

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

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

**May 26, 2011**

**TO:** Honorable David Dewhurst, Lieutenant Governor, Senate

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

**IN RE: SB1788** by Patrick (Relating to the development of a model individualized education program form by the Texas Education Agency.), **As Passed 2nd House**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1788, As Passed 2nd House: a negative impact of (\$11,750,000) 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	(\$11,750,000)
2013	\$0
2014	\$0
2015	\$0
2016	\$0

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

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from <i>Foundation School Fund</i> 193</b>
2012	(\$11,750,000)
2013	\$0
2014	\$0
2015	\$0
2016	\$0

**Fiscal Analysis**

The bill would require the Texas Education Agency (TEA) to develop a standardized form for use in developing an individualized education program (IEP), including information under Section 1417(e) (1), Title 20, United States Code, which authorizes the development of a model form to implement the Individuals with Disabilities Education Act of 2004 (IDEA). The bill would require the TEA to post the form on its website for use by school districts.

It is estimated that agency costs to develop an IEP model form are not significant and could be covered with existing Federal Funds.

The bill would reduce state formula funding for school districts that deposited taxes before May 1, 2011 in a tax increment fund, and that have received notices from the commissioner of a state funding

reduction for the 2004-05 through 2008-09 school years due to incorrect reporting, by one-half of the commissioner's reduction calculation.

### **Methodology**

According to data from the Texas Education Agency, districts affected by the bill would see the amount they owe the state, under the current school finance provisions of Chapter 41 and Chapter 42 of the Texas Education Code, decrease by an estimated \$11,750,000, entailing a one-time state cost to the Foundation School Program compared to current law of a like amount.

### **Local Government Impact**

According to the TEA, some school districts and open-enrollment charter schools could experience additional costs to implement revised IEP form but those costs would vary from district to district.

Administrative rules at the Texas Education Agency that were in place until November 2007 required school districts to begin transition planning at age 14. School districts that are no longer providing transition services for students at age 14 may incur some administrative costs to begin transition planning for students at age 14 instead of age 16.

**Source Agencies:** 304 Comptroller of Public Accounts, 701 Central Education Agency

**LBB Staff:** JOB, JW, KK, SD, LXH, JGM