

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 8, 2017

TO: Honorable Dan Huberty, Chair, House Committee on Public Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB587** by Campbell (Relating to the ability of certain dependents of members of the United States military to enroll full-time in courses provided through the state virtual school network.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB587, Committee Report 2nd House, Substituted: a negative impact of (\$665,463) 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	(\$329,927)
2019	(\$335,536)
2020	(\$341,240)
2021	(\$347,041)
2022	(\$352,941)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from Foundation School Fund 193
2018	(\$329,927)
2019	(\$335,536)
2020	(\$341,240)
2021	(\$347,041)
2022	(\$352,941)

Fiscal Analysis

The bill would modify the eligibility of students to enroll full-time in courses provided by the state virtual school network (TxVSN) by expanding eligibility to certain students. The bill would

allow students who are dependents of members of the United States military residing in Texas and who were enrolled in a publicly funded school outside of the state in the preceding school year to enroll full-time in courses provided through the TxVSN.

The bill would take effect on September 1, 2017, or immediately if passed with the necessary voting margins, and would apply beginning in school year 2017-18.

Methodology

The bill has fiscal implications for the Foundation School Program (FSP), but not the operations of the Texas Education Agency (TEA).

Based on the provisions of this bill, this analysis assumes approximately 0.5 percent of the eligible military students currently enrolled in grades 3 to 12 and previously enrolled in a publicly funded school outside of Texas in the preceding school year would likely choose to enroll full-time in the TxVSN. The 0.5 percent participation rate considers two factors: 1) approximately 0.3 percent of the total grades 3 to 12 student population are currently enrolled in full-time programs through the TxVSN; and 2) the military student participation rate may exceed the participation rate of total student population based on expanded eligibility for these students and student mobility considerations.

Based on information provided by TEA, the number of military dependents in grades 3 to 12 enrolled in Texas public schools is 63,500 in school year 2016-17. Of that total, the number of new military dependent students (those students enrolled in school year 2016-17 but not enrolled in school year 2015-16) is 8,047. This estimate assumes average daily attendance (ADA) equivalent of 0.5 percent of the 8,047 new students in school year 2016-17, or 40 students, would enroll in the full-time courses through the TxVSN in fiscal year 2018. This analysis assumes this population would grow annually at the same rate as the student population as a whole, approximately 1.7 percent.

Assuming an additional state cost for Foundation School Program (FSP) entitlement of \$8,200 per student in average daily attendance, \$329,927 in additional FSP state cost would be estimated for these students enrolling in full-time courses through the TxVSN in fiscal year 2018 and \$335,536 in fiscal year 2019, increasing to approximately \$352,941 in fiscal year 2022.

Local Government Impact

School districts and open-enrollment charter schools could incur additional costs for mentoring and other support for students that are not currently enrolled in a public school district who may choose to enroll in courses through the Texas Virtual School Network (TxVSN). These costs would be anticipated to vary considerably among districts.

Source Agencies: 701 Texas Education Agency

LBB Staff: UP, THo, AM, AW