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FISCAL IMPACT REPORT

ORIGINAL DATE 03/09/09

SPONSOR HEC LAST UPDATED _____ HB 474/HECS

SHORT TITLE Reduce School Class Sizes SB _____

ANALYST Aguilar

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$62,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 158, SB 392

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

Office of Educational Accountability (OEA)

SUMMARY

Synopsis of Bill

The House Education Committee substitute for House Bill 474 appropriates \$62 million from the general fund to the Public Education Department for distribution through the state equalization guarantee to support class size reductions in public schools.

The bill also makes technical changes to language.

FISCAL IMPLICATIONS

The appropriation of \$62 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the general fund.

According to the February 2009 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$575 million less than the FY09 appropriations before the 2009 solvency reductions. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

SIGNIFICANT ISSUES

The HEC substitute removes language contained in statute allowing for class load sizes to be averaged between various grades and making statutory class loads very specific for individual grades.

- Grades 1, 2, 3 22 Students
- Grades 4, 5, 6 24 Students

Current statute for grades 7 – 12 does not allow averaging and uses daily teaching loads rather than class size other than English classes which are limited to no more than 27 students.

The committee substitute also removes the ability of schools with only one grade to calculate average class size using other schools in the district.

The committee substitute also provides for the department to determine the maximum class size for those schools granted a waiver by the department.

PA/mt