

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 20, 2015

TO: Honorable Jimmie Don Aycock, Chair, House Committee on Public Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3568 by Bohac (Relating to the creation of a technology applications course allotment under the foundation school program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3568, As Introduced: a negative impact of (\$109,600,000) through the biennium ending August 31, 2017.

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
2016	(\$54,300,000)
2017	(\$55,300,000)
2018	(\$56,200,000)
2019	(\$57,200,000)
2020	(\$58,100,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from Foundation School Fund 193
2016	(\$54,300,000)
2017	(\$55,300,000)
2018	(\$56,200,000)
2019	(\$57,200,000)
2020	(\$58,100,000)

Fiscal Analysis

The bill would create a technology applications course allotment within the Foundation School Program (FSP). The allotment would provide weighted funding calculated on a full-time equivalent basis for student attendance in approved technology applications courses. Weighted funding for the new allotment would be calculated using the same weight and on the same basis as

FSP funding for the career and technical education (CTE) allotment. The bill would take effect September 1, 2015, and the new allotment would be provided beginning with the 2015-2016 school year.

Methodology

The Texas Education Agency indicates that there were 143,667 students enrolled in technology applications courses that are not currently eligible for CTE weighted funding. For the purpose of this estimate, it is assumed that the technology applications courses identified by the agency that are not currently eligible to generate weighted funding under the CTE allotment would be the courses approved for the purpose of the proposed technology applications course allotment. Growth in the population of students enrolled in approved courses was assumed to be 1.7 percent per year.

The bill provides for the determination of full-time-equivalent (FTE) students on the basis of 30 contact hours per week. For the purpose of this estimate, the agency assumed students would be attending a one-hour course, resulting in 0.167 FTEs per student (5 hours of a 30 contact hour week).

Assuming growth of 1.7 percent per year in the population of students enrolled in approved courses and conversion of students to FTEs on the basis of a one-hour course length, a total of 24,815 FTEs in fiscal year 2016 and 25,237 FTEs in fiscal year 2017 would generate weighted funding under the proposed allotment.

The agency estimates annual cost to the state under the FSP based on these assumptions of \$54.3 million in fiscal year 2016 and \$55.3 million in fiscal year 2017, increasing to \$58.1 million by fiscal year 2020.

Local Government Impact

School districts and charter schools would receive additional funding through the proposed allotment under the Foundation School Program.

Source Agencies: 701 Central Education Agency

LBB Staff: UP, JBi, AM, JSp