

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**April 24, 2005**

**TO:** Honorable Geanie Morrison, Chair, House Committee on Higher Education

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB2372** by King, Tracy (Relating to a college entrance examination preparation pilot program.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2372, As Introduced: a negative impact of (\$38,602,288) through the biennium ending August 31, 2007.

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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2006	(\$19,301,144)
2007	(\$19,301,144)
2008	(\$19,301,144)
2009	(\$19,301,144)
2010	(\$19,301,144)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable (Cost) from GENERAL REVENUE FUND 1</b>	<b>Change in Number of State Employees from FY 2005</b>
2006	(\$19,301,144)	1.0
2007	(\$19,301,144)	1.0
2008	(\$19,301,144)	1.0
2009	(\$19,301,144)	1.0
2010	(\$19,301,144)	1.0

**Fiscal Analysis**

The bill would direct the Texas Education Agency (TEA) to establish a pilot program consisting of grants to enable eligible school campuses to provide college entrance preparation program to participating students. A participating campus would be entitled to receive a grant from TEA in an amount sufficient to pay for the program.

Campuses with at least 40 percent of students identified as educationally disadvantaged or that are designated as a Title I school-wide program would be eligible to participate. Eligible students would be 11th graders who are educationally disadvantaged and have performed satisfactorily on the 10th grade mathematics and English language arts assessments.

The bill would direct TEA to compile a list of approved vendors from which campuses may select

a program. The campus must provide or arrange for logistical support of the program, including facilities, supplies and transportation. The course also would need to provide at least 25 hours of instruction per week, with detailed materials, at least three full practice exams, incentives for attendance, online instruction, Spanish language course guides, information sessions for family members and additional resources.

The agency would be required to conduct an evaluation of the program, and report findings to the legislature by the first day of each regular legislative session. The bill would take effect for the 2005-06 school year.

### **Methodology**

An agency analysis suggests that commercially-available SAT/ACT preparation programs designed for a classroom setting currently retail for approximately \$900 per student on average. Given the large number of potential participants due to the provisions of the bill, it is assumed for the purpose of this fiscal note that some discounting would be able to be obtained, reducing the average program cost to an estimated \$750 per student. Data from the 2004-05 school year indicate that approximately 1,112 campuses would be eligible to participate. There are 77,745 economically disadvantaged 11th grade students enrolled on these campuses currently. On a statewide basis, approximately 33 percent of economically disadvantaged students passed all 10th grade assessments, which includes English language arts and mathematics, as well as science as social studies. Although a larger percentage likely has passed just English language arts and mathematics, the two exams required by the bill, for the purpose of this fiscal note it is assumed that 33 percent of the 77,745 students, or 25,656 students, would be selected for, and elect to, participate. At \$750 per participant, the estimated appropriation level that would be needed for the grant program would be \$19,242,000 annually.

TEA would face new administrative responsibilities under the provisions of the bill, including the processing and implementation of 1,000+ grants and biennial evaluations of the program. It is estimated that the agency would require one full-time equivalent position, with accompanying administrative resources of \$59,144 annually, to adequately meet these responsibilities.

### **Local Government Impact**

Participating campuses would receive grant funding under the bill in amounts, as determined by TEA, sufficient to cover the costs of the program.

**Source Agencies:** 701 Central Education Agency

**LBB Staff:** JOB, CT, UP, JGM