

LEGISLATIVE BUDGET BOARD
Austin, Texas

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

July 31, 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 and funding of an education enhancement program for certain students with disabilities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB320, As Introduced: 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	Change in Number of State Employees from FY 2017
	1	
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 Texas Education Agency (TEA) to establish an enhancement program for students with disabilities, including procedures and criteria, 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 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 specify that the provision of enhancement services for certain students with disabilities does not supersede or limit the responsibility of other agencies to provide or pay for costs of enhancement services to provide a free appropriate public education in the least restrictive environment to students with disabilities.

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 Texas Education Agency (TEA) to establish a program, including procedures and criteria, for the provision of enhancement services to certain students with disabilities and their families. The bill would specify the program to be funded at \$10.0 million 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 from General Revenue Fund 1 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 ($\791×60 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, AG, AM, AW, RC