

**LEGISLATIVE FISCAL OFFICE**

**Fiscal Note**



Fiscal Note On: **HB 612** HLS 09RS 402  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.: **w/ PROP HSE COMM AMD**  
 Sub. Bill For.:

<b>Date:</b> May 11, 2009	4:27 PM	<b>Author:</b> FANNIN
<b>Dept./Agy.:</b> Education		<b>Analyst:</b> Mary Kathryn Drago
<b>Subject:</b> High School Career Option Program		

CURRICULA OR SEE FISC NOTE GF EX Page 1 of 1  
 Provides relative to the high school career option program

The proposed legislation clarifies and updates the career option program law. The legislation provides for related course requirements, for the issuance of a career major diploma, and program participation.

EXPENDITURES	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	SEE BELOW	SEE BELOW	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW					
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
REVENUES	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
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Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

State general fund expenditures may increase as a result of the Department of Education (DOE) developing additional courses to provide the appropriate core course offerings for career major students. If there are not sufficient course offerings to meet the career major course requirements, the department may be required to develop additional courses. The Department of Education estimates the cost to develop a course ranges from \$5,000 to \$10,000 per course. If an additional 2-3 courses are required to be developed in each of the 4 different content areas, the cost to develop 12 additional courses would be between \$60,000 and \$120,000 SGF. If additional courses are necessary to be developed, it would be done over a 2-year period. The legislation also allows for end-of course tests for career and technical education courses. Some courses offer Industry Based Certification test to be used as an assessment tool. This fiscal note assumes that these type tests would be used by local school systems, therefore, there would be no additional cost for such tests.

According to DOE, some smaller school systems may offer only one career major program. Current law allows systems to develop additional courses. While developing additional career major programs is not a requirement of the legislation, the Department of Education provided information related to the potential costs involved with school systems developing additional programs, the cost for additional dual enrollment opportunities, expanding the EMPLOY program to additional districts, and department support.

The following costs are not required by the legislation and are provided to illustrate what the costs could be if career major programs were expanded. According to the Department of Education (DOE), expenditures could increase by approximately \$14.5 million in FY 09-10, \$15.5 million in FY 10-11, \$21.9 million in FY 11-12, \$23.6 million in FY 12-13, and \$30.8 million in FY 13-14. The majority of the cost estimated by the department would allow for each district to develop additional career and technical courses each year at an average cost of \$70,000 per course. If each school system developed two additional courses the total cost, using the \$70,000 average, would be \$9.6 million. Also, included in the figures above are costs associated with providing additional dual enrollment opportunities (costs approximately \$300 per student) and expanding the EMPLOY program. These costs start at \$4 million in the first fiscal year and increase to \$9.7 million by FY 13-14.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate  
 13.5.1 >= \$500,000 Annual Fiscal Cost

Dual Referral Rules

13.5.2 >= \$500,000 Annual Tax or Fee Change

House

6.8(F) >= \$500,000 Annual Fiscal Cost

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*

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**Legislative Fiscal Officer**