



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 1875

PRINTER'S NO. 2418

PRIME SPONSOR: Malagari

### COST / (SAVINGS)

FUND	FY 2023/24	FY 2024/25
General Fund	\$0	\$12,045,000; See fiscal impact

### SUMMARY:

House Bill 1875 amends the Public School Code to establish the Access to Advanced Courses for All Students Grant Program.

### ANALYSIS:

House Bill 1875 adds a new article to the Public School Code – Article XVII-E – Access to Advanced Courses for All Students. The bill defines an advanced course as “an academically rigorous college-level course delivered to secondary students by an eligible educator that includes an end-of-course exam that qualifies students to earn college credit for prior learning.”

By September 1, 2024, and every five years thereafter, each school entity, defined as a school district, area career and technical school, charter school or regional charter school, is required to report to the Department of Education (PDE) all advanced course offerings as well as the number of students participating, completing, and taking an end-of-year exam. PDE is required to summarize the reported data and establish benchmarks for improving access to and enrollment in advanced courses, including identifying school entities that need intensive assistance.

The new Article XVII-E establishes the Access to Advanced Courses for All Students Grant Program, which consists of educator training grants for school entities and exam fee grants to students:

- To be eligible for the educator training grants, a school entity must be below PDE’s established benchmark for access and enrollment in advanced courses. A school entity may receive an educator training grant each year for a maximum of five years and shall report detailed information about the use of funds.
- For the exam fee grants to students, beginning with the 2024/25 school year, PDE is required to reimburse school entities 100% of the exam fee for each student that completes an advanced course.

PDE shall issue a report on the grant program, including the number of trained educators delineated by type of course, the change in advanced course offerings, the number of students who completed an advanced course, the percentage of institutions of higher education in the commonwealth that offer academic course credit for advanced course exam scores, and other evaluation metrics.

House Bill 1875 also amends Article XII – Certification of Teachers – of the Public School Code to add opportunities for educators to serve as advanced coursework coaches to the list of options that may be included in a school entity’s continuing professional development plan.

House Bill 1875 would take effect in 60 days.

**FISCAL IMPACT:**

House Bill 1875 states that the grant program may be funded by an appropriation, federal funds, or private sources. In the event of insufficient funds, PDE is required to prioritize funding for eligible school entities based upon poverty level and deficiencies in access to advanced courses relative to the established benchmark.

The costs associated with House Bill 1875 will be incurred beginning in 2024/25 due to the requirement to begin the exam fee reimbursement with the 2024/25 school year and the 60-day effective date timeline.

The exam fee grants to students requires PDE to pay 100% of the exam fee for each student that completes an advanced course. There are several types of exams that may qualify, including an Advanced Placement (AP) Program exam, International Baccalaureate Diploma Program exam, and a Cambridge advanced exam. However, AP exams are the most prevalent by a wide margin. The table below provides a cost estimate. Detailed information on the number of IB exams and Cambridge advanced exams taken by school entity students was not readily available, but the list of participating Pennsylvania school entities with secondary programs was short.

Cost Analysis for Exam Fee Grants to Students Under HBI875					
Exam Type	2023 Exams	Estimated Number of 2024 Exams	Estimated Number of 2025 Exams	Estimated Cost Per Exam	Total Estimated 2025 Cost
Standard-Fee AP Exams	95,325	97,541	102,573	\$90	\$9,231,570
Standard-Fee AP Capstone Exams	1,669	2,108	2,451	\$138	\$338,238
Low-Income AP Exams	21,931	24,796	27,657	\$53	\$1,465,821
Low-Income AP Capstone Exams	401	645	893	\$101	\$90,193
Estimated Other Exams (non AP)			10,000	\$119	\$1,190,000
Total Estimated Cost:					\$12,315,822

Under current law (Section 2599.8 of the Public School Code), PDE provides advanced placement and International Baccalaureate exam fee assistance to low-income students, which costs about \$800,000 and is paid from the state appropriation for PA Assessment. Therefore, the additional estimated cost for the exam fee grants to students under House Bill 1875 is \$11.5 million, which is the estimated \$12.3 million for all public school students net of the \$800,000 currently provided for low-income students.

To be eligible for the educator training grants, a school entity must be offering fewer advanced courses than the benchmark required to be established by the department by December 1, 2024. The educator training events will most likely take place in the summer; therefore, any costs associated with educator training grants will be incurred beginning in 2025/26. A school entity is eligible to receive an educator training grant for up to five years. An educator training grant may cost up to \$10,000 per class to pay for the training fee, teacher stipend for one week’s work, and other costs associated with the training.

From an administrative perspective, PDE staff indicated that the additional responsibilities under House Bill 1875 would necessitate two new staff (one program, one administrative) at a recurring cost of \$254,000 as well as operational costs of \$275,000 for guideline creation and e-grants support, most of which would not be recurring.

In summary, the estimated 2024/25 cost is \$12,045,000 for the expanded exam fee grants to students and administrative costs. Other costs for educator training grants will impact appropriations beginning in 2025/26.

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**DATE:** March 19, 2024

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*