

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 28, 2009

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

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

IN RE: HB171 by Olivo (relating to consideration of mitigating factors in determining appropriate disciplinary action to be taken against a public school student.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB171, As Passed 2nd House: a negative impact of (\$936,244) through the biennium ending August 31, 2011.

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
2010	(\$508,122)
2011	(\$428,122)
2012	(\$428,122)
2013	(\$428,122)
2014	(\$428,122)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2009
2010	(\$508,122)	2.0
2011	(\$428,122)	2.0
2012	(\$428,122)	2.0
2013	(\$428,122)	2.0
2014	(\$428,122)	2.0

Fiscal Analysis

The bill would require that consideration be given to mitigating factors in determining disciplinary actions.

The bill would require that principals or other administrators overseeing student discipline attend staff development training regarding Texas Education Code Chapter 37 at least once every three years. The bill would allow for the training to be provided in coordination with the Regional Education Service Centers and to occur through distance learning methods. Costs to the Texas Education Agency for the development and maintenance of content are not estimated to be significant.

The bill would require school districts to provide for optional dispute resolution methods that may be

used in certain disputes between school districts and parents of students with disabilities.

The bill would require the Texas Education Agency (TEA) to develop an independent individualized education program facilitation process as a method of alternative dispute resolution and implement the process as a pilot program for districts within the boundaries of three regional education service centers (RESC) selected by the commissioner of education. The pilot program is limited to a maximum of 500 facilities in the program unless expansion of the program is authorized by the commissioner of education and if adequate funding is available.

Methodology

Based on current costs for mediation, TEA indicates that facilitators would be contracted individuals to provide the IEP facilitation process, but instead of an hourly rate, a flat rate of \$600 per facilitation is assumed at a maximum of 500 facilitations. The total contract cost for facilitation is estimated at \$300,000 per year.

TEA estimates that 2.0, FTEs would be required to manage and coordinate the network of facilitators at an estimated cost of \$118,122 in FY2010 and \$110,122 in each subsequent year inclusive of salary, benefits, and other operating expenses. TEA estimates technology costs of \$90,000 in FY2010 and \$18,000 in each subsequent year associated with implementing the facilitation process.

TEA estimates that all costs would be funded with funding received under the federal Individuals with Disabilities Education Act. However, it is assumed for the purpose of this fiscal note that these federal funds would need to be withdrawn from an existing program to fund the provisions of the bill, requiring general revenue to fill the resulting funding deficit. To the extent that TEA limits the program for which the federal funds currently are being used, or additional federal funds become available, general revenue costs noted in this fiscal note may decrease.

Technology

TEA estimates technology costs of \$90,000 in FY2010 and \$18,000 in each subsequent year associated with implementing the facilitation process and network of facilitators.

Local Government Impact

School district administrators involved in student discipline activities would be required to attend relevant staff development training. Districts would have the option to seek training delivered by the TEA or by an RESC, or they could choose to develop their own training that complied with the requirements of the bill.

Costs for school districts, in implementing the bill's requirements to designate a campus discipline officer at each campus and to consider certain mitigating factors when determining some forms of punishment for students, could vary. Costs for school districts to implement the bill's requirement to provide written notice to the parents of a public school student removed to a disciplinary alternative education program (DAEP) could vary. Some districts may already document DAEP conferences, and costs for such districts would likely be lower in fulfilling this requirement. Districts with a high number of DAEP referrals would experience relatively higher administrative and mailing costs.

Local school districts within a participating RESC's boundaries or parents of a student with disabilities attending a school within a participating RESC's boundaries could request an impartial facilitator to assist in developing a student's IEP. Additional school districts and parents could participate if funding was available to expand the pilot program..

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, JSp, JW, JGM, JSc