

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 30, 2009

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

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

**IN RE: SB1459** by Shapiro (Relating to education initiatives for students of limited English proficiency and students at risk of dropping out of school.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1459, As Introduced: a negative impact of (\$16,969,078) 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)<br>Impact to General Revenue Related<br>Funds |
|-------------|--|
| 2010        | (\$8,623,934)  |
| 2011        | (\$8,345,144)  |
| 2012        | (\$8,179,171)  |
| 2013        | (\$8,820,219)  |
| 2014        | (\$8,668,498)  |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from<br>General Revenue Fund<br>1 | Change in Number of State Employees<br>from FY 2009 |
|-------------|---|---|
| 2010        | (\$8,623,934)   | 2.0   |
| 2011        | (\$8,345,144)   | 2.0   |
| 2012        | (\$8,179,171)   | 2.0   |
| 2013        | (\$8,820,219)   | 2.0   |
| 2014        | (\$8,668,498)   | 2.0   |

Fiscal Analysis

The bill would direct the Comissioner of Education to establish a grant program to enable the Education Research Centers (ERCs) to identify successful language acquisition programs for students with limited English proficiency (LEP students) in Texas and to identify best practices within those programs. The bill would direct the ERCs to deliver a report of the findings to the Governor and certain legislative offices by January 1, 2011.

The bill would allow a school district to offer an intensive English program for certain eligible LEP students in grades 6 and above, would permit the program to be offered for additional school days beyond the regular school year or as an extended school day, and would entitle a district offering the program to additional funding under the Foundation School Program through the calculation of students in average daily attendance (ADA).

The bill would require the Commissioner to study the effectiveness of optional intensive English programs and best practices in assisting LEP students in grades 6 and above. The bill would direct the Commissioner to deliver a report of the findings to the Governor and certain legislative offices by December 1, 2010.

The bill would direct the Commissioner to establish a pilot program for dropout prevention focusing on students entering middle school and transitioning to grade 9. The Commissioner would determine participating urban and rural districts serving large proportions of students identified as at risk of dropping out of school. Participants would be required to employ interventions recommended by the Institute of Education Sciences. In January of each odd numbered year, the ERCs would be required to deliver a report on the effectiveness of the pilot program to the Governor and certain legislative offices.

### **Methodology**

The estimated cost to contract with an ERC to identify successful language acquisition programs is estimated at \$450,000 in FY2010.

The Texas Education Agency (TEA) estimates there were 12,000 LEP students eligible for the optional intensive English program in 2008, the most recent data available. Assuming those students would generate an additional 15 days of attendance (or .083 of a full ADA) through the program and based on the average FSP cost per ADA of \$7,300, cost associated with increased ADA for districts providing the program is estimated at \$7.6 million in 2010. An annual cost increase of 1.8% is assumed to account for enrollment growth. The cost to contract with an ERC to complete the required study of the optional intensive English program is estimated at \$450,000 in FY2010.

The estimated cost for ERCs to produce required reports on the dropout prevention pilot program is \$400,000 in FY2011 and FY2013.

It is estimated that 2.0 additional FTEs would be required at TEA to implement the provisions of the bill at a cost of \$150,245 in FY2010 and \$144,245 in subsequent years inclusive of salary, benefits, and other operating expenses.

### **Local Government Impact**

School districts would be permitted to offer an optional intensive English program for eligible LEP students and could earn additional FSP funding due to increased ADA as a result. School districts could apply to participate in the dropout prevention pilot program. School districts participating in either program would be required to cooperate in evaluation efforts required by the bill.

**Source Agencies:** 701 Central Education Agency, 781 Higher Education Coordinating Board

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