

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 9, 2011

TO: Honorable Florence Shapiro, Chair, Senate Committee on Education

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

IN RE: HB500 by Eissler (Relating to state-adopted assessment instruments administered to public school students.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB500, As Engrossed: a positive impact of \$3,323,840 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	\$1,198,920
2013	\$2,124,920
2014	(\$3,975,080)
2015	(\$3,975,080)
2016	\$824,920

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>Foundation School Fund</i> 193	Change in Number of State Employees from FY 2011
2012	\$1,198,920	1.0
2013	\$2,124,920	1.0
2014	(\$3,975,080)	1.0
2015	(\$3,975,080)	1.0
2016	\$824,920	1.0

Fiscal Analysis

The bill would establish the Reduced Assessment Requirements Pilot Program through which students on at least 20 participating campuses selected by the Commissioner would be required to be assessed in mathematics and reading in grades 3, 5, and 8 only; in writing in grades 4 and 7 only; in social studies in grade 8 only; and in science in grades 5 and 8 only. Students on participating campuses would only be assessed in grades and subjects not designated above when performance on required assessments in the prior year is not predictive of success in the following year. The Commissioner would be required to conduct a study to determine the success of the pilot program and report results no later than the beginning of fiscal year 2015.

The bill would make permissive the requirement that students who fail to achieve a minimum score on an EOC assessment retake that assessment and would remove the provision allowing any other student

to retake an EOC assessment for any reason.

The bill would amend high school graduation requirements for students entering grade 9 in the 2011-12 or 2012-13 school year to allow them to meet either requirements for student performance on EOC assessments as amended by the bill or to perform satisfactorily on assessments required prior to enactment of Senate Bill 1031, Eightieth Legislature, Regular Session, 2007, which establishes the EOC assessments system.

The bill would require students entering grade 9 in the 2013-14 school year or later to meet requirements for student performance on EOC assessments as amended by the bill.

The bill would create an additional distinction designation for campuses with significant numbers of students below grade 9 who perform satisfactorily on EOC assessments.

Methodology

The Texas Education Agency (TEA) estimates that the Reduced Assessment Requirements Pilot Program would require 0.5 FTEs to administer at a cost of \$39,921 in FY2012 and \$31,921 in each subsequent fiscal year, inclusive of salary, benefits, and other operating expenses.

The provision of the bill making permissive the requirement that students failing to make a minimum score on an EOC assessment be allowed to retake the assessment and disallowing unlimited retests for any other reason would result in an estimated savings of \$1.3 million in FY2012 and \$2.4 million annually in fiscal years 2013 through 2015 due to reduced cost of administering EOC assessments. The reduction in cost is projected to decrease to \$1.2 million in fiscal year 2016 when the proportion of students who would be required to meet EOC assessment performance standards as a condition for graduation increases relative to the population of students who could meet performance standards for either EOC assessments or the Texas Assessment of Knowledge and Skills for grade 11 (exit-level TAKS). For purposes of this estimate, it is assumed that 50,000 fewer students per year per subject would be retested, declining to a lower number once student performance on EOC assessments is required for graduation.

The provision of the bill allowing students entering grade 9 in the 2011-12 or 2012-13 school years to satisfy graduation requirements by either meeting requirements related to EOC assessments or to meet requirements for performance on state assessments as those requirements existed prior to enactment of Senate Bill 1031, Eightieth Legislature, Regular Session, 2007 would require that the exit-level TAKS be maintained until at least FY2016. For purposes of this estimate and based on past experience during the transition from the Texas Assessment of Academic Skills (TAAS) to the TAKS and the relative increase in rigor of EOC assessments compared with TAKS, it is assumed that most students would take the exit-level TAKS in order to be eligible to use the exit-level TAKS to meet graduation requirements. Maintaining the exit-level TAKS is estimated to cost \$6.3 million annually in fiscal years 2014 and 2015, decreasing to \$300,000 in fiscal year 2016 when the majority of the students in the cohorts affected will have graduated or entered grade 12 by that time.

TEA estimates that the additional distinction designation would require support from 0.5 new programmer FTEs at a cost of \$51,160 in FY2012 and \$43,160 in each subsequent fiscal year.

Local Government Impact

Under the provisions of the bill, the use of student performance on EOC assessments as a factor in students' course grades would be optional and would be determined by local policy. A school district would no longer be required to allow any student to retake an EOC assessment instrument for any reason, and retesting a student who had failed to achieve a minimum score would be optional.

Students who enter grade 9 in 2011–12 or 2012–2013 would have the option of taking the exit-level TAKS as a graduation requirement. As a result, administration of this assessment would need to continue along with the administration of the EOC assessments for the affected cohort. This cohort of students would not have the option to take the grade 9 or grade 10 TAKS in preparation for taking the grade 11 TAKS like prior student cohorts.

Campuses could be eligible to participate in the Reduced Assessments Pilot Program.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, LXH, JGM, JSc