

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 6, 2005

TO: Honorable Florence Shapiro, Chair, Senate Committee on Education

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

IN RE: SB1395 by Shapiro (Relating to the establishment of high school diploma programs by Job Corps programs under the United States Department of Labor.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1395, As Introduced: a negative impact of (\$5,200,850) 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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$2,600,425)
2007	(\$2,600,425)
2008	(\$2,600,425)
2009	(\$2,600,425)
2010	(\$2,600,425)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>FOUNDATION SCHOOL FUND</i> 193
2006	(\$2,600,425)
2007	(\$2,600,425)
2008	(\$2,600,425)
2009	(\$2,600,425)
2010	(\$2,600,425)

Fiscal Analysis

The bill would add Chapter 18, Education Code to establish high school diploma programs within Job Corps programs operated under the contract with the United States Department of Labor.

The bill would authorize a Job Corps high school diploma program to offer a secondary school curriculum, a Texas high school diploma program, and a General Educational Development program. Under the bill, any person enrolled in a Job Corps program who is not a high school graduate would be eligible for services. For students who are between the ages of 16 and 21, the bill would establish a funding mechanism supported by resources allocated from the Foundation School Fund. The amount to be paid from the Foundation School Fund would be limited to the state accreditation allotment per average daily attendance. Programs may participate in the state textbook program.

The bill would take effect September 1, 2005 or immediately upon enactment by the necessary voting majorities and would apply beginning with the 2005-06 school year.

Methodology

Based on information obtained from the U.S. Department of Labor, there are presently four Job Corps programs located in the state of Texas with enrollment limited to 3,215 participants. For the purposes of this estimate, it is assumed that 85 percent of participants statewide are high school dropouts and that 75 percent of the participants who are recovered dropouts would be between the ages of 16 and 21. Based on these assumptions, about 2,050 participants would be eligible for funding through the Foundation School Program.

The bill uses the term “accreditation allotment” to refer to the level of funding. However, there is no accreditation allotment under current law funding structures. For purposes of this estimate, it is assumed that the term "accreditation allotment" would refer to the Basic Allotment of \$2,537 per student in average daily attendance (ADA) established in current law under Section 42.101, Texas Education Code. Based on this assumption, if each of the estimated 2,050 participants represents about 0.5 ADA for funding purposes and funding is assumed to be limited to \$2,537 per ADA, state costs would be approximately \$2.6 million annually.

Under structures proposed in House Bill 2, 79th Legislative Session, the term "accreditation allotment" refers to an amount equal to \$4,960 in the present proposed Senate committee substitute version. At a value of \$4,960, the state cost for the program would be approximately \$5.1 million annually.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 701 Central Education Agency

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