

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 17, 2021

TO: Honorable Larry Taylor, Chair, Senate Committee on Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB178 by Lucio (Relating to the employment of certified school counselors by school districts.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB178, As Introduced : a negative impact of (\$66,169,079) through the biennium ending August 31, 2023.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$32,715,915)
2023	(\$33,453,164)
2024	(\$53,781,157)
2025	(\$54,879,516)
2026	(\$104,193,797)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund</i>	<i>Probable Savings/(Cost) from Foundation School Fund</i>
	1	193
2022	(\$34,906)	(\$32,681,009)
2023	(\$104,719)	(\$33,348,445)
2024		(\$53,781,157)
2025		(\$54,879,516)
2026		(\$104,193,797)

Fiscal Analysis

Beginning with the 2021-22 school year, the bill would require a school district with 500 or more enrolled students to hire a certified school counselor for each school in the district, and to maintain a ratio of at least one school counselor for every 500 students. School districts with fewer than 500 enrolled students would be required to employ a part-time school counselor, a part-time teacher who is a certified counselor, or enter into a shared service arrangement with one or more school districts. The bill would incrementally decrease the threshold number of enrolled students and the ratio of counselors to students beginning with school year 2023-24, as follows:

Beginning with the 2023-24 school year, the bill would reduce the threshold number of enrolled students to 450 and the ratio to one school counselor per 450 students. Beginning with the 2025-26 school year, the bill would reduce the threshold number of enrolled students to 400 and the ratio to one school counselor per 400 students. Beginning with the 2027-28 school year, the bill would reduce the threshold number of enrolled students to 350 and the ratio to one school counselor per 350 students. Beginning with the 2029-30 school year, the bill would reduce the threshold number of enrolled students to 300 and the ratio to one school counselor per 300 students.

In each year, the bill would require school districts below the required student threshold to employ a part-time school counselor, a part-time teacher who is a certified counselor, or enter into a shared service arrangement with one or more school districts.

The bill would make Foundation School Program (FSP) funding available in an amount sufficient to compensate the district for employing the extra counselors needed, as determined by the Commissioner of the Texas Education Agency (TEA). The bill would provide rulemaking authority to the Commissioner regarding the FSP funding.

Methodology

TEA assumes that the State would provide aid sufficient to cover the full cost of employing the additional school counselors, including salary and benefits. To reach a ratio of one counselor to 500 students, TEA estimates 176 districts would need to add a total of 346 school counselors statewide. To reach a ratio of one counselor to 450 students, TEA estimates 223 districts would need to add a total of 547 counselors statewide. To reach a ratio of one counselor to 400 students, TEA estimates 309 districts would need to add a total of 1,018 counselors statewide.

According to TEA, the average full-time school counselor salary for the 2019-20 school year was \$68,392. TEA estimates benefits costs to be 32.52 percent of salary. TEA assumes costs would increase by 2.04 percent annually, based on the five-year average rate increase in the average salary for counselors between 2016 and 2020. Based on these estimates, TEA assumes state costs from Foundation School Fund No. 193 would be \$32.7 million in the 2021-22 school year (for a ratio of one counselor to 500 students), increasing to \$53.8 million in the 2023-24 school year (for a ratio of one counselor to 450 students), and \$104.2 million in the 2025-2026 school year (for a ratio of one counselor to 400 students).

TEA further assumes the bill would require changes to the Texas Student Data System (TSDS), for a total technology cost from General Revenue Funds of \$32,302 for fiscal year 2022 and \$104,719 for fiscal year 2023.

Technology

TEA assumes updates to TSDS would be required to implement the provisions of the bill, including adding one new code, updating the translation of school counselor in the ROLE-ID code table, updating three reports, and performing associated testing. TEA estimates these costs would total \$2,604 for fiscal year 2022 and \$7,812 for fiscal year 2023.

Additionally, TEA assumes modifications to the FSP application would be required, including updating or adding a module to collect districts' expenditures for counselors; updating manual data loads, databases, and the Summary of Finance report; and importing additional student count information from Public Education Information Management System (PEIMS). TEA estimates these costs would total \$32,302 for fiscal year 2022 and \$96,907 for fiscal year 2023.

Local Government Impact

The bill would require school districts to employ additional school counselors to the extent that they are not currently in compliance with the counselor to student ratios specified by the bill. This analysis assumes there

would be a cost to certain districts to the extent that funds provided through the FSP were not sufficient to cover all salary and benefits costs. These costs are expected to vary by school district.

Additionally, TEA assumes there may be additional cost to districts that enter into a Shared Services Agreement with another district related to additional administrative work and tracking.

Source Agencies: 701 Texas Education Agency

LBB Staff: JMc, SL, AH, ASa, RP, CPa