

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 2, 2007

TO: Honorable Florence Shapiro, Chair, Senate Committee on Education

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

IN RE: SB780 by Shapleigh (Relating to the use of technology by public schools.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB780, As Introduced: a negative impact of (\$638,635,700) through the biennium ending August 31, 2009.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$311,117,850)
2009	(\$327,517,850)
2010	(\$516,217,850)
2011	(\$689,017,850)
2012	(\$821,057,850)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>FOUNDATION SCHOOL FUND 193</i>	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND 1</i>	Change in Number of State Employees from FY 2007
2008	(\$210,600,000)	(\$100,517,850)	4.0
2009	(\$327,300,000)	(\$217,850)	4.0
2010	(\$516,000,000)	(\$217,850)	4.0
2011	(\$688,800,000)	(\$217,850)	4.0
2012	(\$821,000,000)	(\$57,850)	1.0

Fiscal Analysis

Section 1 of the bill would increase the technology allotment to school districts, increasing the statutory target funding from \$30 per student in average daily attendance (ADA), or different amount as set by appropriation, to \$75 in FY2008, \$100 in FY2009, \$140 in FY2010, \$175 in FY2011, and \$200 per ADA, or greater amount as set by appropriation, in FY2012 and beyond.

Section 1 also would require the Texas Education Agency (TEA) to evaluate available technological solutions that improve education and publish an updated list of evaluated technological solutions on a quarterly basis.

Section 2 would authorize the commissioner to enter into an agreement with a public broadcasting station (PBS) or a consortium of stations under which the PBS would provide online instructional content and educational materials. The commissioner would be authorized to use funds appropriated to the agency to make instructional materials available through the PBS's for the purpose of

instruction and professional development and for use in providing adult education.

Section 5 would expand participation in the technology immersion pilot project to each high school to which a district assigns students who are participating currently in the project, and one middle/junior high school and one high school in each state senatorial district.

The bill would become effective on September 1, 2007, or immediately upon enactment by the appropriate voting majorities.

Methodology

State costs related to increasing the technology allotment represent costs to the Available School Fund (ASF). However, since the ASF serves as a method of financing the Foundation School Program, reductions in ASF result in a corresponding increase to General Revenue funding through the Foundation School Fund. Therefore, technology allotment costs in this fiscal note are shown as costs to the Foundation School Fund.

Currently, the technology allotment is funded at \$115 million per year, an amount which would represent a per ADA funding level of between \$26 and \$27 in the 2008-09 biennium. For the purposes of this fiscal note, it is assumed that under current law this level of funding would continue through FY2012. Increasing the allotment to \$75 per ADA in FY2008 is estimated to cost an additional \$210.6 million. For FY2009, state costs would be an additional \$327.3 million to reach \$100 per ADA. Costs continue as the allotment is increased to \$200 per ADA, reaching an additional state cost estimated at \$821 million in FY2012.

It is estimated that TEA would need one full-time equivalent staff member, at an annual cost of \$57,850, to evaluate available technological solutions and maintain an online list.

TEA estimates the cost to develop the instructional materials for use via agreements with PBS stations to be \$300,000 in FY2008. To the extent that the agency uses available federal funds for this purpose, this cost would decrease.

The Texas Education Agency estimates that expanding the existing technology immersion program -- to each high school that regularly serves students from current immersion middle/junior high schools and to one middle/junior high and one high school campus in each state senatorial district -- would cover approximately 71,500 students across about 84 schools. Based on the current pilot program, the technology costs per student are estimated to be \$1,400. Under these assumptions, the pilot program expansion would cost approximately \$100 million in one-time technology costs in FY2008.

The agency also would incur additional administrative costs to implement the expanded program. TEA estimates the need for 3 program administrators, with \$170,000 in supporting administrative costs annually through FY2011, at which point the program expires under current law.

Technology

No technology impact to the Texas Education Agency is expected. The existing contract with Regional Education Service Center (RESC) XII would be extended to provide online reporting services related to long-range technology plans submitted by school districts.

Local Government Impact

School districts and charter schools would receive significantly increased funding for technology. Districts participating in the technology immersion pilot project would receive additional technology funds to meet the requirements of the program.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, JSp, UP, JGM