

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 29, 2017

TO: Honorable Larry Taylor, Chair, Senate Committee on Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB276 by Watson (Relating to adult high school diploma and industry certification charter school pilot program requirements.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB276, As Introduced: a negative impact of (\$528,408) through the biennium ending August 31, 2019.

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
2018	(\$165,128)
2019	(\$363,280)
2020	(\$601,062)
2021	(\$886,400)
2022	(\$1,228,806)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i>	Probable Savings/(Cost) from <i>Foundation School Fund</i>
	1	193
2018	(\$82,564)	(\$82,564)
2019	(\$181,640)	(\$181,640)
2020	(\$300,531)	(\$300,531)
2021	(\$443,200)	(\$443,200)
2022	(\$614,403)	(\$614,403)

Fiscal Analysis

The bill would remove the limit of the number of students served in a charter under the Adult High School Diploma and Industry Certification Charter School Pilot Program, as provided for in Section 29.259(d) of the Education Code.

The bill would take effect September 1, 2017.

Methodology

The Adult High School Diploma and Industry Certification Charter School Pilot Program is funded through the Foundation School Program (FSP) for participants who are at least 19 years of age and under 26 years of age; and through General Revenue appropriations for participants who are 26 years of age and older.

The Texas Education Agency (TEA) assumes that attendance in this program would increase by 20 percent per year under the provisions of the bill. The agency further assumed that the additional students served under the provisions of the bill would be equally split between those that are under 26 years of age, and thus funded through the Foundation School Program, and those that are 26 years of age and older, and thus funded by General Revenue.

TEA indicates that the program currently generates \$853,420 annually, and a 20 percent increase per year would have additional costs of \$165,128 in fiscal year 2018, \$363,280 in fiscal year 2019, increasing to \$1,228,806 in fiscal year 2022.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 701 Texas Education Agency

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