

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 11, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB276** by Watson (Relating to an adult high school diploma and industry certification charter school pilot program.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB276, Committee Report 1st House, Substituted: a negative impact of (\$528,408) through the biennium ending August 31, 2019, assuming that the Legislature makes a specific appropriation to implement Education Code Section 29.259(d). That section of the bill does not take effect in the absence of an appropriation.

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 Foundation School Fund 193 |
|--------------------|--|
| 2018 | (\$165,128) |
| 2019 | (\$363,280) |
| 2020 | (\$601,062) |
| 2021 | (\$886,400) |
| 2022 | (\$1,228,806) |

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 modify certain requirements of the charter granted under the Adult High School Diploma and Industry Certification Charter School Pilot Program, require the Commissioner of Education to develop and adopt performance frameworks for the charter under the program, and evaluate the performance of an adult high school operated under the program.

The bill would eliminate a report prepared by the Texas Education Agency related to the program.

The bill provides that the removal of the limit on the number of students served in a charter under Section 29.259(d) of the Education Code would take effect only if the Eighty-fifth Legislature appropriates funding specifically for the increase in the number of program participants.

The bill would take effect September 1, 2017.

Methodology

This analysis estimates the costs of implementing the provisions of the bill assuming that the Legislature makes a specific appropriation for the increase in the number of participants in the adult charter school, and that Education Code Section 29.259(d) would take effect.

The Texas Education Agency (TEA) assumes that attendance in this program would increase by 20 percent per year under the provisions of the bill. 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

LBB Staff: UP, THo, AM, AH