

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 6, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB883 by King, Ken (Relating to funding for career and technology programs in public schools.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB883, As Introduced: a negative impact of (\$950,200,000) 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	(\$463,500,000)
2019	(\$486,700,000)
2020	(\$514,000,000)
2021	(\$542,300,000)
2022	(\$574,900,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from Foundation School Fund 193
2018	(\$463,500,000)
2019	(\$486,700,000)
2020	(\$514,000,000)
2021	(\$542,300,000)
2022	(\$574,900,000)

Fiscal Analysis

The bill would amend Section 42.154(a), Education Code to increase the weight for the Foundation School Program (FSP) career and technology education allotment from 1.35 to 1.60. The bill would take effect September 1, 2017.

Methodology

The bill would significantly increase state cost for the FSP. The affected allotment generates entitlement for school districts and charter schools through Tier 1 in lieu of regular program funding, and the weighted average daily attendance (WADA) calculated using the Tier 1 allotment generates additional entitlement under Tier 2. Current law entitlement in both portions of the FSP attributable to the existing 1.35 weight is projected to provide about \$750 million each year of the 2018-2019 biennium above the entitlement that would otherwise have been earned by attendance in unweighted courses. A model of the proposed weight increase to 1.60 indicates estimated additional state cost of \$463.5 million in FY18 and \$486.7 million in FY19, increasing to \$574.9 million in FY22.

Local Government Impact

School districts would receive additional state aid and/or retain local revenue that would otherwise be recaptured.

Source Agencies: 701 Texas Education Agency

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