

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 20, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1600 by King, Ken (Relating to the establishment of a grant program to assist school districts in developing or implementing innovative blended learning initiatives.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1600, As Introduced: a negative impact of (\$19,046,504) 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	(\$6,465,368)
2017	(\$12,581,136)
2018	(\$12,581,136)
2019	(\$12,581,136)
2020	(\$12,581,136)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
2016	(\$6,465,368)
2017	(\$12,581,136)
2018	(\$12,581,136)
2019	(\$12,581,136)
2020	(\$12,581,136)

Fiscal Analysis

The bill would require the Commissioner of Education to establish by rule an innovation grant program to allow school districts to develop or implement blended learning initiatives to improve student learning in the classroom. The bill defines blended learning as classroom instruction

supplemented with lecture, exercises, or tutorials viewed online at home or in the classroom.

The bill would allow school districts receiving a grant to develop and implement a blended learning initiative, develop new approaches for blended learning, convert traditional learning models to blended learning models, or implement a combined approach. The bill would require the Commissioner to develop rules for the grant, to include requiring school districts to establish a timeline, goals, and accountability measures for using grant funds and encouraging school district partnerships with private sector technology infrastructure providers.

The bill would take effect on September 1, 2015.

Methodology

Providing blended learning innovation grants is expected to result in a cost of \$6.5 million in fiscal year 2016 and \$12.6 million in subsequent years. This analysis assumes costs based on anticipated program participation and a hypothetical funding level per eligible district. However, actual program costs will be limited to amounts appropriated for that purpose.

Although the bill does not specify a grant amount, this estimate assumes the Commissioner would issue grant awards of \$250,000 to eligible school districts and open-enrollment charter schools for a two-year time period. This estimate assumes grants would be awarded to 25 school districts and charter schools in fiscal year 2016, totaling approximately \$6.25 million in grant awards (25 grantees x \$250,000). This estimate assumes an additional 25 grants would be awarded each year. Using these assumptions, grant award would total \$6.25 million in fiscal year 2016 (25 grantees x \$250,000), increasing to \$12.5 million in subsequent years (50 grantees x \$250,000).

This analysis estimates that one FTE would be required to administer the blended learning grant and provide grant oversight and technical assistance. The estimated cost of the FTE, including salary, benefits, and other operating expenses, would be \$89,136 in fiscal year 2016 and \$81,136 in subsequent years.

Technology

Based on information provided by TEA, the estimated cost to update the eGrants online system to accommodate a new grant would be \$126,232 in fiscal year 2016.

Local Government Impact

School districts and open-enrollment charter schools could incur costs to apply for and report on the grant. These costs would be voluntary and would be offset by grant funding.

Source Agencies: 701 Central Education Agency

LBB Staff: UP, JBi, AM, AW