

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 1, 2019

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

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

IN RE: SB591 by Watson (Relating to an adult education program provided under an adult high school diploma and industry certification charter school program, eligibility of certain students for Foundation School Program benefits, and reporting requirements regarding the dropout status of certain students.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB591, As Introduced: a negative impact of (\$2,431,079) 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	(\$927,869)
2021	(\$1,503,210)
2022	(\$2,151,954)
2023	(\$3,056,149)
2024	(\$4,246,366)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from Foundation School Fund 193	Change in Number of State Employees from FY 2019
2020	\$871,296	(\$1,799,165)	1.0
2021	\$840,317	(\$2,343,527)	1.0
2022	\$892,786	(\$3,044,740)	1.0
2023	\$892,786	(\$3,948,935)	1.0
2024	\$892,786	(\$5,139,152)	1.0

Fiscal Analysis

The bill would amend the Adult High School Diploma and Industry Certification Charter School Program to expand the program from a pilot program to a permanent program. The program is currently funded through the Foundation School Program for students aged 19 to 25, and through a grant for students aged 26 to 50. Under the provisions of the bill, all students would be funded through the Foundation School Program (FSP).

The bill would require each school district and open-enrollment charter school to annually report through the Public Education Information Management System (PEIMS) information regarding the number of students who are enrolled in a high school equivalency program, a dropout recovery school, or an adult education program provided under a high school diploma and industry certification charter school.

Methodology

Based on information provided by the Texas Education Agency (TEA), it is assumed that the number of new students who would be funded by the FSP as a result of this bill would be 195 in fiscal year 2020, and would increase by 30 percent per year through fiscal year 2024. The estimated cost to the FSP would be \$1.8 million in fiscal year 2020, \$2.3 million in fiscal year 2021, increasing to \$5.1 million in fiscal year 2024.

In the 2018-19 biennium, TEA was appropriated approximately \$1,000,000 per year in General Revenue funds for a grant to fund students aged 26 to 50. As these students would now be funded through the FSP, an offsetting reduction of this same amount in grant funding per year was assumed for purposes of this fiscal note.

Based on information provided by TEA, it is assumed that one full-time equivalent (FTE) would be required to administer the program as it grows from a pilot program to a permanent program at an estimated cost of \$111,214 in fiscal year 2020 and \$107,214 in subsequent years for salary, benefits, and other operating expenses.

Technology

The Texas Education Agency reports that the cost to implement the requirement in PEIMS would cost \$17,490 in fiscal year 2020 and \$52,469 in fiscal year 2021.

Local Government Impact

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

Source Agencies: 701 Texas Education Agency

LBB Staff: WP, HL, AM, AH