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FISCAL IMPACT REPORT

ORIGINAL DATE 2/1/2007

SPONSOR Fox-Young LAST UPDATED _____ HB 709

SHORT TITLE Qwest Settlement to School Capital Outlay SB _____

ANALYST Aguilar

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
\$2,600.0	**\$5,200.0	Non-recurring	Quest Settlement Fund

(Parenthesis () Indicate Expenditure Decreases)

** The FY08 amount includes the FY09 appropriation.

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY07	FY08	FY09		
\$2,600.0	\$2,600.0	\$2,600.0	Non-recurring	Public School Capital Outlay Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Not Received From

Public Regulation Commission (PRC)
 Taxation and Revenue Department (TRD)
 Public Education Department (PED)
 Public School Facilities Authority (PSFA)

SUMMARY

Synopsis of Bill

House Bill 709 appropriates \$7.8 million from the Quest settlement fund to the public school capital outlay fund for the purpose of constructing and remodeling school buildings, making lease payments to charter schools, paying the operational costs of PSFA and all other provisions of the Public Schools Capital Outlay Act. The bill appropriates the \$2.6 million for each fiscal

year from FY07 and subsequent fiscal years any unexpended or unencumbered balance shall not revert.

FISCAL IMPLICATIONS

This bill provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for funds, as earmarking reduces the ability of the legislature to establish spending priorities.

HB-709 would make available additional funding available to the public school capital outlay fund for use in constructing school facilities. PSFA notes a statewide need of over \$3 billion in school construction and renovation needs.

SIGNIFICANT ISSUES

According to a presentation made by PED, these funds would be targeted at seventh and eighth grades student and teacher groups at selected School Improvement sites with high Native American and/or Hispanic populations.

The proposal will place class sets of laptop computers and carts into each core academic classroom. The laptops will include a computerized learning system that focuses on language acquisition and core content areas of language Arts/reading, math and science.

Each participating teacher will receive professional development aligned with the three-tier licensure requirements and success will be measured by increases on student performance.

An LFC quick response review of the statewide laptop initiative conducted in 2006 noted that the results of site visits to schools revealed a majority had minimal implementation, deficient networks and lacked a technology-based curriculum. Also, the review noted that the department is not tracking or documenting positive outcomes of student achievement attributable to the initiative. The effectiveness of this program is not clear at this time.

TECHNICAL ISSUES

The final agreement with Qwest provided a total of \$5 million to be distributed over three years. The Legislature may wish to make the following changes:

Page 1, Line 16 strike the appropriation amount and replace with “One million six hundred sixty-six thousand six hundred dollars (\$1,666,600)”

PA/nt