

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82nd LEGISLATURE 1st CALLED SESSION - 2011

June 7, 2011

TO: Honorable Rob Eissler, Chair, House Committee on Public Education

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

IN RE: SB8 by Shapiro (Relating to the flexibility of the board of trustees of a school district in the management and operation of public schools in the district.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would direct the commissioner of education to make an annual determination by July 1st of the difference between each school district's total state and local maintenance and operations revenue per weighted student for the 2010-11 school year and the projected amount for the upcoming school year. For those districts projected to have less revenue per weighted student than the 2010-11 school year, the commissioner would be required to certify the percentage decrease in funding to be provided to the school district in the upcoming year. It is assumed that existing resources would be redirected to accomplish the annual determination and make necessary certifications to school districts.

Current school employee contracts are considered under case law to incorporate relevant statutes as they existed at the time the contract was initiated. To the extent that school districts implementation of the proposed statutory changes would affect current contracts, which could be multi-year, the Agency anticipates the potential for an increase in appeals to the commissioner under Subchapter G, Chapter 21, resulting in additional costs for hearings by the Texas Education Agency or the State Office of Administrative Hearings.

Local Government Impact

The bill would amend provisions related to employment under probationary, continuing, and term contracts. The bill would authorize local boards of trustees to implement a furlough of up to six days upon certification by the commissioner of education that the district's state and local maintenance and operations revenue per weighted student for the year is less than the amount for the 2010-11. In addition, the bill would repeal a provision currently entitling employees subject to the minimum salary schedule a salary that is at least equivalent to the salary they received in 2010-11 for the duration of their employment with the district in which they were employed during 2010-11. To the extent that the bill would allow school districts to reduce salary-related costs, local savings could be realized.

The bill would reduce the number of students subject to annual assessment of physical fitness from all students in grades 3-12 to only those students who are enrolled in a physical education course.

Source Agencies:

LBB Staff: JOB, LXH, JGM, JSp