

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 27, 2009**

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

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

**IN RE: SB1489** by Watson (relating to optional dispute resolution methods for school districts and parents of students seeking or receiving special education services.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1489, Committee Report 1st House, Substituted: 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2010	(\$508,122)
2011	(\$428,122)
2012	(\$428,122)
2013	(\$428,122)
2014	(\$428,122)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund 1</b>	<b>Change in Number of State Employees from FY 2009</b>
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 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**

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