

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 11, 2007

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

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

IN RE: SB1700 by Shapiro (Relating to state assistance with the costs of constructing or renovating public high school science laboratories.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1700, As Introduced: a negative impact of (\$21,030,000) 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 | (\$10,515,000) |
| 2009 | (\$10,515,000) |
| 2010 | (\$10,515,000) |
| 2011 | (\$10,515,000) |
| 2012 | (\$10,515,000) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from <i>FOUNDATION SCHOOL FUND</i> 193 | Change in Number of State Employees from FY 2007 |
|-------------|--|---|
| 2008 | (\$10,515,000) | 1.0 |
| 2009 | (\$10,515,000) | 1.0 |
| 2010 | (\$10,515,000) | 1.0 |
| 2011 | (\$10,515,000) | 1.0 |
| 2012 | (\$10,515,000) | 1.0 |

Fiscal Analysis

The bill would create a science laboratory grant program. From funds appropriated for this purpose, the commissioner would establish a competitive grant program that would provide funds to school districts for the purpose of constructing or renovating high school science laboratories. The amount of assistance per project would be limited to no more than \$200 per square foot for new construction of science laboratories or \$100 per square foot for renovation of existing science laboratories.

School districts that apply for the grant would be ranked according to their wealth per student in average daily attendance (ADA), and priority would be given to districts with low wealth per ADA. In order to qualify for a grant, the district would have to demonstrate that its existing science laboratories were inadequate to comply with the curriculum requirements for the recommended and advanced high school programs that include four courses of science.

The bill would take effect on September 1, 2007.

Methodology

According to the Texas Education Agency (TEA), the typical science lab comprises on average 1,400 square feet of classroom lab space and 240 square feet of prep room space, for a total of 1,640 square feet. At the maximum grant awards allowed by the bill, each new construction project would be awarded \$328,000 and a renovation project would receive \$164,000.

There is no current base of data from which to estimate the number of eligible science lab projects that potentially could receive funding in a competitive grant process. For the purposes of this fiscal note, it is assumed the number of districts receiving awards under this program would resemble that under the Instructional Facilities Allotment (IFA), a current competitive facilities grant that ranks districts based on property wealth per student. In FY2007, out of the 356 applicants for the IFA, 42 districts received a grant award.

Based on available data from TEA, in the 42 districts in the state with the lowest wealth per student and that have a high school campus, there are 51 high school campuses. For the purposes of this fiscal note, it is assumed that there would be one grant per high school campus, or 51 grants. Given the limited number of new high school construction from year to year, it is assumed that approximately 75 percent of the grants, or 38 grants, would be for renovation of existing facilities, and 25 percent, or 13 grants, would be for new construction. Assuming grants would be awarded at the maximum allowable cost of \$164,000 per renovation grant and \$328,000 per new construction grants, the total estimated state cost would be approximately \$10.46 million for FY2008.

Fifty-one campuses represent approximately 3 percent of the statewide number of high school campuses. It is assumed for the purposes of this fiscal note that the Commissioner would adopt rules such that additional high school campuses that did not receive funding in FY2008 but that can demonstrate a need for grant funding would be funded in each year after FY2009, and that funds are appropriated for this purpose.

It is assumed that TEA would need one full-time equivalent position, with approximately \$60,000 in supporting administrative funding annually, to implement the program. Duties would include drafting rules regarding eligibility, application procedures, and accountability, reviewing applications, assessing documentation on demonstrated need and square footage, and ongoing monitoring responsibilities.

Technology

The bill is not expected to impact TEA's technology costs in a significant way.

Local Government Impact

Eligible school districts would receive additional state funding to renovate existing science labs or construct new ones.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, JSp, UP, JGM