

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

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**March 7, 2011**

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

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

**IN RE: SB872** by Shapiro (Relating to the study of productivity and cost-effectiveness in public education.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB872, As Introduced: a negative impact of (\$1,775,460) through the biennium ending August 31, 2013.

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>
2012	(\$923,730)
2013	(\$851,730)
2014	(\$851,730)
2015	(\$851,730)
2016	(\$851,730)

**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 2011</b>
2012	(\$923,730)	9.0
2013	(\$851,730)	9.0
2014	(\$851,730)	9.0
2015	(\$851,730)	9.0
2016	(\$851,730)	9.0

**Fiscal Analysis**

The bill would establish a new independent policy center, called the Center for Financial Accountability and Productivity in Public Education (the Center), and would establish a three-member board (the Board) to be the policy-making body for the Center.

The center would examine and annually rank the productivity and cost-effectiveness of public schools and promote successful methods to increase productivity and cost-effectiveness. The center would annually provide a progress report and recommendations to the governor, lieutenant governor, speaker of the house of representatives, Legislative Budget Board (LBB), commissioner of education, State Board of Education (SBOE), school districts, campuses, and open-enrollment charter schools. The center could assist the legislature with policy studies and participate in collaborative studies with foundations or organizations inside or outside of the state. The center would be required to seek

information, data, and best practices from state, regional, and national sources and could contract with independent experts, academic scholars, and other professionals.

The Board would be composed of three members. One member would be appointed by the governor, one by the lieutenant governor, and one by the speaker of the house of representatives. Board members could not receive a salary but would have to be reimbursed for expenses to attend board meetings.

The Center and Board would study the elements of a productive and cost-effective public education system and make recommendations to improve productivity and cost-effectiveness of the public school system, provide greater financial accountability, improve the state's ability to compete with other states and countries, and provide the public with information. The Board would be required to provide a report of its study and recommendations annually to the LBB and every other year before the beginning of the legislative session to the governor, lieutenant governor, speaker of the house of representatives, legislature, commissioner of education, and SBOE.

The bill would require that state agencies, regional education service centers, school districts, and open-enrollment charter schools fully cooperate with and assist the Center. Data requested by the center would have to be provided in a timely manner and at minimal cost.

The bill would allow the center to be funded with donations, grants, and legislative appropriations.

The bill would make these provisions take effect immediately if passed with the necessary voting margins, or September 1, 2011.

## **Methodology**

The Center is assumed to have one executive director and eight support staff, including six research and information technology support full-time equivalents (FTEs), one administrative support position, and an accountant/chief financial officer.

Travel costs for the three board members were based on assumptions of five visits to Austin annually for the three board members for three nights each. Costs were based on exempt position remuneration rates of \$170 per night for accommodation and \$72 per day for incidental expenses, along with an estimated \$300 for roundtrip airfare.

Expenses for rental of office space were based on Texas Facilities Commission standard rates of \$3,600 per full-time equivalent (FTE). Other operating expenses for phones, PCs, supplies, etc., were estimated at \$16,000 per FTE in the first year and \$8,000 per FTE per year thereafter.

Although it is anticipated that many experts in the education field, particularly from institutions of higher education, school districts, and state agencies, would be willing to donate their time to consult with the center free of charge, \$100,000 has been added for professional services in each year to allow for 1,000 hours of consultant time at \$100 per hour if a more sustained commitment of time were required.

The center would require access to data from the Education Research Center at the University of Texas at Austin (Texas ERC), which costs \$5,000 per year.

## **Technology**

Technology costs for the Center are expected to be typical for a very small state agency, including computer equipment, software licenses, and other technology support.

## **Local Government Impact**

Local school district personnel may be asked to consult with or provide data to the center.

**Source Agencies:** 701 Central Education Agency

**LBB Staff:** JOB, LXH, JGM