

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 8, 2003

TO: Honorable Kent Grusendorf, Chair, House Committee on Public Education

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB214 by McCall (Relating to participation in school district services and activities by home-schooled students.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB214, As Introduced: a negative impact of (\$107,322,750) through the biennium ending August 31, 2005.

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
2004	(\$35,925,000)
2005	(\$71,397,750)
2006	(\$106,870,500)
2007	(\$142,350,000)
2008	(\$177,822,750)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>FOUNDATION SCHOOL FUND</i> 193	Probable Savings/(Cost) from <i>STATE TEXTBOOK FUND</i> 3
2004	(\$35,250,000)	(\$675,000)
2005	(\$70,500,000)	(\$897,750)
2006	(\$105,750,000)	(\$1,120,500)
2007	(\$141,000,000)	(\$1,350,000)
2008	(\$176,250,000)	(\$1,572,750)

Fiscal Analysis

The bill would allow the part-time enrollment of a home-schooled student in a public school upon written agreement between the district and the child's parent or guardian. Students enrolled on a part-time basis would participate in classes on the same basis as regularly enrolled students.

The bill would also authorize a school district to establish a laboratory or other facility for home-schooled students that is not located on a regular school campus, and it would permit school districts to offer an online course to home-schooled students for academic credit.

The bill would permit a school district to furnish textbooks without cost to a home-schooled student. The bill also allows school districts to permit home-schooled students to participate in a district-sponsored extracurricular activity.

The average daily attendance of a school district would include each home-schooled student who attends a district school as a part-time basis, participates in online courses, uses an off-campus laboraory or other facility, receives textbooks from the district, or participates in an extracurricular activity sponsored by the district or the University Interscholastic League. For each day a home-schooled student receives services or textbooks, or participates in a course or an extracurricular activity, the school district may include the student as a full-time student in the district's attendance for that day.

Implications for state aid would continue. Textbook implications would recur for the entire population of participating students when applicable textbooks are readopted.

Methodology

Although the number of Texas children who are home-schooled is not known, for the purposes of this fiscal note, it is estimated that there are 150,000 home schooled students. TEA assumes that the Average Daily Attendance generated by the participation of home-schooled students would initially be equivalent to 5% of the home-schooled student population (7,500) increasing over time to 25% of the population (37,500) at full implementation. With an annual cost of \$4,700 on average for a student with no special needs, the additional state Foundation School Program (FSP) costs as a result of the bill are \$35,250,000 in fiscal year 2004 increasing to \$176,250,000 in fiscal year 2008. Textbooks costs are estimated at \$60 per textbook plus \$30 per consumable for a total of about \$90 per participating student. The cost of textbooks shown would be for the incremental increase in the number of textbooks needed each year plus the annual cost of consumables, assuming that the textbooks would be returned to the district by home-school students after instruction to be reassigned to other home-schooled students.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. School districts would incur additional costs associated with serving participating home-schooled students. However, these costs would be offset by state aid or reductions in recapture generated through the attendance attributed to these students.

Source Agencies: 701 Central Education Agency

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