

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 16, 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.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB115, Committee Report 1st House, Substituted: a negative impact of (\$1,974,676) 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	(\$808,838)
2015	(\$1,165,838)
2016	(\$615,838)
2017	(\$615,838)
2018	(\$615,838)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2013
2014	(\$808,838)	6.0
2015	(\$1,165,838)	6.0
2016	(\$615,838)	6.0
2017	(\$615,838)	6.0
2018	(\$615,838)	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 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 equivalent to the entitlement that would be generated by recipient students' attendance in their home school districts. Because these students will have been previously served in the public school system earning FSP entitlement, this provision is expected to be cost neutral to the state.

Currently, about 412,000 students receive special education instruction. For purposes of this estimate, it is assumed that 3 percent of students served through special education services (about 12,400) would access the scholarship program in FY2014, increasing by 1 percent per year in each subsequent year. In order to implement the provisions of the bill, the Texas Education Agency estimates that alternative attendance accounting procedures would be necessary, 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

LBB Staff: UP, JBi, JSc