

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION
Revision 1

April 15, 2013

TO: Honorable John Davis, Chair, House Committee on Economic & Small Business Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1956** by Davis, John (Relating to an adult high school diploma and industry certification pilot program for adults 19 to 50 years of age.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1956, Committee Report 1st House, Substituted: a negative impact of (\$1,600,000) through the biennium ending August 31, 2015.

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
2014	(\$500,000)
2015	(\$1,100,000)
2016	(\$1,100,000)
2017	(\$1,100,000)
2018	(\$1,100,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from Foundation School Fund 193
2014	(\$500,000)
2015	(\$1,100,000)
2016	(\$1,100,000)
2017	(\$1,100,000)
2018	(\$1,100,000)

Fiscal Analysis

The bill would establish an adult high school diploma and industry certification pilot program. The program would be provided by a non-profit entity designated by the commissioner of education and meet certain criteria described by the bill, including demonstrated success in providing similar programs and a financial commitment of at least \$1,000,000. The bill would require that the program offer courses to complete high school curriculum requirements and career and technology education (CTE) courses leading to industry certifications. The program would be required to offer a high school diploma to participants completing all high school curriculum requirements and performing satisfactorily on an exit-level assessment. The provider would be required to enter into memoranda of understanding with one or more school districts or charter schools for the purpose of awarding high school diplomas.

Eligible participants would include persons aged 19 to 50 who have earned neither a high school diploma nor a high school equivalency certificate.

The program would be eligible for funding determined by appropriation for participants aged 26 and older. For participants aged 19 to 26, the program would be eligible for the amount of state funding for which the school district in which the participant resides would be eligible through the Foundation School Program.

The bill would require the Texas Education Agency to evaluate the program and report the results of the evaluation to the Governor, the Lieutenant Governor, the Speaker of the House, and the presiding officer of each standing committee of the legislature with primary jurisdiction in education in December of each even-numbered year beginning in December 2016.

Methodology

The bill stipulates that the pilot program created under the provisions of the bill would enroll a maximum of 150 students annually. For purposes of this estimate, it is assumed the program would begin providing instruction in the second half of FY2014. To satisfy the dual purposes of the program, to provide coursework required to earn a high school diploma and to provide CTE courses leading to industry certification, enrolled students are assumed to spend 2/3 of their instructional time on CTE courses. For purposes of estimating FSP cost for students below age 26, costs per student are based on average costs in the FSP for a student described above. For purposes of this estimate, it is assumed that the cost of providing services to students aged 26 and older would be the same as the cost of providing services to students in the age 19 to 26 cohort; however, actual costs would vary by appropriation.

Based on these parameters, the state cost is estimated at \$500,000 in FY2014 and \$1.1 million in each subsequent year.

The bill is not expected to result in a significant fiscal impact to the Office of the Governor or the Comptroller of Public Accounts.

Local Government Impact

School districts or open-enrollment charter schools with memoranda of understanding with the program operator would be required to issue diplomas to persons who successfully completed the

required high school curriculum.

Source Agencies: 301 Office of the Governor, 304 Comptroller of Public Accounts, 701
Central Education Agency

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