

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 16, 2007

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

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

IN RE: HB3485 by King, Susan (Relating to career and technical education provided by school districts and certain postsecondary institutions.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3485, As Engrossed: a negative impact of (\$3,300,000) 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	(\$1,600,000)
2009	(\$1,700,000)
2010	(\$1,800,000)
2011	(\$1,900,000)
2012	(\$2,000,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>FOUNDATION SCHOOL FUND</i> 193
2008	(\$1,600,000)
2009	(\$1,700,000)
2010	(\$1,800,000)
2011	(\$1,900,000)
2012	(\$2,000,000)

Fiscal Analysis

The bill would establish a five-year pilot program extending the Foundation School Program weight for students taking career and technology courses in the 8th grade to five districts selected by the commissioner of education.

Other provisions of the bill are not anticipated to have significant fiscal implications for the state.

Methodology

Actual costs to implement the pilot program providing funding for grade 8 students enrolled in career and technology programs would depend upon the districts selected to participate.

For the purpose of this fiscal note, five districts were randomly selected to estimate the potential costs. The sample districts range in total enrollment from 4,956 to 82,587 students in 2006-07 and include both rural and urban districts. In FY2007 there are an estimated 858 FTEs in grade 8 in career and technology education programs in the sample districts. Assuming these FTEs would grow in a manner similar to statewide enrollment growth yields approximately 874 career and technology FTEs in grade 8 in those districts for FY2008. However, it is possible that the bill would provide an incentive to these 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 the districts would increase their career and technology offerings incrementally over the course of the pilot program. For the purposes of this fiscal note, it is assumed that selected districts would implement changes such that grade 8 career and technology course FTEs would increase by about 10 percent annually. For the sample of districts selected, the grade 8 career and technology FTEs would produce a state FSP cost of approximately \$1.6 million in FY2008 and \$1.7 million in FY2009, with costs increasing similarly in each year through completion of the pilot program in FY2012.

Local Government Impact

School districts selected to participate in the pilot program would receive additional state aid associated with students in with career and technology courses.

The remaining provisions of the bill are not anticipated to result in significant local cost.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, JSp, UP