

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 7, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2545 by Sheffield (Relating to the eligibility of certain students to participate in a school district's special education program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2545, As Introduced: a negative impact of (\$77,323,758) 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	(\$38,999,183)
2017	(\$38,324,575)
2018	(\$37,588,684)
2019	(\$37,512,969)
2020	(\$37,853,919)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from Foundation School Fund 193
2016	(\$38,999,183)
2017	(\$38,324,575)
2018	(\$37,588,684)
2019	(\$37,512,969)
2020	(\$37,853,919)

Fiscal Analysis

The bill would allow students who are between the ages of 21 and 26 to participate in a school district's special education program if the student is otherwise eligible.

Methodology

This analysis assumes that a total of 3,250 students aged 21 to 26 would generate entitlement under the special education allotment in fiscal year 2016. Assuming a growth rate of 0.3 percent each year, based on the Texas Education Agency's (TEA) average estimated increase in special education full-time equivalents (FTEs), the number of students generating the additional entitlement as a result of the bill would grow to 3,260 in fiscal year 2017 and would increase to 3,289 in fiscal year 2020. This analysis assumes that the special education full-time equivalent generated by these students would be 1,487 in fiscal year 2016, 1,492 in fiscal year 2017, and increasing to 1,505 in fiscal year 2020. The estimated cost to the state associated with this growth in special education FTEs is \$39.0 million in fiscal year 2016, \$38.3 million in fiscal year 2017, and would decrease to \$37.9 million in fiscal year 2020. The state costs are anticipated to decrease from the fiscal year 2016 estimate due to the relatively modest growth in population covered under this bill (0.3 percent each year), while the statewide property values are anticipated to increase more significantly, resulting in a reduced state share of the Foundation School Program.

Local Government Impact

School districts may realize an increase in state revenue from the availability of Foundation School Program funding for special education students between the ages of 21 and 26 as a result of the bill.

Source Agencies: 701 Central Education Agency

LBB Staff: UP, JBi, AM, AH