

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 3, 2017

**TO:** Honorable Four Price, Chair, House Committee on Public Health

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

**IN RE: HB11** by Price (Relating to consideration of the mental health of public school students in school planning, educator training requirements, curriculum requirements, educational programs, state and regional programs and services, and health care services for students.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB11, As Introduced: a negative impact of (\$758,975,578) 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	(\$375,548,650)
2019	(\$383,426,928)
2020	(\$402,683,269)
2021	(\$414,183,896)
2022	(\$432,626,540)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from Foundation School Fund 193	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2017
2018	(\$375,264,153)	(\$284,497)	2.0
2019	(\$383,183,325)	(\$243,603)	2.0
2020	(\$402,439,666)	(\$243,603)	2.0
2021	(\$413,940,293)	(\$243,603)	2.0
2022	(\$432,382,937)	(\$243,603)	2.0

## **Fiscal Analysis**

The bill would amend Education Code Section 29.003(b) to expand the population of students eligible to participate in a school district's special education program to include students with an intellectual or development disability, or mental health or social-emotional health disorder. Education Code Section 42.15 provides weighted funding under the Foundation School Program to all students served in these special education programs.

The bill would expand continuing education requirements for educators to include certain specific mental health instruction; require staff development for educators to include training in recognizing signs of mental illness, behavioral health disorders, and substance abuse; and expand the enrichment curriculum requirements to include mental health with emphasis on instruction about mental illness, behavioral health disorders, and substance abuses.

The bill would require the Texas Education Agency (TEA), in coordination with the Health and Human Services Commission (HHSC), to establish and maintain a website to provide resources for teachers regarding teaching students with mental illness or behavioral health disorder, or who engage in substance abuse. The bill would require TEA, in coordination with HHSC, to develop a website regarding resources for teachers of students with special physical health needs.

The bill would amend local school health advisory council duties to include requirements that health education address mental health in addition to physical health, require a council to appoint a mental health professional to the council, and add information on resources for students regarding mental and physical health to the student handbook and on the district's website. The bill would amend and expand the components of coordinated health programs required to be provided by TEA to elementary, middle school, and junior high students to include additional focus on mental health and substance abuse education.

The bill would require school districts to adopt a process for assessing whether the school climate in the district, and each campus in the district, is safe and supportive and promotes the social and emotional wellness of students; adopt a policy to promote a safe and supportive school climate in the district and each campus; and amend certain elements related to a school district's initial evaluation of a student for purpose of special education services, including timeframes, information required for the parents, and issues of consent.

The bill would allow school districts to employ nonphysician mental health professionals; boards of trustees to initiate a school-based health center at a school; and centers to focus more on mental health and substance abuse issues.

The bill would require TEA, in coordination with HHSC and the regional education service centers, to provide and annually update a list of recommended best practice-based programs related to mental health promotion and intervention, substance abuse prevention and intervention, and suicide prevention. The bill would require the entities to publish the list on their websites in an easily accessible, searchable, and user-friendly format.

The bill would take effect September 1, 2017.

## Methodology

The bill would have an impact on the Foundation School Program (FSP) and the operations of the Texas Education Agency (TEA).

### Foundation School Program Costs

The bill would expand the population of students generating funding under the Foundation School Program's special education allotment. The Texas Education Agency relied on incidence data from the National Institute of Mental Health indicating just over 20 percent (or 1 in 5) children, either currently or at some point during their life, have had a seriously debilitating mental disorder. For the purpose of estimating Foundation School Program impact, the Agency assumed increases in special education contact hour full-time equivalents (FTEs) and average daily attendance (ADA) in resource room and mainstream instructional settings. The TEA assumed resource room FTEs would increase from about 70,000 FTEs to about 80,000 FTEs (16 percent) and mainstream ADA would increase from about 135,000 to 167,000 (24 percent).

Based on the projected student counts, TEA's model of the Foundation School Program projects additional cost to the state for the Foundation School program of \$375.3 million in fiscal year 2018 and \$383.2 million in fiscal year 2019, increasing to \$432.4 million in fiscal year 2022.

