

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 25, 2009

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

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

IN RE: SB1576 by Shapiro (Relating to an algebra instruction grant program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1576, As Introduced: a negative impact of (\$50,694,418) 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	(\$25,434,209)
2011	(\$25,260,209)
2012	(\$25,260,209)
2013	(\$25,260,209)
2014	(\$25,260,209)

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	(\$25,434,209)	4.0
2011	(\$25,260,209)	4.0
2012	(\$25,260,209)	4.0
2013	(\$25,260,209)	4.0
2014	(\$25,260,209)	4.0

Fiscal Analysis

The bill would establish a grant program providing school districts with funding to implement plans targeted at improving student learning in mathematics in grades six through eight. The bill would require grantees specifically to target interventions at students who will be administered the Algebra I end-of-course state assessment beginning in the 2011-12 school year.

The bill would limit the total amount of grants awarded at \$50 million and allows that the Commissioner may set aside those funds from funds appropriated for accelerated instruction (the Student Success Initiative) under Texas Education Code, § 28.0211. The bill is not specific as to whether or not this is an annual set aside. The bill would require the Commissioner to develop a comprehensive intervention plan to assist school districts with high proportions of students who perform unsatisfactorily on state mathematics assessments in grades 5 through 7.

Methodology

Assuming the \$50 million cap on the total grant awards is a biennial cap, the cost associated with grants awarded under the provisions of the bill is estimated at \$25 million per year. In the event that additional appropriations for grants are not made and the Commissioner makes a reduction to funds appropriated for existing accelerated instruction programs in order to fund the grants as permitted by the bill, funding for existing accelerated instruction programs would be displaced. The Texas Education Agency estimates the administrative cost of implementing the bill at \$284,209 in FY2010 to support 4.0 additional FTEs, inclusive of salaries, benefits, and equipment. On-going costs associated with the additional FTEs beginning in FY2011 are estimated at \$260,209 annually.

In addition, the agency estimates a one-time cost associated with developing the comprehensive intervention plan of \$150,000 in FY2010.

Local Government Impact

School districts could apply for and receive funding to implement an algebra instruction program. Participating districts would be required to submit an intervention plan, and they could be required to provide financial or other commitments concurrent with the grant period and extending for up to two years beyond the grant period.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, JSp, JGM, JSc