

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**March 20, 2017**

**TO:** Honorable Dan Huberty, Chair, House Committee on Public Education

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB515** by VanDeaver (Relating to eliminating certain state-required assessment instruments and certain end-of-course assessment instruments not required by federal law.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB515, As Introduced: a positive impact of \$23,160,133 through the biennium ending August 31, 2019.

The bill would also result in an undetermined reduction of Federal Funds.

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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2018	\$11,540,409
2019	\$11,619,724
2020	\$11,619,724
2021	\$11,619,724
2022	\$11,619,724

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund</b>
	<b>1</b>
2018	\$11,540,409
2019	\$11,619,724
2020	\$11,619,724
2021	\$11,619,724
2022	\$11,619,724

**Fiscal Analysis**

The bill would amend the Education Code to eliminate the requirement for the Texas Education

Agency (TEA) to develop appropriate assessment instruments in writing for grades four and seven; in social studies for grade eight; and in any other subject and grade not required by federal law. The bill would amend the Education Code to require TEA to adopt and administer end-of-course assessment instruments in reading, mathematics, and science only as necessary to comply with the Every Student Succeeds Act.

The bill would take effect immediately if passed within necessary voting margins, or September 1, 2017, and applies beginning in school year 2017-18.

### **Methodology**

Eliminating assessment instruments for writing and social studies would result in General Revenue savings of approximately \$11.5 million in fiscal year 2018 and \$11.6 million in subsequent years based on the costs of the current state assessment contract. However, any savings are expected to be offset by reductions in Federal Funds.

Based on information provided by TEA, the estimated savings of eliminating the writing assessments would be approximately \$10.2 million annually (\$3.4 million for grades 4 and 7 and the Writing end-of-course (EOC) assessment). The estimated savings of eliminating the grade eight social studies assessment would be approximately \$370,000 per fiscal year. The estimated savings of eliminating the United States History end-of-course assessment would be approximately \$1.1 million each fiscal year. This analysis assumes savings based on the per assessment costs of the current state assessment contract.

However, according to TEA, recent interpretation of federal regulations indicate that state writing assessments are now a required component of the state's English Language Arts standards. Accordingly, elimination of the writing assessments may result in the loss of federal funding and other federal penalties. Although the amount of Federal Funds that may be lost as a result of noncompliance with this requirement is unknown, the loss could potentially be as much as \$18 million annually. The bill would amend the Education Code to eliminate the requirement for the Texas Education Agency (TEA) to develop appropriate assessment instruments in writing for grades four and seven; in social studies for grade eight; and in any other subject and grade not required by federal law. The bill would amend the Education Code to require TEA to adopt and administer end-of-course assessment instruments in reading, mathematics, and science only as necessary to comply with the Every Student Succeeds Act.

### **Local Government Impact**

School districts would experience varying savings from administering a reduced number of assessments and testing days. Districts and charters may incur some costs associated with calendar changes that would be required if testing days need to be removed from district calendars; however, these costs are not expected to be significant.

**Source Agencies:** 701 Texas Education Agency

**LBB Staff:** UP, SD, THo, AM, AW