

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

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

**April 6, 2009**

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

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

**IN RE: SB1726** by West (Relating to best practices for public school student dropout prevention and recovery.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1726, As Introduced: a negative impact of (\$658,612) 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)<br/>Impact to General Revenue Related<br/>Funds</b> |
|--------------------|-----------------------------------------------------------------------------------------|
| 2010               | (\$358,306)                                                                             |
| 2011               | (\$300,306)                                                                             |
| 2012               | (\$300,306)                                                                             |
| 2013               | (\$300,306)                                                                             |
| 2014               | (\$300,306)                                                                             |

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

| <b>Fiscal Year</b> | <b>Probable Savings/(Cost) from<br/>General Revenue Fund<br/>1</b> | <b>Change in Number of State Employees<br/>from FY 2009</b> |
|--------------------|--------------------------------------------------------------------|-------------------------------------------------------------|
| 2010               | (\$358,306)                                                        | 2.0                                                         |
| 2011               | (\$300,306)                                                        | 2.0                                                         |
| 2012               | (\$300,306)                                                        | 2.0                                                         |
| 2013               | (\$300,306)                                                        | 2.0                                                         |
| 2014               | (\$300,306)                                                        | 2.0                                                         |

**Fiscal Analysis**

This bill would amend the Education Code to establish a dropout prevention assistance center to work in conjunction with the agency's clearinghouse of best practices. This center would identify successful or promising dropout prevention and recovery programs, collect and analyze performance data and common components of these programs, disseminate information concerning these programs, and work in conjunction with regional education service centers (RESCs) to create needs assessments for school districts and open-enrollment charter schools interested in determining which best practices would be most appropriate for their district or charter school.

The center would also be responsible for identifying programs that other school districts, open-enrollment charter schools, and RESCs could visit to learn more about the program, developing procedures for these site visits, and developing or collecting and providing information for districts

and open-enrollment charter schools interested in implementing a specific best practice, including researching the efficacy of the practice and costs associated with implementing the practice.

### **Methodology**

The Texas Education Agency (TEA) estimates that two FTEs would be needed to establish a dropout prevention assistance center at an annual estimated cost of approximately \$151,000.

Other operating expenses associated with this bill include costs for cubicles, phones, PC leases and supplies that are estimated to be \$32,000 in FY 2010 and then dropping to \$24,000 annually. Costs associated with conducting needs assessments for school districts and open-enrollment charter schools are estimated at \$150,000 in FY 2010 and decreasing to \$100,000 annually. This assumes that cost differences between FY 2010 and subsequent years represent one-time start up costs associated with establishing the center.

An annual \$25,000 cost is estimated to develop publications and toolkits and to provide information at conferences.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated. It is assumed that a school district that chooses to participate would carefully consider any implications for additional administrative costs associated with participation in learning visits.

**Source Agencies:** 701 Central Education Agency

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