

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 25, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB2188 by Taylor, Larry (Relating to the average daily attendance calculation for students over 18 years of age who are in an off home campus instructional arrangement.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB2188, Committee Report 1st House, Substituted: a negative impact of (\$7,015,666) through the biennium ending August 31, 2019, assuming the agency implements the program. The agency is not required to implement the legislation 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	(\$3,473,102)
2019	(\$3,542,564)
2020	(\$3,613,415)
2021	(\$3,685,683)
2022	(\$3,759,397)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from Foundation School Fund 193
2018	(\$3,473,102)
2019	(\$3,542,564)
2020	(\$3,613,415)
2021	(\$3,685,683)
2022	(\$3,759,397)

Fiscal Analysis

The bill would amend the Education Code to recognize a student who is 18 years of age or older

who has met graduation credit requirements and is in an off home campus instructional arrangement to be considered a full-time equivalent (FTE) if the student receives 20 hours of contact per week, and a part-time equivalent if the student receives 10 hours or more, but less than 20 hours per week.

The bill would require the Texas Education Agency (TEA) to implement the provisions of the bill only if the Legislature appropriates funding specifically for that purpose and would allow the agency to implement the provisions using other appropriations if available. 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.

The bill would apply beginning with the 2017-18 school year.

Methodology

This analysis assumes that the 85th Legislature will make an appropriation to implement the bill. TEA indicates that in fiscal year 2017, there were a total of 2,852 students who were in an off-home campus instructional setting, including 1,155 who were between the ages of 18-21. TEA assumes the number of FTEs generated by those students at 6 hours of contact per day would be 703 FTEs. TEA indicates, that based on this population, 351 additional FTEs would be generated in fiscal year 2018 by implementing the provisions of the bill, and the agency assumes this would increase by 2 percent per year. TEA calculated the cost to the Foundation School Program of the additional FTEs and determined an additional cost of \$3.5 million in each fiscal year of the 2018-19 biennium, rising to \$3.8 million in fiscal year 2022. TEA indicated that the approximately 24 percent of the cost would be attributable to students 18 years of age, 31 percent of the cost would be attributable to students 19 years of age, 24 percent of the cost would be attributable to students 20 years of age, and 21 percent of the cost would be attributable to students 21 years of age.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 701 Texas Education Agency

LBB Staff: UP, THo, AM, AH