

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

February 25, 2019

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

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB129 by Bernal (Relating to the assignment of certain certified or licensed professionals to certain public schools.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB129, As Introduced: a negative impact of (\$93,643,235) through the biennium ending August 31, 2021.

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
2020	(\$40,894)
2021	(\$93,602,341)
2022	(\$94,601,416)
2023	(\$95,736,633)
2024	(\$96,885,473)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i>	Probable Savings/(Cost) from <i>Foundation School Fund</i>
	1	193
2020	(\$40,894)	\$0
2021	(\$122,681)	(\$93,479,660)
2022	\$0	(\$94,601,416)
2023	\$0	(\$95,736,633)
2024	\$0	(\$96,885,473)

Fiscal Analysis

The bill would require each campus in a school district in which 90 percent or more of the students in average daily attendance at the campus are educationally disadvantaged, homeless as defined by 42 U.S.C. Section 11302, or in the conservatorship of the Department of Family and

Protective Services, to assign at least one person employed by the district who is a school counselor, audiologist, occupational therapist, physical therapist, physician, nurse, school psychologist, associate school psychologist, professional counselor, marriage and family therapist, social worker, or speech language pathologist licensed by the appropriate state agency that licenses that profession and who holds the appropriate credential from the appropriate state agency.

The bill would provide additional state aid for certain certified or licensed professionals through the Foundation School Program sufficient to assist the district in employing the number of certified or licensed professionals required by the bill.

The act would apply beginning with the 2020-21 school year.

Methodology

According to the Texas Education Agency (TEA), in fiscal year 2018, 1,491 campuses had over 90 percent of students designated as economically disadvantaged. TEA further assumed the number of campuses that would qualify for the additional state aid under the provisions of the bill would grow by 1.2 percent per year.

Based on an average salary for the identified professional group of \$60,492, the estimated cost of the additional state aid provided to school districts under the provisions of the bill is estimated to be \$93.5 million in fiscal year 2021, \$94.6 million in fiscal year 2022, \$95.7 million in fiscal year 2023, and \$96.9 million in fiscal year 2024. This analysis assumes the additional state aid for certain certified or licensed professionals provided under the bill would fund the salary of the professional only, but would not include benefits costs. However, the bill provides the Commissioner of Education the authority to determine the amount provided in additional state aid, and to the extent that the Commissioner included benefits costs in his determination, costs could rise.

TEA estimates information technology costs related to implementing the provisions of the bill of \$40,894 in fiscal year 2020 and \$122,681 in fiscal year 2021.

To the extent that the bill would result in school districts and charter schools hiring additional staff, the state would incur additional Teacher Retirement System (TRS) costs for retirement and retiree health insurance (TRS-Care). State retirement contributions paid by General Revenue for new employees not subject to the Minimum Salary Schedule (MSS) would equal 6.8 percent of payroll. State retirement contributions paid by General Revenue for new employees subject to the MSS would equal 6.8 percent of the MSS multiplied by the Cost of Education Index (CEI). Pursuant to Government Code Chapter 825, to the extent that new employees would be new members of TRS, the full 6.8 percent of payroll would be paid by local employers instead of General Revenue for the first 90 days of employment.

State TRS-Care contributions paid by General Revenue would equal 1.25 percent of payroll.

Technology

TEA indicates a technology cost of \$40,894 in fiscal year 2020 and \$122,681 in fiscal year 2021 to modify the Foundation School Program software to implement the provisions of the bill.

Local Government Impact

School districts would receive additional state aid for certain certified or licensed professionals under the provisions of the bill.

To the extent that the bill would result in school districts and charter schools hiring additional staff, employers would incur additional TRS costs related to retirement contributions, TRS-Care, and active employee health insurance, which includes employer ActiveCare contributions for participating employers. For new employees subject to the MSS, employers would pay the 6.8 percent state contribution on payroll amounts above the MSS multiplied by the CEI. For all new employees that would be new members of TRS, local employers would also pay the full state contribution equal to 6.8 percent of payroll for the first 90 days of employment.

Employers not participating in the federal Social Security program would also pay the TRS employer retirement contribution. For new employees not subject to the MSS, the employer contribution would equal 1.5 percent of payroll. For new employees subject to the MSS, employer retirement contributions would equal 1.5 percent of the MSS multiplied by the CEI.

For TRS-Care, all employers would pay 0.75 percent of payroll for all new staff. For active employee health care (including ActiveCare for participating employers), all employers would pay a minimum of \$1,800 per year per new employee.

Source Agencies: 701 Texas Education Agency

LBB Staff: WP, HL, AM, AH, ASa