

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 8, 2013

TO: Honorable Jimmie Don Aycock, Chair, House Committee on Public Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2983 by Dutton (Relating to the continuation and functions of the Texas Education Agency and to the abolition of the State Board for Educator Certification and the transfer of its functions to the Texas Education Agency; changing the amounts of certain fees.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2983, As Introduced: a negative impact of (\$2,177,498) through the biennium ending August 31, 2015.

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:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|--------------------|---|
| 2014 | (\$1,316,875) |
| 2015 | (\$860,623) |
| 2016 | (\$172,125) |
| 2017 | (\$172,125) |
| 2018 | (\$172,125) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from General Revenue Fund 1 |
|--------------------|--|
| 2014 | (\$1,316,875) |
| 2015 | (\$860,623) |
| 2016 | (\$172,125) |
| 2017 | (\$172,125) |
| 2018 | (\$172,125) |

| Fiscal Year | Change in Number of State Employees from FY 2013 |
|--------------------|---|
| 2014 | 17.5 |
| 2015 | 27.5 |
| 2016 | 27.5 |
| 2017 | 27.5 |
| 2018 | 27.5 |

Fiscal Analysis

The bill would provide additional authority to the Commissioner of Education to address poor academic performance and financial management at open-enrollment charter schools.

The bill would eliminate the State Board of Educator Certification and transfer its powers and duties to the Commissioner of Education.

The bill would remove certain responsibilities of the Texas Education Agency (TEA) and the Commissioner of Education.

The bill would transfer the duties and responsibilities of administering the Adult Education Program from TEA to the Texas Workforce Commission (TWC).

The bill would require TEA to amend the financial accountability system the agency maintains to include a process for anticipating future financial solvency of each school district and open-enrollment charter school, which is currently completed separately.

The bill would transfer the duties and responsibilities of administering the Driver and Traffic Safety Education Program from TEA to the Texas Department of Licensing and Regulation (TDLR).

The bill would continue TEA until fiscal year 2025.

Methodology

For the purposes of this analysis, it is assumed that all appropriations at TEA for the purposes of implementing the Adult Education Program would be transferred to TWC. This transfer is estimated at \$11.4 million in General Revenue funds and \$59.4 million in federal funds per fiscal year. Under current law, TEA contracts with the Harris County Department of Education to

implement the program, and TEA maintains 2 FTEs within the agency to administer the program. This analysis assumes that these 2 FTEs would be transferred to TWC along with the appropriations and that TWC would need an additional 2 FTEs in fiscal year 2014 and 12 FTEs in subsequent years for a total of 4 FTEs in fiscal year 2014 and 14 FTEs in subsequent years to operate the program in-house.

For the purposes of this analysis, it is assumed that all appropriations at TEA for the purposes of implementing the Driver and Traffic Safety Education Program would be transferred to TDLR. This transfer is estimated at \$0.9 million in General Revenue funds per fiscal year. Under current law, TEA contracts with the Region 13 Regional Education Service Center to implement the program, and maintains 0.5 FTEs within the agency to administer the program. This analysis assumes that the 0.5 FTEs would be transferred to TDLR along with the appropriations and that TDLR would need an additional 15.5 FTEs in each fiscal year for a total of 16 FTEs per fiscal year to operate the program in-house. This analysis also assumes that the revenue generated by the Driver and Traffic Safety Education Program would continue to be generated at the current level, although TDLR would have the authority to adjust these fees.

Based on information provided by the Sunset Advisory Committee, this analysis assumes that reduction in the duties and responsibilities of TEA would align the agency with its current level of funding, and therefore, no significant savings is expected.

The elimination of the State Board of Educator Certification and the transfer of its powers and duties to the Commissioner of Education is not anticipated to have a significant fiscal impact.

According to information provided by TEA, amending the financial accountability system would have an estimated information technology cost of \$1.3 million in fiscal year 2014 and \$0.9 million in fiscal year 2015, and \$0.2 million per fiscal year in subsequent years.

Technology

TEA estimates \$1.3 million in fiscal year 2014, \$0.9 million in fiscal year 2015, and \$0.2 million in subsequent years in information technology costs associated with amending the financial accountability system.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 320 Texas Workforce Commission, 323 Teacher Retirement System, 360 State Office of Administrative Hearings, 405 Department of Public Safety, 452 Department of Licensing and Regulation, 701 Central Education Agency, 781 Higher Education Coordinating Board

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