

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 10, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB296 by Wu (Relating to certain prekindergarten programs offered by a school district.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB296, As Introduced: a negative impact of (\$2,012,112) through the biennium ending August 31, 2017.

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
2016	(\$1,006,056)
2017	(\$1,006,056)
2018	(\$1,006,056)
2019	(\$1,006,056)
2020	(\$1,006,056)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
	1
2016	(\$1,006,056)
2017	(\$1,006,056)
2018	(\$1,006,056)
2019	(\$1,006,056)
2020	(\$1,006,056)

Fiscal Analysis

The bill would require districts that receive state funding for prekindergarten programs through the Foundation School Program or grants pursuant to Section 29.155 of the Texas Education Code to offer an enhanced prekindergarten program. The bill would limit a prekindergarten class to no more than 22 students and would require one teacher or educational aide for each 11 students in

average daily attendance in prekindergarten classes. The bill would require prekindergarten teachers to meet certain educational qualifications. The bill would require each school district with a prekindergarten program to select the curriculum for the enhanced quality prekindergarten program from a list of curricula approved by the Commissioner of Education.

The bill would apply beginning with the 2015-16 school year.

Methodology

According to the Texas Education Agency, an estimated 307 additional prekindergarten teachers would need to be hired statewide to implement the provisions of the bill. Based on data from the Public Education Information Management System for the 2013-14 school year, the average annual salary of prekindergarten teachers was \$48,192. At a state contribution rate to the Teacher Retirement System of 6.8 percent of a teacher's base salary, the estimated cost to the state of the additional contributions to the Teacher Retirement System for the additional teachers is \$1.0 million per fiscal year.

This analysis assumes any additional cost to the Texas Education Agency as a result of implementing the provisions of this bill could be absorbed within existing resources.

Local Government Impact

School districts could incur additional costs implementing the provisions of the legislation relating to making their prekindergarten programs meet the criteria required to be considered an enhanced quality prekindergarten program, including the cost of hiring new teachers or educational aides and the cost of replacing prekindergarten teachers that do not meet certain educational requirements.

Among the local costs noted, TEA assumes a cost of \$14.8 million in each fiscal year related to hiring the 307 new teachers noted above (307 x \$48,192 annual salary).

There could also be a cost to local school districts related to updating the local curriculum to one approved by the Commissioner of Education.

Source Agencies: 701 Central Education Agency

LBB Staff: UP, JBi, AM, AH, PFe