

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 26, 2007

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
Honorable Tom Craddick, Speaker of the House, House of Representatives

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

IN RE: HB1137 by Hochberg (Relating to eligibility and attendance requirements in public schools.), **Conference Committee Report**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1137, Conference Committee Report: a negative impact of (\$3,400,000) 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	(\$1,700,000)
2009	(\$1,700,000)
2010	(\$1,700,000)
2011	(\$1,700,000)
2012	(\$1,700,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from FOUNDATION SCHOOL FUND 193
2008	(\$1,700,000)
2009	(\$1,700,000)
2010	(\$1,700,000)
2011	(\$1,700,000)
2012	(\$1,700,000)

Fiscal Analysis

The bill would change the eligibility of students for admission to public school to permit students who are at least 21 years of age and under 26 years of age on the first day of September of any school year to be eligible for funding under the Foundation School Program for the purposes of completing the requirements for a high school diploma. Persons are not eligible if they engage in conduct that would require a disciplinary placement if the person were under the age of 21.

The bill would clarify the eligibility for public school prekindergarten programs of certain children who are or were in the conservatorship of the Department of Family and Protective Services.

Methodology

The bill has the potential to increase costs for the Foundation School Program (FSP) by making students who between the ages of 21 and 26 eligible to draw FSP funding. Under current law and practice, the state provides state funding for special education students who are 21 years old at some point during the school year, even if that student turns 22 during the school year. According to the Fall 2006 enrollment data reported to the Public Education Information Management System (PEIMS), the number of students enrolled in public schools who are aged 21 or older is 1,126, and 867 of these are special education students. It is assumed for the purposes of this fiscal note that the majority of these students are 21 or turned 22 years old during the school year and thus currently receiving state aid; as a result, they do not represent an additional cost to the state. The remaining students would increase state costs, estimated to be less than \$2.0 million in each year.

To the extent that districts enroll more students between the ages of 21 and 26 who are not currently earning state aid, state FSP costs would increase proportionately.

The bill would clarify the eligibility for public school prekindergarten programs of certain children who are or were in the conservatorship of the Department of Family and Protective Services. This provision of the bill would not be anticipated to have significant fiscal implications for funding distributed under the Foundation School Program.

Local Government Impact

School districts would generate additional FSP funding for serving students between the ages of 21 and 26 who are not currently earning state aid. School districts would be prohibited from placing a student who is 21 years of age or older who has not attended school in the three preceding school years in a classroom, cafeteria, or school activity with students who are 18 years of age or younger.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, JGM, JSp, UP