

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 4, 2013

TO: Honorable Dan Patrick, Chair, Senate Committee On Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB115 by Williams (Relating to a school choice program for certain students with disabilities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB115, As Introduced: a positive impact of \$55,757,544 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	\$23,933,542
2015	\$31,824,002
2016	\$40,005,624
2017	\$48,253,084
2018	\$56,500,544

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Foundation School Fund</i> 193	Change in Number of State Employees from FY 2013
2014	(\$808,838)	\$24,742,380	6.0
2015	(\$1,165,838)	\$32,989,840	6.0
2016	(\$615,838)	\$40,621,462	6.0
2017	(\$615,838)	\$48,868,922	6.0
2018	(\$615,838)	\$57,116,382	6.0

Fiscal Analysis

The bill would allow a student in grades kindergarten through 12 who is eligible for special education services and who has an individualized education plan to attend any public school within the student's school district of residence, to attend a public school in another district,

subject to the statutory limitations of the public education grant program, or to receive a scholarship to pay costs of a qualifying private school equal to the amount to which the student's district of residence would be entitled through the special education allotment of the Foundation School Program (FSP) if the student were in attendance in the district.

Methodology

The value of the scholarship that would be provided under the provisions of the bill is limited to the special education allotment of the FSP, which funds only the portion of a student's instructional time spent in special education instruction. The majority of students receiving special education services are not served through special education instruction on a full-time basis. The scholarship would not include FSP funds generated by a student for regular instruction. Currently, about 412,000 students receive special education instruction, equating to about 115,000 full-time equivalent students.

For purposes of this estimate, it is assumed that on average each student accessing a scholarship under the provisions of the bill would have received 10 hours of instruction per week in a regular education setting, generating a savings to the FSP equal to about one-third of the entitlement generated by a student in average daily attendance (ADA) in the regular program, or about \$2,000 per student. Assuming 3 percent of students served through special education services would access the scholarship program in FY2014, increasing by 1 percent per year in each subsequent year, the savings to the FSP is estimated at \$24.7 million in General Revenue Funds (Foundation School Fund No. 193) in FY2014 and \$33.0 million in FY2015, increasing to \$57.7 million by FY2018.

The Texas Education Agency estimates that alternative attendance accounting procedures would be necessitated by the provisions of the bill, requiring an expenditure of \$357,000 in FY2014 and \$762,000 in FY2015 in contract costs to modify existing systems and to develop software to support the application process. Ongoing maintenance costs are estimated at \$212,000 annually beginning in FY2016. TEA estimates that 6.0 additional FTEs would be required to process applications for the scholarship and to administer the program at a cost of \$451,838 in FY2014 and \$403,838 in each subsequent fiscal year.

Technology

The Texas Education Agency estimates that alternative attendance accounting procedures would be necessitated by the provisions of the bill, requiring an expenditure of \$357,000 in FY2014 and \$762,000 in FY2015 in contract costs to modify existing systems and to develop software to support the application process. Ongoing maintenance costs are estimated at \$212,000 annually beginning in FY2016.

Local Government Impact

School districts would be required to provide parents of students with disabilities with written notice of the school choice program. School districts would be required to provide school records of a student admitted to a qualifying school based on a written request from the qualifying school. School districts could lose FSP revenue associated with students who use the program to transfer to a nonpublic school. These school districts might experience an offsetting reduction in costs, depending on the level of service provided by the district.

Costs would vary widely among school districts.

Source Agencies: 701 Central Education Agency

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