

LEGISLATIVE BUDGET BOARD  
Austin, Texas

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

August 7, 2017

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB320** by VanDeaver (Relating to the establishment of an education enhancement program for students with certain disabilities.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB320, Committee Report 1st House, Substituted: a negative impact of (\$11,669,865) through the biennium ending August 31, 2019.

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
2018	(\$876,998)
2019	(\$10,792,867)
2020	(\$10,382,347)
2021	(\$10,333,737)
2022	(\$10,333,737)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2017
2018	(\$876,998)	1.5
2019	(\$10,792,867)	3.0
2020	(\$10,382,347)	3.0
2021	(\$10,333,737)	3.0
2022	(\$10,333,737)	3.0

Fiscal Analysis

The bill would amend the Education Code to require the Commissioner of Education to establish an education enhancement program for students with disabilities for the allocation of funds to

school districts for the provision of enhancement services to certain students with disabilities and their families to promote and improve overall academic performance. The bill would establish a one-year participation timeframe for program participants and service providers; specify certain eligibility requirements for program participants; and would define the allowable uses of program funds for enhancement services.

The bill would specify the program to be funded at \$10.0 million each fiscal year from the state's general revenue fund and establish requirements for awarding program funds to eligible students. The bill would specify eligibility, program participation, and accountability requirements for private service providers and would require the Commissioner to annually review previously approved private service providers to determine eligibility status for the subsequent year.

The bill would require the Texas Education Agency (TEA) to report findings from a parent survey and study of the special education services received from the local school districts where children are enrolled to determine whether those services meet certain federal disability-related requirements and federally-required student plan requirements by September 1, 2018. The bill would require the agency to include a list of services that parents feel are needed but are not provided along with the reasons for a lack of those services. In addition, the bill would require TEA to review the performance of the program with input from certain stakeholders and report to the legislature on the findings by December 31, 2020.

The bill would amend the Education Code to require a school district to excuse a student from attending school during lunch, study hall, or an open period to receive certain services through the education enhancement program.

The bill would take effect immediately upon passage within the necessary voting margins, or on September 1, 2017, and would apply beginning school year 2018-19.

## **Methodology**

Establishing an enhancement service program for certain students with disabilities would cost an estimated \$876,988 in fiscal year 2018 for program start-up costs and \$10.8 million in fiscal year 2019 for full program implementation, with costs of approximately \$10.3 million in subsequent years for continued program implementation and reporting requirements.

The bill would require the Commissioner of Education to establish a program for the provision of education enhancement services to certain students with disabilities and their families. The bill would specify the program to be funded at \$10.0 million from the General Revenue Fund each fiscal year beginning in school year 2018-19. Based on these requirements, this analysis assumes the cost of the program would total \$10.0 million beginning in fiscal year 2019 with specific program participation determined by the agency.

The bill would require the TEA to notify program participants and school districts regarding eligibility and establish program procedures and criteria, and would require the Commissioner to annually review and approve private service providers. This analysis assumes the agency would require three full-time equivalent (FTE) Program Specialist V positions to prepare the required notifications, annually process applications for program participation, and annually review and approve private service providers. This analysis assumes program implementation would require three FTEs in the last half of fiscal year 2018 to draft rules, establish program procedures, and for program administration at an estimated cost of \$146,368, including salaries and benefits, and three full-time FTEs in subsequent years for full program implementation at an estimated cost of \$268,737, including salaries and benefits.

The bill would require TEA to produce two reports. First, by September 1, 2018, the bill would require the agency to report findings from a parent survey and a study of the special education services received from the local school districts where children are enrolled to determine whether those services meet certain federal disability-related requirements and federally-required student plan requirements. TEA estimates a cost of \$200,000 in fiscal year 2018 to conduct the parent survey and required study.

Second, the bill would require TEA to receive input from program participants, parents of participants, private service providers, and participating school districts, and report to the legislature on the performance of the program by December 31, 2020. According to TEA, the agency would incur costs related to stakeholder meetings for the required review of the program. Based on information from TEA, the agency would invite 60 stakeholders to participate in review process. The estimated cost of travel reimbursement, including lodging, meals, and incidental, and mileage, would be \$791 per person, totaling approximately \$47,460 ( $\$791 \times 60$  people). Cost related to meeting space and materials would total \$1,150, resulting in a total cost of \$48,610. This analysis assumes the costs related to the stakeholder meeting and report to the legislature would be incurred in fiscal year 2020 due to the established December 31, 2020 deadline.

### **Technology**

TEA estimates a cost of \$459,129 in fiscal years 2018 and 2019 for initial development efforts to build an interface for program applicants to submit an application and for TEA staff to approve participation. In addition, TEA estimates ongoing annual maintenance cost of \$65,000 for additional hardware and support beginning in fiscal year 2018 and a one-time cost of \$6,500 in fiscal year 2018 to the Department of Information Resources for the installation of new hardware.

### **Local Government Impact**

TEA estimates participating school districts may incur costs associated with program requirements, including maintaining contracts, paying invoices, reviewing provider lists, providing the required notifications, and convening the required meetings. TEA further estimates some districts may need to hire auxiliary staff to assist with these tasks. Program costs would vary depending on the size of the district and the number of students participating in the program. Any costs incurred by school districts would be voluntary as participation in the program is not required.

**Source Agencies:** 701 Texas Education Agency

**LBB Staff:** UP, AW, AG, AM, RC