

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 25, 2015

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2812** by Springer (Relating to the limit on junior college courses that a high school student may enroll in for dual credit.), **As Passed 2nd House**

The bill would have an indeterminate effect on state cost under the Foundation School Program per parameters established by rules adopted by the Commissioner of Education under the bill.

The bill would remove the limitation relating to the number of junior college courses that a high school student may enroll in for dual credit. The bill could result in an increase in dual credit students at institutions of higher education. This could result in an additional cost to General Revenue due to increased formula costs for institutions of higher education beginning in fiscal year 2018. These costs are not considered significant.

The bill would authorize the Commissioner of Education to adopt rules under which a student's participation in an off-campus instructional program provided by an entity other than a school district or charter school would be counted for the purpose of calculating average daily attendance under the Foundation School Program (FSP). The bill would take effect September 1, 2015.

Recognizing participation that is not currently allowed to be included in the calculation of average daily attendance (ADA) for the purpose of the FSP would have indeterminate fiscal implications for the state. Fiscal implications to the state would vary depending upon the type of participation authorized by the commissioner to be included in the calculation of ADA. By way of example, if a rule adopted by the commissioner resulted in a 0.1% increase in ADA each year beginning in fiscal year 2016, the increased cost to the state would be \$31.5 million in fiscal year 2016 and \$31.3 million in fiscal year 2017.

Local Government Impact

School districts that currently pay the tuition and fees for students to attend dual credit courses would see increases in their costs if they selected to continue to pay for these costs. These costs could vary widely depending on participation.

Districts that did not cover the cost of tuition and fees may see some administrative cost savings for students that attended additional dual credit courses that were taught by the college and not by district staff.

School districts experiencing increased average daily attendance under rules adopted in accordance with the provisions of the bill would realize additional revenue.

Source Agencies: 701 Central Education Agency

LBB Staff: UP, EMu, JSp, JBi, AM