

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 11, 2007

TO: Honorable Rob Eissler, Chair, House Committee on Public Education

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

IN RE: HB531 by Madden (Relating to the eligibility of certain high school students to take the high school equivalency examination.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB531, As Introduced: a positive impact of \$4,800,000 through the biennium ending August 31, 2009.

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
2008	\$2,400,000
2009	\$2,400,000
2010	\$2,400,000
2011	\$2,400,000
2012	\$2,400,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from FOUNDATION SCHOOL FUND 193
2008	\$2,400,000
2009	\$2,400,000
2010	\$2,400,000
2011	\$2,400,000
2012	\$2,400,000

Fiscal Analysis

The bill would require a school district to recommend that a student placed in a disciplinary alternative education program (DAEP) who is at least 16 years of age, who is unlikely to earn a high school diploma within 6 years of enrollment in grade 9, and whose parent or guardian consents take the high school equivalency exam.

The bill would require a juvenile board to recommend that a student placed in a juvenile justice alternative education program (JJAEP) who meets the same parameters discussed above take the high school equivalency exam.

Methodology

The Texas Education Agency (TEA) reports that 2007 data indicates that about 4,000 students aged 16 to 17 are assigned to DAEPs or JJAEPs for periods of 90 days or more. Data is not available regarding the progress of these students toward a high school diploma.

Assuming the same number of students meeting this criterion per year and assuming that 10 percent of those students were advised to take the high school equivalency exam and, as a result, exited the public school system early, the provisions of the bill would result in a savings to the Foundation School Program estimated at \$2.4 million per year. To the extent that students identified under the provisions of the bill would have either dropped out or taken the high school equivalency exam regardless of a recommendation from the school district required by the bill, savings associated with the provisions of the bill would be lower. To the extent that the percent of eligible students who opt to take the high school equivalency exam based on a school district recommendation differs from the assumption used for purposes of this estimate, the amount of estimated savings would vary.

Note that students who exit the public school system by passing the high school equivalency exam are considered drop-outs in the current state definition of drop-out.

Local Government Impact

The bill would require school districts and juvenile boards to recommend that certain students placed in alternative education programs take the high school equivalency exam.

To the extent that counties and school districts provided additional high school equivalency preparation courses or paid fees for high school equivalency exams on behalf of students identified under the parameters of the bill, local costs could be incurred.

Source Agencies: 665 Juvenile Probation Commission, 701 Central Education Agency

LBB Staff: JOB, JSp, UP, JSc