

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 9, 2007

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

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

IN RE: HB1924 by Kolkhorst (Relating to funding for career and technology programs in public schools.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1924, As Introduced: a negative impact of (\$65,920,000) 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	(\$31,240,000)
2009	(\$34,680,000)
2010	(\$38,350,000)
2011	(\$42,140,000)
2012	(\$46,050,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from FOUNDATION SCHOOL FUND 193
2008	(\$31,240,000)
2009	(\$34,680,000)
2010	(\$38,350,000)
2011	(\$42,140,000)
2012	(\$46,050,000)

Fiscal Analysis

The bill would extend Foundation School Program (FSP) funding to all eighth graders and to seventh graders with disabilities in approved career and technology programs.

The bill also would require the commissioner of education to develop and implement a pilot program in either Region 6 education service center or Region 20 education service center for all students receiving career and technology instruction in grade seven. For each full-time equivalent (FTE) student in grade seven in average daily attendance in an approved career and technology education program in a school district located primarily in the selected regional education service center region, the school district would receive an annual allotment equal to the adjusted basic allotment multiplied by a weight of 1.35, through the 2011-12 school year. The Texas Education Agency (TEA) would be required to deliver a report describing the effectiveness of the pilot program to each member of the

legislature by January 1, 2013. The pilot program provisions would expire February 1, 2013.

This bill would take effect September 1, 2007.

Methodology

In FY2007 there are an estimated 13,355 FTEs in grade 8 in career and technology education programs statewide. Growing this FTE count by statewide enrollment growth yields approximately 13,600 career and technology FTEs in grade 8 for FY2008. However, it is likely that the bill would provide an incentive to school districts to expand their grade 8 career and technology offerings and increase enrollment in these courses. Due to the scheduling and staffing changes required, it is estimated that districts would increase their career and technology offerings over time. For the purposes of this fiscal note, it is assumed that districts would implement changes such that grade 8 career and technology course FTEs increase by 10 percent annually. This would produce a state FSP cost of approximately \$30.4 million in FY2008, \$33.7 million in FY2009, with costs increasing by \$3.5-\$4.0 million each year thereafter.

The pilot program is estimated to add an additional \$880,000 in state costs for FY2008, increasing by approximately \$100,000 through FY2012, the last year of funding for the pilot.

Technology

The Public Education Information Management System (PEIMS) would require some modification to include grade 8 career and technology FTEs, but the cost impact is not expected to be significant.

Local Government Impact

School districts would see increased state aid for students in grade 8 enrolled in career and technology education courses; districts in Regions 6 or 20 would see state funding through the pilot project for eligible students in grade seven.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, JSp, UP, JGM