LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 10, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3593** by Bernal (Relating to instruction in career and technology education provided by public schools, including instruction in technology applications, cybersecurity, and computer coding, and to consideration of completed practicums and internships in school accountability ratings.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3593, As Introduced: a negative impact of ($45,022,978) 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	($21,198,103)
2019	($23,824,875)
2020	($26,876,274)
2021	($29,779,928)
2022	($35,085,364)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from *Foundation School Fund* 193	Probable Savings/(Cost) from *General Revenue Fund* 1
2018	($20,965,391)	($232,712)
2019	($23,690,710)	($134,165)
2020	($26,761,899)	($114,375)
2021	($29,665,553)	($114,375)
2022	($34,970,989)	($114,375)

Fiscal Year	Change in Number of State Employees from FY 2017
2018	1.0
2019	1.0
2020	1.0
2021	1.0
2022	1.0

Fiscal Analysis

The bill would amend the Education Code to include technology applications as part of career and technical education (CTE) in the enrichment curriculum for kindergarten through Grade 12.

The bill would require the State Board of Education (SBOE) to approve local cybersecurity courses for high school credit; add computer coding as a component of computer programming language substitute for the curriculum requirements in a language other than English; add computer coding as a component of the computer programming language substitute for the foreign language curriculum requirements; and add courses in cybersecurity and computer coding to the description of a science, technology, engineering, and mathematics (STEM) endorsement. The bill would allow districts to offer a course that is approved by the local board of trustees without SBOE approval if the district partners with a public or private institution of higher education (IHE) that offers an undergraduate degree program in cybersecurity to develop and provide the course and would require school districts to annually report the names of the courses and IHEs in which students have enrolled.

The bill would allow a teacher and a school district to qualify for a subsidy for certification examination if the teacher passes an examination related to cybersecurity. The bill would require the assessment instruments adopted related to the technology literacy assessment pilot program be aligned with the relevant essential knowledge and skills requirements for career and technology education relating to technology applications.

The bill would amend the fourth domain of the accountability system to include the percentage of students who successfully completed a practicum or internship approved by the SBOE as a measure of performance for high school campuses and districts that include high school campuses.

The bill would take effect immediately if passed with necessary voting margins, or September 1, 2017, and would apply beginning in school year 2017-18.

Methodology

Costs to the Foundation School Program
The Texas Education Agency assumes that proposed changes to Education Code Section 28.002 designating technology applications part of career and technology education within the foundation curriculum would form the basis for making technology applications courses eligible for weighted funding under the Foundation School Program (FSP) career and technology education allotment.

Using student course completion data for the 2015-16 school year, the Texas Education Agency estimates approximately 6,754.25 FTE students that would have been funded under the FSP career

and technology allotment if the technology applications courses were eligible for weighted funding. The Agency further assumes that a portion of these FTEs completing higher level courses would also have generated funding under the advanced career and technology allotment. Growth in participation was assumed to be 12 percent annually, consistent with the observed rate of growth in technology applications course completions since 2014. Under these assumptions, the Agency estimates additional state cost for the Foundation School Program of $21.0 million beginning in fiscal year 2018 and $23.7 in fiscal year 2019. Assuming a similar trajectory of continuing growth, costs would be anticipated to grow to nearly $35.0 million by fiscal year 2022. If the proposed changes to Section 28.002, Education Code were interpreted not to authorize the designation of affected courses for weighted funding there would be no significant increase in state cost for the Foundation School Program.

Costs Resulting from TEKS and Curriculum Review
Related to the operations of the Texas Education Agency (TEA), the agency estimates initial development costs to convene three committees to approve courses in cybersecurity for credit in high school, develop additional courses that include computer coding to be used by students as substitutes for language graduation requirements, and revise the Texas Essential Knowledge and Skills (TEKS) to incorporate technology applications resulting in total costs of $90,001 in fiscal year 2018.

For the first committee, TEA estimates making recommendation for new cybersecurity courses would cost an estimated $12,174 in fiscal year 2018, with additional estimated costs of $6,266 to review instructional materials for the new courses. For the second committee, TEA estimates developing additional courses that include computer coding to be used by students as substitutes for language graduation requirements would cost an estimated $12,174 in fiscal year 2018, with additional estimated costs of $6,266 to review instructional materials for the new courses. For the third committee, TEA estimates revising the TEKS to incorporate technology application into career and technical education would cost an estimated $34,322 in fiscal year 2018. Since the SBOE recently adopted new instructional materials for CTE and technology applications, TEA anticipates the agency would convene review panels to review existing materials in both subject areas to determine alignment with revised, integrated courses resulting in a cost of $18,799 in fiscal year 2018.

Costs Related to Full-Time Equivalents (FTEs)
TEA estimates a cost related to an FTE to implement the provisions of the bill. The estimated cost of the FTE, including salary, benefits, and other operating expenses, would be $122,375 in fiscal year 2018 and $114,375 in subsequent years. According to TEA, the FTE would assist the SBOE in approving practicum and internships and incorporating them into the accountability system. In addition, the FTE would assist with SBOE with rule adoption under the bills various provisions.

Technology

TEA estimates a cost of $19,790 in fiscal years 2018 and 2019 for initial development related to modify the Texas Student Data System (TSDS) Public Education Information Management System (PEIMS) related to the requirement to collect the names of the cybersecurity courses, the IHEs in which students have enrolled under the provisions of the bill, and data regarding the percentage of students who successfully completed an SBOE approved practicum or internship.

Local Government Impact

School districts and charter schools would generate additional entitlement for students enrolled in the technology applications courses that are determined to be eligible for weighted funding under

the FSP career and technology education allotment.

Source Agencies: 701 Texas Education Agency, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

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