

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 13, 2009

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

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

IN RE: HB1512 by Herrero (Relating to use of weighted average daily attendance in computing the high school allotment under the Foundation School Program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1512, As Introduced: a negative impact of (\$270,841,059) through the biennium ending August 31, 2011.

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
2010	(\$132,902,356)
2011	(\$137,938,703)
2012	(\$145,547,461)
2013	(\$152,326,393)
2014	(\$160,178,742)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Foundation School Fund</i> 193
2010	(\$100,000)	(\$132,802,356)
2011	\$0	(\$137,938,703)
2012	\$0	(\$145,547,461)
2013	\$0	(\$152,326,393)
2014	\$0	(\$160,178,742)

Fiscal Analysis

The bill would change the basis for the calculation used to determine funding under the Foundation School Program that is generated by attendance in grades 9-12 from average daily attendance (ADA) to weighted average daily attendance (WADA).

Methodology

The bill would provide for WADA for grades 9-12 to be calculated by dividing the sum of a district's Tier 1 allotments attributed to students in grades 9-12 by the basic allotment.

Based on the methodology described in the bill, the Texas Education Agency estimates that the projected 1.22 million ADA for grades 9-12 in FY10 would translate to 1.70 million WADA. The bill

would make no change to the \$275 multiplier that is applied to the attendance count to calculate funding. The incremental increase in cost for the funding provided under the Foundation School Program due to changing the basis from ADA to WADA would be approximately \$132.8 million in FY10 increasing to \$160.2 million in FY14.

Technology

The Texas Education Agency would incur a one-time cost estimated to be \$100,000 in FY10 for software modification to implement the separate calculation of grades 9-12 WADA.

Local Government Impact

School districts would realize additional foundation school program revenue under the bill. The amount per district would vary, depending upon the size and characteristics of the student population in grades 9-12.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, JSp, JGM