

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 30, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3841 by Lucio III (Relating to a supplemental educational services program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3841, As Introduced: a negative impact of (\$2,048,270) 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	(\$1,064,135)
2015	(\$984,135)
2016	(\$984,135)
2017	(\$984,135)
2018	(\$984,135)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
2014	(\$1,064,135)
2015	(\$984,135)
2016	(\$984,135)
2017	(\$984,135)
2018	(\$984,135)

Fiscal Year	Change in Number of State Employees from FY 2013
2014	10.0
2015	10.0
2016	10.0
2017	10.0
2018	10.0

Fiscal Analysis

The bill would require the Texas Education Agency (TEA) to administer a program for the provision of supplemental education services to eligible students at campuses that receive federal funding under Title I of the Elementary and Secondary Education Act of 1965.

The bill would require TEA to notify a school district of students enrolled in the district who are eligible for services under the program, and would require each district to notify the parents of eligible students of the availability of the services.

The bill would require TEA to develop procedures for a parent to enroll an eligible student in the program.

The bill would require TEA to retain a portion of the federal funding that would otherwise be provided to the directly to the district for the program to pay the costs of providing supplemental education services for eligible students.

Methodology

TEA indicates that 10 full-time equivalents (FTEs) would be required to administer the program. The estimated cost of these FTEs would be \$864,135 in fiscal year 2014 and \$784,135 in subsequent years inclusive of salaries, benefits, travel, and other operating expenses.

Based on information provided by TEA, a state data management system would be required for the administration of the program at an estimated cost of \$200,000 per fiscal year.

TEA has indicated that as part of its waiver request from the requirements of the federal No Child Left Behind Act, the agency's waiver included a request to stop funding supplemental education services with federal funds. If this waiver were granted, there could be additional impacts to implementing the provisions of the bill.

Although the administration of the program contemplated under the provisions of the bill would be an allowable use of federal Title I administrative funds, all the federal funds from this source available to TEA are currently obligated for other purposes. As such, no federal funds are available for this purpose. Therefore, for purposes of this estimate, the cost of implementing the bill is assumed to be funded from General Revenue Funds. To the extent that federal funds could be identified for this purpose, General Revenue costs would be reduced.

Technology

TEA estimates \$200,000 per year for a state data management system.

Local Government Impact

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

Source Agencies: 701 Central Education Agency

LBB Staff: UP, JBi, JSc, AH