

**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: SB2204** by Shapiro (Relating to the enhancement of services for certain students with autism or autism spectrum disorder and training and support for educators who serve students with autism.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB2204, As Introduced: a negative impact of (\$844,758) 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	(\$488,879)
2011	(\$355,879)
2012	(\$355,879)
2013	(\$355,879)
2014	(\$355,879)

**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	(\$488,879)	3.0
2011	(\$355,879)	3.0
2012	(\$355,879)	3.0
2013	(\$355,879)	3.0
2014	(\$355,879)	3.0

**Fiscal Analysis**

The bill would establish a program to allow public school students with autism or autism spectrum disorder who are considered to be at high risk for residential treatment or institutionalization to attend a program operated by a nongovernmental community-based provider. As described below, fiscal implications for state costs under the Foundation School Program are not anticipated to reach significant levels. Operating costs for the program, would be estimated to be \$488,879 for FY2010, decreasing to \$355,879 in FY2011 and subsequent fiscal years as the program is fully implemented.

The program would be specifically subject to the Texas Sunset Act and would expire on September 1, 2019 unless continued in existence.

## Methodology

The bill defines eligible students to include children who meet the following conditions: (1) are eligible to attend public school and are eligible to receive special education services; (2) have a diagnosis of autism or autism spectrum disorder and are considered to be at high risk for residential treatment or institutionalization; and (3) have an individualized educational program (IEP) that has been developed under the public school special education program. Because of these eligibility criteria, particularly the requirement that an eligible student have an existing IEP, it is assumed for the purpose of this fiscal note that the vast majority of students who would choose to participate in the program would currently be enrolled in public schools. Based on the assumption that the vast majority of program participants are currently enrolled in public schools and the mechanism that provides for a very similar level of FSP entitlement, it is estimated that the bill would have no significant fiscal impact for state costs under the Foundation School Program. However, there is the potential for additional state costs to the FSP under a scenario in which students that otherwise would have enrolled in the 2010-11 school year directly in a program operated by a nongovernmental community provider instead enroll in public school to establish eligibility under the bill, and then transfer to the nongovernmental provider with state aid. This potential impact cannot be estimated; however, the IEP requirement under the bill may reduce the practicality of this option for such students.

The bill would have fiscal impact for the administrative operations of the Texas Education Agency. Costs to administer the program would be a function both of the number of student participants and the number of participating nongovernmental community-based providers and could vary from the levels estimated below if program participation is significantly higher or lower than assumed.

During the 2008-2009 school year, approximately 27,600 students with autism are enrolled in Texas public schools. The growth rate for this population of students has averaged about 16% per year over the past five-year period. Assuming a continued growth rate of about 16% per year, the population of students with autism or autism spectrum disorder would reach approximately 37,000 in FY2011, the first year that students would be allowed to participate in the program. There is no specific state level data by which to predict the proportion of students with autism or autism spectrum disorder that would meet the bill's criteria of being at high risk for residential treatment or institutionalization. However, for the purpose of this estimate it is assumed that about 10% of autistic students, 3,700 students, would meet the eligibility requirements and would participate in the program. It is further assumed that on a statewide basis, as many as 100 nongovernmental community-based providers would seek status as qualifying community providers and would enroll participating students.

Based on the administrative mechanisms described in the bill, it is estimated that a total of 3.0 FTEs would be required to implement and support the operations of the program. It is assumed that the FTEs would be needed over the course of FY2010 to develop the infrastructure within which the program will operate and administer processes to qualify nongovernmental community-based entities that intend to participate in the program when it would be made available to students in FY2011. Costs for FY2010 would be slightly higher due to the need for cubicle construction and initial systems development, otherwise ongoing costs associated with administrative operations would be anticipated to be approximately \$285,879 annually, including technology costs.

The bill would establish an autism interdisciplinary enhancement team transition and coordination initiative to provide assistance related to transitioning eligible students from community-provider settings back into public school settings. Under the initiative, training would be provided by the autism interdisciplinary enhancement team to personnel in the school district receiving the student. The bill would require that such training be funded by the regional education service center (RESOC) that serves the district. Based on similar training that is currently available for a fee of \$70 per educator and assuming that about 1,000 staff would require training each year, on a statewide basis the annual costs funded through the RESOCs would be approximately \$70,000.

The bill would require the commissioner of education to designate an impartial organization to conduct an annual evaluation of the program. The bill would prohibit the use of state funds for the purpose of conducting the evaluation. The bill would authorize the Agency to accept grants to assist in funding the evaluation. The bill would require that the results of the evaluation be reported to members of the legislature by December 1, 2012.

## **Technology**

The bill would affect the Agency's data collection and funding calculation systems. Existing attendance reporting and FSP-related funding calculation structures would require significant modification to implement the funding mechanisms described in the bill. Costs would be incurred to develop and maintain alternative attendance reporting and funding and payment calculation structures. Estimated costs for contracted systems development would be approximately \$225,000 in fiscal year 2010. Ongoing systems maintenance contract costs would be estimated to be \$100,000 per year in FY2011 and subsequent years.

## **Local Government Impact**

School districts would experience increased workload associated with providing the annual notification to parents of students who are eligible to participate in the program and processing requests for transfer of student records to qualifying community providers. Costs associated with these activities would be anticipated to vary widely among districts depending upon the degree of automation of student records information and the number of eligible and participating students in the district. Costs are not anticipated to be significant on a statewide basis. School district personnel would receive training when students transition from community-provider settings to public school settings.

**Source Agencies:** 701 Central Education Agency

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