

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 24, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1333 by Isaac (Relating to public school accountability, including assessment of students and appraisal of teachers.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1333, As Introduced: a positive impact of \$1,780,933 through the biennium ending August 31, 2019.

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
2018	\$854,905
2019	\$926,028
2020	\$935,753
2021	\$935,753
2022	\$1,179,357

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>Foundation School Fund</i> 193	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2017
2018	\$994,432	(\$139,527)	1.0
2019	\$1,057,555	(\$131,527)	1.0
2020	\$1,057,555	(\$121,802)	1.0
2021	\$1,057,555	(\$121,802)	1.0
2022	\$1,057,555	\$121,802	1.0

Fiscal Analysis

The bill would amend the Education Code to restrict the recommended teacher appraisal process from using student performance on assessment instruments administered under Section 39.023 to measure teachers, and to limit the number of required state assessments to those that are required

by federal law. The bill would require the Commissioner to identify nationally recognized, norm-referenced assessment instruments to evaluate student achievement and request any necessary waiver from the application of any conflicting federal law.

The bill would amend certain performance indicators used for accountability and modify the weighting associated with certain domains. The bill would also reduce the number of distinction designations that campuses may earn. The bill would take effect immediately if passed with necessary voting margins, or September 1, 2017, and would apply beginning in school year 2017-18.

Methodology

Eliminating assessment instruments to include only those required by federal law would result in a savings of \$14.9 million in each fiscal year. However, this savings would be offset by the cost of modifying assessment instruments to assess English Language Arts, test comparability studies related to determining appropriate alternative assessment instruments, technology changes, and agency administration resulting in an annual savings of \$854,905 in fiscal year 2018 approximately \$930,000 in subsequent years.

Based on information provided by TEA, the estimated savings for eliminating certain assessments would total approximately \$14.9 million annually, including \$3.4 million each fiscal year for grades 4 and 7 Writing and the Writing end-of-course (EOC) assessments, \$370,000 per fiscal year for grade eight social studies assessment, and \$1.1 million each fiscal year for the United States History end-of-course assessment. This analysis assumes savings based on the per assessment costs of the current state assessment contract.

However, these savings would be offset by the cost of modifying the reading assessment. 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 (ELA) standards. Therefore, the agency would be required to modify the current reading assessment to include writing, resulting in a new ELA assessment. Based on information provided by TEA, the estimated cost of modifying the assessments, setting the new performance standards, and ensuring the new tests are within time and length requirements is \$12.4 million in each fiscal year.

Additionally, the bill would allow certain nationally recognized alternative assessment instruments to serve as replacements for existing state-developed assessment instruments. The Texas Education Agency (TEA) estimates there would be a cost associated with determining which nationally recognized assessments would serve as alternative assessments. Based on information provided by the Texas Education Agency (TEA), the cost associated with test comparability, longitudinal analyses, and incorporation in the accountability system would be \$300,000 per identified assessment instrument. TEA estimates the agency would identify at least 5 nationally recognized assessment instruments to serve as alternative assessments resulting in costs of \$1,500,000 (5 assessments x \$300,000 per assessment) in each fiscal year.

This analysis assumes TEA would still be required to administer the remaining State of Texas Assessment of Academic Readiness (STAAR) assessments since the bill allows for alternative assessments, but does not require the use of those assessments in lieu of state-developed assessment instruments. There would be a reduction in state costs associated with state-developed assessments if a majority of students began taking the alternative assessments; however, these savings cannot be determined at this time.

According to TEA, the agency would need to modify the Texas Student Data System (TSDS)

Public Education Information Management System (PEIMS) to account for changes to data collection required for accountability purposes based on the provisions of the bill. TEA estimates a cost of \$9,725 in fiscal years 2018 and 2019 for initial development.

The estimate assumes the agency would need one full-time equivalent (FTE) positions to maintain an accountability system solely for the purpose of reporting federal requirements. The estimated cost of the FTE, including salary, benefits, and other operating expenses, would be \$129,802 in fiscal year 2018 and \$121,802 in subsequent years.

Technology

TEA estimates a cost of \$9,725 in fiscal years 2018 and 2019 for initial development to modify the TSDS PEIMS to account for technology changes resulting from changes to accountability data collection.

Local Government Impact

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

Source Agencies: 701 Texas Education Agency

LBB Staff: UP, THo, AM, AW