD activities for an estimated cost of \$450,000. The agency assumes that these evaluations would cost an estimated \$450,000 every other year on even numbered years.

Section 15: TEA estimates that administrative support for the Texas Council on Early Childhood Education Career Development would come from existing resources. Travel reimbursements for Council members are estimated to cost \$15,000 each year (18 members at a projected 8 meetings a year at an average of \$104 per trip).

Subchapter D of section 15 also would require that qualified expenses, including college tuition, on-campus housing costs, books, transportation, and other expenses, are provided to participants in Early Childhood Education Partnership Projects who meet certain criteria. The bill does not specify that the state is responsible for paying the costs of qualified expenses, but it is assumed for the purposes of this fiscal note that this is intended to be a state cost. TEA estimates that there would be 5 projects statewide, each funding approximately \$115,000 annually for qualified expenses, for a statewide total of \$575,000 each year through FY2011. Should the number of projects, eligible participants or average cost of qualified expenses be different than this estimate, the state costs associated with this section would change accordingly.

Technology

TEA estimates that the bill has no significant technology impact for the agency.

Local Government Impact

There would be varying costs to school districts to submit data electronically for each student depending on the complexity of the system and how many children were participating in the program.

Source Agencies: 320 Texas Workforce Commission, 529 Health and Human Services Commission, 530 Family and Protective Services, Department of, 701 Central Education Agency

LBB Staff: JOB, JSp, JGM, UP