

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 26, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4193 by Simmons (Relating to the establishment of a credit account program for students with disabilities.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time due to the uncertainty of the size of the grant program or the amount of potential participant awards created by this legislation. Given the size of the eligible population, costs could be significant depending on the size of the grant award.

The bill would require the Commissioner of Education to establish and administer a credit account program to provide funding for eligible students to obtain educational support services and other resources to supplement the student's public education, and exceed the level of services the student's admission, review, and dismissal committee or the student's team established under Section 504, Rehabilitation Act of 1973 has deemed to be necessary for the student to receive a free appropriate public education. The bill would require a student to be enrolled in a school district and have an individualized education program developed for the student or be covered by Section 504, Rehabilitation Act of 1973 to be eligible to participate in the program.

The bill would require the Texas Education Agency (TEA) to provide notice to the parents of all eligible students that the student is eligible for the program, and to provide information related to the program.

The bill would provide the student a prorated portion of funding available for the program, and would require TEA to contract with a financial institution to establish and manage an account for each student participating in the program. TEA would be able to retain up to five percent of total program funding for the administration of the program.

The bill would require TEA to audit accounts as necessary to ensure compliance with applicable laws and the requirements of the program; authorize the Commissioner of Education to refer any evidence of fraud to the Attorney General; and require TEA to conduct an annual parental satisfaction survey of each parent of a student participating in the program.

The bill specifies that the existing special education grant program may be used a funding sources for the program. The bill also provides that any other new funding sources made available may fund the payments made under the program.

The fiscal implications of this cannot be determined at this time because the bill does not specify any limit to the appropriation that could be made available to implement the provisions of the bill, nor does the bill indicate the intended size of the award to a participant in the program.

TEA indicates that there are a total of 647,773 students that would be eligible under the provisions of the legislation. As an example of a potential cost, if 75 percent of eligible students participated in the program, and if the overall funds available under the program were \$150 million annually, and considering administrative costs of 5 percent, then each student would receive approximately \$293 annually under the provisions of the bill. As a further example, if 85 percent of eligible students participated, and if the overall funds available under the program were \$50 million annually, and considering administrative costs of 5 percent, then each student would receive approximately \$86 annually under the provisions of the bill. However, the amount per student would fluctuate as participation levels changed; less participation would result in higher amounts per student, and more participation would result in lower amounts per student.

The bill would apply beginning with the 2017-18 school year.

Local Government Impact

TEA indicates that local school districts could incur additional administrative costs associated with identifying, tracking, and reporting students who are 504 eligible as well as costs associated with reporting the names and addresses of the parents for each eligible student.

Source Agencies: 302 Office of the Attorney General, 701 Texas Education Agency

LBB Staff: UP, THo, AM, AH, JSm