

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

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**March 1, 2011**

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

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

**IN RE: HB233** by Hochberg (Relating to requirements for students to be assessed in certain subjects and in certain grades.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB233, As Introduced: a negative impact of (\$10,313,062) through the biennium ending August 31, 2013.

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
2012	(\$2,359,406)
2013	(\$7,953,656)
2014	(\$7,943,656)
2015	(\$6,072,906)
2016	(\$430,656)

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

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/ (Loss) from <i>Fed Health Ed Welf Fd</i> 148	Change in Number of State Employees from FY 2011
2012	(\$2,359,406)	(\$12,834,142)	6.0
2013	(\$7,953,656)	(\$12,834,142)	6.0
2014	(\$7,943,656)	(\$12,834,142)	6.0
2015	(\$6,072,906)	(\$12,834,142)	6.0
2016	(\$430,656)	(\$12,834,142)	6.0

**Fiscal Analysis**

The bill would make state assessments optional for students in grades 4, 6, and 7 who exceed the passing standards on mandatory assessments in grades 3, 5, and 8 by at least 100 scale score points. The bill would require that students who do not meet the passing standard plus 100 scale score points requirement on any assessments in grades 3 through 7 and who are promoted to the next grade be assessed in those subjects in the following grade.

The bill would move required writing assessments from grades 4 and 7 to grades 5 and 8.

The bill would allow school districts and charter schools to assess students who meet the exemption requirements for assessments in grades 4, 6, and 7 at their discretion and would require the Texas

Education Agency to provide all the support provided for mandatory assessments.

The bill would require the Commissioner of Education to seek federal waivers in any case in which the provisions of the bill violate requirements of federal law.

The bill would take immediate effect if it were to pass with the required voting margins.

## **Methodology**

The bill would require development of two new writing assessments for grades 5 and 8 to replace current assessments for grades 4 and 7. The grade 4 writing assessment would be discontinued leading to no net cost of development and administration of the grade 5 writing assessment. Because students who fail to meet passing standards plus 100 scale score points would be required to be tested in writing in grade 6, the bill would necessitate development of a grade 6 writing assessment. Although the bill would eliminate primary administration of the grade 7 writing assessment, that assessment would be required for students who have failed to meet the standards of the bill on the grade 5 and grade 6 writing assessment (contingent administration) and may be administered to any student at school district discretion (discretionary administration). Therefore, changes to the writing assessments requirements would require, on a net basis, development and administration of two new writing assessments for grades 6 and 8, beginning in fiscal year 2013.

Because students who fail to meet passing standards plus 100 scale score points on science assessments required in grade 5 and who were promoted to grade 6 would be required to be tested in science in grade 6, the bill would necessitate development and administration of a grade 6 science assessment, beginning in fiscal year 2012. School districts would be required to assess students required to take the grade 6 science assessment who continued to score below the passing standard plus 100 scale score points threshold in science in grade 7, necessitating the development and administration of a grade 7 science assessment, beginning in fiscal year 2013.

Test development is a three-year process at a cost estimated at \$880,750 per year per assessment. The cost of primary administration of a new assessment is estimated at \$1,000,000 per year per assessment for three years.

The cost of developing the grade 6 science assessment is estimated at \$0.9 million per year, and the cost of primary administration of this assessment is estimated at \$1.0 million per year in fiscal years 2012 through 2014.

The cost of developing the new writing assessments in grades 6 and 8 and the grade 7 science assessment is estimated at \$2.6 million per year, and the cost of primary administration of these assessments is estimated at \$3.0 million per year in fiscal years 2013 through 2015.

To the extent that school districts opt not to administer discretionary assessments to students meeting the performance thresholds set by the provisions of the bill, the state cost of operating the assessments program could decrease. However, that savings cannot be estimated.

It is estimated that 6.0 FTEs would be required at TEA to support the development and administration of the new assessments at a cost of \$462,656 in salary, benefits, and other personnel costs in fiscal year 2012 and \$430,656 annually beginning in each subsequent year.

The provisions of the bill could violate requirements in federal law that the state assess students on an annual basis. The bill requires that the Commissioner of Education seek a waiver of these requirements. For purposes of this estimate, it is assumed that no waiver is granted, and it is estimated that TEA would lose \$12.8 million annually in federal Title I administrative funds beginning in fiscal year 2012. If a waiver were granted, no such loss of federal funds would occur.

## **Technology**

The bill is estimated to have no effect on technology costs for the Texas Education Agency.

## **Local Government Impact**

School districts could experience savings associated with reduced assessments. Savings would vary depending on the number of students scoring at levels required for exemption and the degree to which school districts opt not to assess students on a discretionary basis.

**Source Agencies:** 701 Central Education Agency

**LBB Staff:** JOB, LXH, JGM, JSc, JSp