

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 5, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3437** by Moody (Relating to a notice of educational rights and recovery by school districts and open-enrollment charter schools of costs for certain student evaluations.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Education Code to require the Texas Education Agency (TEA) to develop a notice for distribution and post the notice on the agency's website that indicates the change made in special education representation indicator reporting requirements regarding adopted in the Performance-Based Monitoring Analysis Manual and the full rights of a child under both federal and state law and general process available to initiate a referral under Section 29.004. The bill would require school districts and open-enrollment charter schools to include in the notice information indicating where the local processes and procedures for initiating a referral for special education services may be found and provide the notice to the parent of each child in the district or school during school year 2017-18.

The bill would require the agency to establish a reimbursement fund to provide funds to school districts and charters that experience a significant increase from the preceding school year in the number of full individual and initial evaluations conducted under Section 29.004. The bill would require the agency to use available federal funds available to reimburse districts and schools under the provisions of the bill.

TEA indicates the agency could absorb the cost associated with the required notice with existing funds. However, it is unknown whether the federal government would authorize the use of IDEA funds for the purpose of implementing the bill. Assuming federal Individuals with Disabilities with Education Act (IDEA), Part B funds, set-aside and reserved for statewide services could be used to reimburse districts and schools for increased costs associated with evaluations under Section 29.004, reimbursement costs would be borne by existing federal funds resulting in a reduction of funding for existing discretionary services supported by federal IDEA funds.

Local Government Impact

School districts and open-enrollment charter schools may incur minimal costs associated with translating and printing the required notice.

Source Agencies:

LBB Staff: UP, THo, AM, AW