

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: HB587 by Bohac (Relating to the creation of a technology applications course allotment under the foundation school program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB587, 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 Subchapter C, Chapter 42, Education Code, by adding Section 42.1542, creating the Technology Applications Course Allotment. The bill would provide an annual allotment equal to the adjusted basic allotment multiplied by a weight of 1.35. The bill provides an additional \$50 for a student enrolled in two or more advanced technology applications courses

for a total of three or more credits for each full-time equivalent (FTE) student in average daily attendance (ADA) in an approved technology applications course. The bill would take effect September 1, 2017, and 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 proposed allotment under the Foundation School Program.

Source Agencies: 701 Texas Education Agency

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