

**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:** SB713 by Lucio (Relating to the employment of certified counselors by school districts.),  
**As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB713, As Introduced: a negative impact of (\$724,877,497) 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	(\$359,238,707)
2015	(\$365,638,790)
2016	(\$372,206,731)
2017	(\$378,906,031)
2018	(\$385,671,010)

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

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Foundation School</i> <i>Fund</i> 193	Probable Revenue Gain/(Loss) from <i>RETIRED SCHOOL</i> <i>EMP GROUP</i> <i>INSURANCE</i> 989	Probable Revenue Gain/(Loss) from <i>TRS Trust Account</i> <i>Fund</i> 960
2014	(\$23,986,478)	(\$335,252,229)	\$7,119,818	\$41,424,394
2015	(\$24,379,115)	(\$341,259,675)	\$7,247,399	\$42,166,685
2016	(\$24,817,010)	(\$347,389,721)	\$7,377,584	\$49,924,125
2017	(\$25,263,663)	(\$353,642,368)	\$7,510,373	\$43,696,714
2018	(\$25,714,694)	(\$359,956,316)	\$7,644,463	\$44,476,877

**Fiscal Analysis**

The bill would modify the requirement that a school district with 500 or more students shall

employ a certified counselor for every 500 elementary school students in the district, and instead require that each school district with 300 or more students shall employ at least one counselor for every 300 students in the district. The bill would provide additional state aid to fund school district costs related to the additional counselors required by the bill.

## **Methodology**

Based on the analysis of the Texas Education Agency, it is assumed that an additional 5,469 counselors would need to be employed in fiscal year 2014 under the provisions of the bill. This analysis assumes that the number of counselors would increase by 1.8 percent annually to correspond with growth in the student population.

The bill is not specific to the methodology for calculating the amount of state aid to which school districts would be entitled. For purposes of this estimate, it is assumed that the state aid amount would be sufficient to fund salaries and benefits for new employees required by the provisions of the bill. According to the Texas Education Agency, the average salary for a school counselor is \$59,175 per year. Therefore, an additional \$323.6 million in fiscal year 2014 and \$329.4 million in fiscal year 2015 would be required to fund the salaries of the additional counselors, and this amount would increase to \$347.5 million in fiscal year 2018. The Insurance Code requires each school district to pay a minimum of \$1,800 per year per employee to provide health coverage. This analysis assumes the additional state aid would provide funds sufficient to pay the minimum requirement, at a cost of \$9.8 million in fiscal year 2014 and \$10.0 million in fiscal year 2015, which would grow to \$10.6 million in fiscal year 2018. Districts are also required to pay 0.55 percent of an educator's salary as the district contribution to Teacher Retirement System (TRS) Care, retired employee group insurance program. This analysis assumes the additional state aid would include funds for the district contribution at a cost of \$1.8 million in fiscal year 2014 and fiscal year 2015, which would grow to \$1.9 million per year in fiscal year 2018.

Based on a state contribution rate of 6.4 percent to TRS and 1.0 percent for TRS Care, the General Revenue cost of the state contribution to each of these programs on behalf of the new employees required by the bill is estimated to be \$24.0 million in fiscal year 2014 and \$24.4 million in fiscal year 2015, which would grow to \$25.7 million in fiscal year 2018.

According to the Texas Education Agency, \$38,000 in professional services would be required in fiscal year 2014 to update the Foundation School Program System Staff Salary subsystem, and \$1,500 would be required annually for ongoing maintenance for this purpose.

There would be a revenue gain to the TRS Trust Account Fund 960 based on the contributions made by both the new employees and the state of \$41.2 million in fiscal year 2014 and \$42.2 million in fiscal year 2015, which would grow to \$44.5 million in fiscal year 2018. There would also be a revenue gain in the Retired School Employee Group Insurance Account 989 due to state, district, and employee contributions of \$7.1 million in fiscal year 2014 and \$7.2 million in fiscal year 2015, which would grow to \$7.6 million in fiscal year 2018.

## **Technology**

According to the Texas Education Agency, \$38,000 in professional services would be required in fiscal year 2014 to update the Foundation School Program System Staff Salary subsystem, and \$1,500 would be required annually for ongoing maintenance for this purpose.

## **Local Government Impact**

School districts would be required to maintain a ratio of one certified counselor for every 300 students. To the extent that districts are not currently in compliance with this ratio, they would be required to hire additional staff under the provisions of the bill. School districts would be entitled to additional state aid under the provisions of the bill, but local costs could exceed the amount of state aid provided, depending on local circumstances and on the methodology used to calculate the entitlement.

**Source Agencies:** 701 Central Education Agency

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