

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 85TH LEGISLATURE 1st CALLED SESSION - 2017

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August 7, 2017

TO: Honorable Dan Huberty, Chair, House Committee on Public Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB232 by Giddings (Relating to class size limits for prekindergarten classes in public schools.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Education Code to limit the enrollment in prekindergarten classes to 22 students. The bill would not result in a cost to the Foundation School Program (FSP) since prekindergarten eligibility would not be impacted by the provisions of the bill. However, the bill would result in smaller class sizes for districts and charters with prekindergarten program enrollment exceeding 22 students per class.

The bill would take effect immediately if passed within the necessary voting margins, or on September 1, 2017, and would apply beginning school year 2017-18.

Local Government Impact

Some districts with prekindergarten classes exceeding 22 students may experience significant costs related to staff salary, classroom start-up, and facilities costs. According to Public Education Information Management System (PEIMS) data, approximately 9 percent of prekindergarten classes have more than 22 enrolled students. However, information is not available on how many children in excess of 22 are in each of these prekindergarten classrooms. As a result, it is not known how many additional classrooms would be needed to comply with the bill.

According to PEIMS Standard Reports, the average prekindergarten teacher salary is \$50,521 in school year 2015-16. Based on reports from school districts, it costs approximately \$22,000 to start a new prekindergarten classroom, including desks, chairs, and materials. Although the number of new classrooms that will be required as a result of the bill is not known, as examples of potential costs, if 100 new classrooms were required, statewide costs could total up to \$7.25 million (100 classrooms * \$72,521), and if 400 new classrooms were required to implement the bill, statewide costs could total up to \$29.0 million (400 classrooms * \$72,521). These costs would be offset to the extent that existing classroom desks, chairs, and materials could be used for the new classrooms.

In addition, if facilities were not available in existing schools for new prekindergarten classrooms, school districts would also need to construct new buildings, consider portable classroom options, or partner with private childcare facilities. Such one-time costs could be significant. Costs would

offset to the extent that existing facilities are available.

School districts and charters may request size limitation waivers from the Commissioner upon a finding of undue hardship. It is unknown under what conditions such waivers would be approved, but to the extent that such waivers are granted, district costs would be mitigated. The examples of cost estimates above are calculated on a statewide level. Individual district impacts could vary significantly based on their unique characteristics, and some districts with prekindergarten classrooms with more than 22 students may be able to implement the provisions of the bill with minimal fiscal impact.

Source Agencies: 701 Texas Education Agency

LBB Staff: UP, AW, THo, AM, AG