

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: HB2488 by Hochberg (relating to open-source textbooks for public schools.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would require the State Board of Education to adopt open-source textbooks for secondary courses submitted by certain institutions of higher education or public technical institutes in Texas on a conforming or non-conforming list if the textbooks meet requirements established in the bill.

The bill would require school districts and charter schools that select open-source textbooks to requisition printed copies of the textbooks or portions of the textbooks for students lacking the technology to access the open-source materials or to arrange for the student to have the necessary technology to access the materials at no charge. To the extent that open-source textbooks are selected by districts in place of traditional textbooks, the lower cost of these materials could result in overall state savings.

The bill would allow the Commissioner to issue a request for proposals (RFP) for state-developed open-source textbooks and would stipulate requirements and a review process for state-developed open-source textbooks. The bill stipulates that if a school district selects a state-developed open-source textbook, the school district would be entitled to 50 percent of the difference between the maximum cost for a traditional textbook for the course and the cost of the open-source textbook. The remaining 50 percent of the difference in cost would accrue to the state textbook fund.

The bill would allow the Commissioner to charge a licensing fee to entities other than public schools for the use of a state-developed open-source textbook.

The bill would require some programming changes in the Educational Materials and Textbooks (EMAT) System. The Texas Education Agency estimates associated costs could be managed within existing resources. TEA assumes that it would contract for services to write, evaluate, and analyze RFPs and responses and to develop a list of equipment and devices that could be purchased with textbook credits. It is assumed that this contract resource would transition to a full-time-equivalent position during FY2010. Associated costs are not estimated to be significant and could be covered from licensing fee revenue authorized by the bill if authority for expenditure of such revenue were granted.

Local Government Impact

School districts that choose open-source textbooks would be required either to requisition printed copies or provide technological equipment for students without access to technology required to use open-source materials.

School districts that choose state-developed open-source textbooks with costs below the established maximum price would receive additional revenue for textbook-related purchases due to the bill's provision of 50 percent of the difference between the cost of the textbook and the maximum price.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, JSp, JGM, JSc