### Costs Resulting from TEKS and Curriculum Review

Related to the operations of the TEA, the agency estimates costs to convene committees to review and modify the Texas Essential Knowledge and Skills (TEKS) and review existing coordinated school health programs to ensure alignment with the provisions of the bill. For the first committee, TEA estimates reviewing and modifying the health-related Texas Essential Knowledge and Skills (TEKS) standards to address mental health in kindergarten through Grade 12 and revising TEKS that address binge drinking and alcohol poisoning to include substance abuse would cost an estimated \$12,174 in fiscal year 2018. TEA estimates there would not be costs related to revising instructional materials as a result of the provisions of the bill, and anticipates new instructional materials would not be adopted to address the revised TEKS until the next scheduled adoption which is anticipated to be in fiscal year 2021. For the second committee, TEA estimates reviewing existing coordinated school health programs to ensure they align with new requirements would cost an estimated \$12,720 in fiscal year 2018.

### Costs Related to Full-Time Equivalents (FTEs)

This analysis assumes costs related to two FTEs at TEA to implement the provisions of the bill. The estimated cost of the FTEs, including salary, benefits, and other operating expenses, would be \$259,603 in fiscal year 2018 and \$243,603 in subsequent years.

This analysis assumes that one FTE would work with the State Board for Educator Certification (SBEC) to amend Educator Preparation Program (EPP) curriculum requirements, amend continuing professional education requirements for classroom teachers and principals, revise the Health standards that serve as the basis for the EPP curriculum and the certification examination, update the certification examinations, and review and recommend the EPPs seeking approval or re-approval to comply with the provisions of the bill. This analysis assumes another FTE would coordinate school health and health education TEKS, update the school health survey, survey local school boards of trustees to determine if they were able to appoint a psychiatrist or non-physician mental health profession, develop guidelines for school districts regarding required partnerships, and publish lists of best practice-based programs as required by the provisions of the bill.

## Local Government Impact

The bill would have multiple impacts on school districts and open-enrollment charter schools resulting in varying costs.

The bill would expand the population of students generating funding under the Foundation School Program's special education allotment. According to TEA, local educational agencies (LEAs) could not use federal funds to pay for special education and related services for these students since the bill would expand eligibility beyond the federal requirements under the Individuals with Disabilities Education Act (IDEA). The costs to school districts to comply with this provision is unknown, but depending on the number of students impacted, it would be expected to be similar to the state's FSP cost in each fiscal year.

The bill would require school districts to adopt certain plans and processes related to a safe and supportive school climate and special programs to address students' mental health and substance abuse issues. TEA anticipates the cost related to these requirements could vary widely and would depend on what districts and campuses already have in place. Assuming costs of \$1,000 per campus for a climate review, the cost to school districts statewide would be \$8.7 million (\$1,000 per campus X 8,700 campuses) in fiscal year 2018.

The bill would require district's school health advisory councils to make recommendations regarding certain physical and health issues and integrate physical health and mental health concerns into the curriculum. The bill would require a district Board of Trustees to cooperate with local law enforcement, and appoint at least one psychiatrist or nonphysician to the council, or submit a statement to the Commissioner that they were unable to appoint a nonphysician mental health professional. The bill would require districts to include certain information in their student handbook and on their website, and establish a school-based health center. TEA estimates school district costs in implementing these provisions will vary depending on whether the school district implements the council's recommendations, the districts existing policies and procedures and the availability of psychiatrist and mental health professionals to serve on the council.

The bill changes the timeline for school district completion for full individual and initial evaluation report for a student referred for special education. TEA estimates that there will be some local costs associated with implementing these expedited timeframes, but the costs will vary depending on the size of the districts and the district's current policies and procedures.

The bill increases some requirements related to consent for mental health assessments, evaluations, or examinations. It also shortens the assessment timeframe, which TEA reports will result in the need for an estimated 25 percent of the school districts to hire new evaluation staff. The salary of a diagnosticians in Houston ISD is \$64,800 to \$88,800. TEA estimates the statewide cost could be \$16.6 million annually (\$64,800 X 256 districts) per year.

The bill allows a school district may hire a nonphysical mental health professional. TEA estimates costs will vary by district depending on if they choose to hire a mental health professional.

The bill would require the State Board of Education (SBOE) to amend the Health TEKS to incorporate various mental health topics. As a result, educator preparation programs (EPPs) that continue offering preparation in the certificates that include the updated certification standards may incur costs to redesign and teach the curriculum. According to TEA, certain approved EPPs are considered units of local government, including school districts, charter schools, and county districts. EPPs could incur costs to redesign and teach a certificate area. Costs would depend on the additional staff needed to develop the curriculum and teach additional courses related to

mental health. These costs would vary among EPPs.

TEA estimates other local requirements in the bill would have minimal cost.

**Source Agencies:** 529 Health and Human Services Commission, 530 Family and Protective Services, Department of, 701 Texas Education Agency

**LBB Staff:** UP, KCA, AM, AW, AG, JLi