

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 14, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1389 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

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, there are 18,785 prekindergarten classes in the state. Approximately 9 percent (1,725 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 1,725 prekindergarten classrooms. However, as an example of potential costs, this estimate assumes that one new classroom would be needed for every four existing classrooms with more than 22 students, resulting in an additional 431 prekindergarten classes needed statewide.

According to PEIMS Standard Reports, the average prekindergarten teacher salary is \$50,521 in school year 2015-16. If one new teacher was needed for every four existing classrooms with more than 22 students, local costs for new salaries would total approximately \$21.8 million (\$50,521 per teacher x 431 new teachers) annually.

Based on reports from school district, it costs approximately \$22,000 to start a new prekindergarten classroom, including desks, chairs, and materials. Therefore, one-time statewide local costs for new classrooms could total approximately \$9.5 million (\$22,000 per classroom x 431 new classrooms).

If facilities were not available in existing schools for new prekindergarten classrooms, school districts would also need to build new buildings, consider portable classroom options, or partner

with private childcare facilities. Such one-time costs could be significant.

School districts and charters may request size limitation waivers from the Commissioner upon a finding of undue hardship. However, it is unknown under what conditions such waivers would be approved. The examples of cost estimates above are calculated on a statewide level; individual district impacts could vary significantly based on their unique characteristics.

Source Agencies: 701 Texas Education Agency

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