

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 7, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB395 by Bell (Relating to the career and technology education allotment and the essential knowledge and skills of the career and technology education and technology applications curriculums.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB395, As Introduced: a negative impact of (\$44,700,000) through the biennium ending August 31, 2019.

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:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|--------------------|---|
| 2018 | (\$21,000,000) |
| 2019 | (\$23,700,000) |
| 2020 | (\$25,000,000) |
| 2021 | (\$23,000,000) |
| 2022 | (\$24,100,000) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from Foundation School Fund 193 |
|--------------------|--|
| 2018 | (\$21,000,000) |
| 2019 | (\$23,700,000) |
| 2020 | (\$25,000,000) |
| 2021 | (\$23,000,000) |
| 2022 | (\$24,100,000) |

Fiscal Analysis

The bill would amend Sections 42.154(a), (b), (c), and (e), Education Code. The bill would make technology applications courses in grades 9 through 12 eligible for career and technology weighted funding through the Foundation School program (FSP). The bill would take effect

immediately if it received a vote of two-thirds of the members of each chamber; otherwise it would take effect September 1, 2017. The allotment would apply beginning with the 2017-2018 school year.

Methodology

The Texas Education Agency (TEA) indicates there would be additional state cost for the FSP under the bill. Using data from the Public Education Information System (PEIMS) TEA found 81,051 technology applications classes were taken by students in grades 9-12 in 2016. This would translate into 6,754.25 FTE students for the purposes of FSP funding. Certain technology applications were designated as being eligible for the additional advanced career and technology allotment under Section 42.154 (a)(2), Education Code.

TEA assumed the number of FTEs would increase by 12 percent annually, which is the annual average growth rate in participation in technology applications courses since 2014. TEA modeled the additional cost to the FSP represented by the estimated FTEs and calculated costs. The estimated cost for this bill would be \$21.0 million in 2018, increasing to \$24.1 million by 2022.

Local Government Impact

School districts and charter schools would receive additional funding through the career and technology education allotment under the Foundation School Program.

Source Agencies: 701 Texas Education Agency

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