

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 6, 2019

TO: Honorable Rafael Anchia, Chair, House Committee on International Relations & Economic Development

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB441 by Bernal (Relating to requiring the Texas Workforce Commission to pay the cost of taking a high school equivalency examination for certain individuals.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB441, Committee Report 1st House, Substituted: a negative impact of (\$1,594,954) through the biennium ending August 31, 2021.

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
2020	(\$797,477)
2021	(\$797,477)
2022	(\$797,477)
2023	(\$797,477)
2024	(\$797,477)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1
2020	(\$797,477)
2021	(\$797,477)
2022	(\$797,477)
2023	(\$797,477)
2024	(\$797,477)

Fiscal Analysis

The bill would amend the Labor Code relating to requiring the Texas Workforce Commission (TWC) to pay the cost of taking a high school equivalency examination for certain individuals.

The bill requires TWC to pay the cost of taking one complete high school equivalency (HSE) examination for individuals who are 21 years of age or older and who are participating in the Adult Education and Literacy (AEL) program under Labor Code, Chapter 315.

The bill would take effect on September 1, 2019.

Methodology

Based on information provided by TWC, it is estimated that implementing the provisions of the bill would result in a cost of \$797,477 each fiscal year from General Revenue Funds.

There are three HSE assessment exams, including the general education development (GED) exam, the High School Equivalency Test (HiSET) exam, and the Test Assessing Secondary Completion (TASC) exam, that are approved for use in Texas and can result in an individual receiving the Texas Certificate of High School Equivalency, the state's official equivalency award issued by the Texas Education Agency. This analysis assumes that the provisions of the bill would apply to all three types of HSE exams.

According to TWC, the U.S. Department of Education states the use of Adult Education and Family Literacy Act (AEFLA) federal funds to pay for the administration of HSE exams is not an allowable use of federal funds. Therefore, this analysis assumes the provisions of the bill would be implemented using General Revenue Funds.

The AEL program administered under Labor Code, Chapter 315, provides services to out-of-school individuals who are over the age of 16 and who are not enrolled or required to be enrolled in secondary school and who meet other eligibility requirements under the AEFLA. This analysis assumes the provisions of the bill would be implemented for individuals who are 21 years of age or older.

According to TWC, the average cost of an HSE exam is \$137. During the AEL program year from July 2017 to June 2018, 5,821 AEL participants who were 21 years of age or older took at least one component of an HSE exam. This analysis assumes an estimated cost of \$797,477 each fiscal year to pay the full cost of the HSE exam, including all components, for AEL participants who are 21 years of age or older.

Local Government Impact

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

Source Agencies: 320 Texas Workforce Commission

LBB Staff: WP, CLo, SGr, CP