

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 12, 2007

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

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

IN RE: HB183 by Brown, Betty (Relating to release by the Texas Education Agency of questions and answer keys to assessment instruments.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB183, As Introduced: a negative impact of (\$9,000,000) 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	(\$4,500,000)
2009	(\$4,500,000)
2010	(\$4,500,000)
2011	(\$4,500,000)
2012	(\$4,500,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>FOUNDATION SCHOOL FUND</i> 193
2008	(\$4,500,000)
2009	(\$4,500,000)
2010	(\$4,500,000)
2011	(\$4,500,000)
2012	(\$4,500,000)

Fiscal Analysis

This bill would require the Texas Education Agency to annually release questions and answers for statewide student assessments. Questions which are being field tested would not have to be released.

The bill would take effect September 1, 2007 or immediately upon enactment with the necessary voting majorities and would apply beginning with the 2007-2008 school year.

Methodology

Current law requires the release of items every other year. Under the bill, the release would occur on an annual basis. The annual release provision would increase assessment costs associated with the development and testing of additional items. Increased costs would be anticipated to range from

approximately \$4.0 - \$5.0 million per year. These additional costs would be paid through reductions to districts' Tier 1 compensatory education allotments. However, due to the changes in school finance made by House Bill 1, 79th Legislature, 3rd Called, a reduction in a district's Tier 1 state aid would simply increase its hold harmless state aid in order to reach a total revenue target. Therefore, increases in appropriations for set-aside programs like assessments result in increased state cost. In the event Education Code 42.2516 were changed to restore set-aside funding to its pre-House Bill 1 (79-3) functionality, the bill would have no net state fiscal impact.

Technology

No fiscal impact to the Texas Education Agency's technology costs is expected.

Local Government Impact

Local districts would see no fiscal impact from the bill. In the event Education Code 42.2516 were changed to restore set-aside funding to its pre-House Bill 1 functionality, the bill would reduce districts' funding through the compensatory education allotment.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, JSp, UP, JGM