

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 16, 2007

TO: Honorable Rob Eissler, Chair, House Committee on Public Education

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB136 by Olivo (Relating to promotion of students to certain grade levels in public school.),
As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB136, As Introduced: a positive impact of \$1,750,000 through the biennium ending August 31, 2009.

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
2008	\$800,000
2009	\$950,000
2010	\$950,000
2011	\$950,000
2012	\$950,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>FOUNDATION SCHOOL FUND</i> 193
2008	\$800,000
2009	\$950,000
2010	\$950,000
2011	\$950,000
2012	\$950,000

Fiscal Analysis

The bill would eliminate multiple testing opportunities for students that fail to perform satisfactorily. Promotion or retention would be determined by the grade placement committee under locally established policies. The grade placement committee would be authorized to require accelerated instruction.

The bill would take effect immediately upon enactment with the necessary voting majorities or September 1, 2007 and would apply beginning with the 2007-08 school year.

Methodology

According to the Texas Education Agency, the state would save approximately \$800,000 in FY2008,

and \$950,000 in subsequent years, in testing contract costs due to the elimination of retests in grade 3 reading, and grades 5 and 8 reading and math.

Due to a change in the mechanism for funding assessments in House Bill 1, 79th Legislature, Third Called Session, savings in assessment costs are savings to the state instead of flowing back to districts through an increased compensatory education allotment.

Local Government Impact

The bill would authorize the grade placement committee to require summer remediation as appropriate. Administrative costs related to the review of the disposition of each student's promotion or remediation by the committee could vary widely from district to district, depending on how many students failed to perform satisfactorily on the assessment instrument in each district. According to the Texas Education Agency, costs to hire additional teachers for summer remediation could reach an estimated \$14 million if 15% of the eligible students were referred for remediation. This could represent an additional local cost to the extent existing sources of funding for summer programs are not sufficient.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, JSp, UP, JGM