

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 31, 2023

TO: Honorable Brad Buckley, Chair, House Committee on Public Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB900 by Patterson (relating to the regulation of library materials sold to or included in public school libraries.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB900, Committee Report 1st House, Substituted : a negative impact of (\$2,968,661) through the biennium ending August 31, 2025.

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>
2024	(\$1,176,210)
2025	(\$1,792,452)
2026	(\$879,448)
2027	(\$879,448)
2028	(\$879,448)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>
2024	(\$1,176,210)
2025	(\$1,792,452)
2026	(\$879,448)
2027	(\$879,448)
2028	(\$879,448)

Fiscal Analysis

The bill would require the Texas State Library and Archives Commission (TSLAC) to adopt standards for school library collection development with approval from the State Board of Education.

The bill would permit the Texas Education Agency (TEA) to review each library material not rated by a school library materials vendor as sexually relevant or sexually explicit material. If TEA determines that the library material is required to be rated as sexually relevant or sexually explicit material, the agency would be required to notify the school library materials vendor in writing. The notice would be required to include information regarding the school library materials vendor's duty under this section.

The bill would also require TEA to publish on the agency's website a list of school library materials vendors that fail to comply provisions of the bill.

The bill would allow a school library materials vendor placed on a described list to petition TEA for removal from the list. TEA would be allowed to remove a school library materials vendor from the list only if the agency is satisfied that the vendor has taken appropriate action to rate or change the rating of a library material.

The bill would also permit the commissioner of education to adopt rules as necessary to administer provisions of the bill.

Methodology

This analysis assumes that TEA would require five additional full-time-equivalent (FTE) positions to implement provisions of the bill, including three education specialists and FTEs for technology implementation. There would also be costs associated with developing and maintaining a data collection system through which information from school districts and vendors would be reported to TEA.

This analysis assumes that TEA would incur costs related to reviewing library materials not rated as sexually relevant or sexually explicit material as permitted by the bill. Such a review process would require two additional education specialists to conduct the review of school library materials vendor lists. Additionally, one education specialist would be required to implement required provisions of the bill. The total fiscal impact of position for these three specialists, including salaries, setup costs, operating costs, and benefits, is estimated to be \$325,107 in fiscal year 2024 and \$325,557 each subsequent fiscal year.

This analysis assumed that TSLAC would require an additional librarian position to implement provisions of the bill and that the total fiscal impact of the position, including travel costs, is estimated to be \$105,467 in fiscal year 2024 and \$110,368 in fiscal year 2025.

Technology

This analysis assumes that the initial development effort for TEA to develop and implement the requirements of the bill in a new application would be \$301,452 in fiscal year 2024 and \$904,355 in fiscal year 2025, for a total biennial cost of \$1,205,807 for contracted professional services. Additional technology costs for Data Center Service would include a onetime hardware and software cost of \$11,532 split 25/75 in the biennium and an annual ongoing cost \$108,756. Additionally, two full-time equivalents, a programmer and a systems analyst, would be needed to provide ongoing support and maintenance at a cost of \$327,545 in fiscal year 2024 and an ongoing annual cost of \$333,267 for subsequent fiscal years.

This analysis assumed that the bill would have a minimal impact on the technology budget of TSLAC, with \$5,000 in costs for fiscal year 2024 and \$1,500 in subsequent fiscal years.

Local Government Impact

It is assumed school districts would incur costs to implement provisions of the bill related to content review of certain school library materials.

Source Agencies: 306 Library & Archives Commission, 701 Texas Education Agency

LBB Staff: JMc, KSk, ASA, ENA