

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 13, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1434** by McClendon (Relating to the assignment of certain behavioral health professionals and school counselors to a public school campus.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1434, As Introduced: a negative impact of (\$350,126,712) 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	(\$173,477,376)
2017	(\$176,649,336)
2018	(\$179,917,416)
2019	(\$183,377,736)
2020	(\$187,049,520)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>Available School Fund</i> 2	Probable Revenue Gain/(Loss) from <i>Foundation School Fund</i> 193	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1
2016	(\$216,576,000)	\$45,120,000	\$171,456,000	(\$11,045,376)
2017	(\$220,536,000)	\$45,945,000	\$174,591,000	(\$11,247,336)
2018	(\$224,616,000)	\$46,795,000	\$177,821,000	(\$11,455,416)
2019	(\$228,936,000)	\$47,695,000	\$181,241,000	(\$11,675,736)
2020	(\$233,520,000)	\$48,650,000	\$184,870,000	(\$11,909,520)

Fiscal Year	Probable Savings/(Cost) from Foundation School Fund 193
2016	(\$162,432,000)
2017	(\$165,402,000)
2018	(\$168,462,000)
2019	(\$171,702,000)
2020	(\$175,140,000)

Fiscal Analysis

The bill would require each school district with a campus that has an average daily attendance (ADA) of 250 or more that receives additional state aid as provided under the provisions of the bill to assign, at each campus in the district with an enrollment of 250 or more students, at least one full-time school psychologist, licensed professional counselor, licensed clinical social worker, or certified school counselor.

The bill would require the comptroller to transfer from the General Revenue Fund to the Foundation School Fund an amount equal to three-quarters of the net revenue of receipts dedicated from the sale of tax stamps and funds derived from taxes on distilled spirits, wine, beer, and ale and malt liquor.

The bill would require the Commissioner of Education to use prior year ADA to determine how many school psychologists, licensed professional counselors, licensed clinical social workers, or certified school counselors would be required under the provisions of the bill, and provide \$80,000, or a greater amount by appropriation, per professional required under the bill.

The bill would require the Commissioner to rank school districts in order of highest percentage of educationally disadvantaged students and provide school districts, in ranked order, the funds transferred to the Foundation School Fund under the provisions of the bill.

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

Methodology

According to the Comptroller, the alcohol tax transfers in Chapter 205 of the Alcoholic Beverage Code were abolished August 31, 1995 by Section 403.094 of the Government Code and all alcohol excise tax revenue currently goes to the General Revenue Fund. The Comptroller indicates that the bill would re-establish those allocations and change the three-quarter allocation to the General Revenue Fund to an allocation to the Foundation School Fund.

The Comptroller indicates that the revenue impact of the bill includes a loss of revenue to the General Revenue Fund in an amount of \$216.6 million in fiscal year 2016, \$220.5 million in fiscal year 2017, increasing to a loss of \$233.5 million in fiscal year 2020. The Comptroller indicates that this would be offset by revenue increases to the Available School Fund and the Foundation School Fund. The amount of those revenue increases would be \$45.1 million in fiscal year 2016 and \$45.9 million in fiscal year 2017 to the Available School Fund and \$171.5 million in fiscal year 2016 and \$174.6 million in fiscal year 2017 to the Foundation School Fund.

Of the revenue increased to the Foundation School Fund, the Comptroller indicates that the amount that would be available to pay professional salaries as required by the bill would be

\$162.4 million in fiscal year 2016, \$165.4 million in fiscal year 2017, and increasing to \$175.1 million in fiscal year 2020.

For the purpose of this analysis, it is assumed that the Commissioner of Education transfers a total of \$80,000 per educator required under the provisions of the bill. Based on this analysis, it is assumed that 2,030 professionals would be hired in fiscal year 2016, 2,068 professionals would be hired in fiscal year 2017, and increasing to 2,189 professionals in fiscal year 2020.

At a state contribution rate to the Teacher Retirement System of 6.8 percent of a school professional's base salary, the estimated cost to the state of the additional contributions to the Teacher Retirement System for the additional professionals is \$11.0 million in fiscal year 2016, \$11.2 million in fiscal year 2017, and increasing to \$11.9 million in fiscal year 2020.

Local Government Impact

School districts would be required to hire full-time school psychologists, professional counselors, clinical social workers, or certified school counselors under the provisions of the bill, but state aid provided under the provisions of the bill are anticipated to cover these costs.

Source Agencies: 304 Comptroller of Public Accounts, 701 Central Education Agency

LBB Staff: UP, JBi, AM, AH