

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 30, 2015

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB743 by Huberty (Relating to the essential knowledge and skills of the required public school curriculum and to certain assessment instruments for public school students.),
Conference Committee Report

Estimated Two-year Net Impact to General Revenue Related Funds for HB743, Conference Committee Report: a negative impact of (\$1,069,136) through the biennium ending August 31, 2017.

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
2016	(\$1,029,136)
2017	(\$40,000)
2018	(\$40,000)
2019	(\$40,000)
2020	(\$40,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
	1
2016	(\$1,029,136)
2017	(\$40,000)
2018	(\$40,000)
2019	(\$40,000)
2020	(\$40,000)

Fiscal Analysis

The bill would require that an assessment instrument be determined to be valid and reliable based

on empirical evidence by an entity independent of the Texas Education Agency (TEA) and test developer before being administered.

The bill would require assessment instruments to be designed so that 85 percent of the students in grades 3 through 5 complete the assessment in 120 minutes and 85 percent of the students in grades 6 through 8 complete the assessment in 180 minutes.

The bill would require TEA to conduct a comprehensive study of the TEKS and assessment instruments and submit a report of its findings to certain entities.

The bill would require TEA to reimburse school district for all fees associated with administration of college preparation assessment instruments. The bill would require TEA to ensure that school district are not reimbursed if an assessment instrument is not actually administered.

The bill would require TEA to develop a comprehensive methodology for auditing and monitoring assessment contracts to develop or administer assessment instruments and conduct contract compliance review if necessary.

The bill would take effect on September 1, 2015, or immediately is passed with the necessary voting margins, and would apply beginning school year 2015-16.

Methodology

Based on information provided by the agency, the cost to annually review the reliability and validity of the state assessment instruments, independent of TEA and the testing vendor, would be \$40,000 per fiscal year. This estimate assumes the current federal peer review process would not be sufficient to meet the requirement of the bill.

This estimate assumes grade 3 through 8 assessment instruments would be redesigned to meet the time limits required by the bill, generating an anticipated one-time state cost of \$800,000 in fiscal year 2016. According to information provided by TEA, approximately 70 percent of students in grades 3 through 8 completed the State of Texas Assessment of Academic Readiness (STAAR) within 120 minutes based on a study of 2012 STAAR testing times. To decrease testing times in the grades required, TEA indicates a cost of \$32,000 per assessment to modify the assessment and set new performance standards. This estimate assumes 25 separate tests would be modified for a cost of \$800,000 ($\$32,000 \times 25$ assessments) in fiscal year 2016.

Changes to state curriculum review and assessment processes are subject to review by the U.S. Department of Education as a part of the No Child Left Behind Title I, Part A program. To the extent that changes resulting from the bill are not federally approved, the bill may result in the loss of significant federal funds.

The bill requires the TEA to study the TEKS and assessment instruments. Based on information provided by TEA, the one-time estimated cost of the study is \$100,000 in fiscal year 2016. TEA estimates one FTE would be required until completion of the study. The estimated cost of this FTE, including salary, benefits, and other operating expenses, would be \$89,136 in fiscal year 2016.

The bill's provision changing the existing statutory requirement that the agency pay all fees to a requirement that the agency reimburse all fees is not considered to be a substantive change. The bill's provision changing the allowable method of finance for state payment from Foundation School Program funds to funds appropriated for that purpose is not anticipated to have a significant fiscal impact.

Local Government Impact

School districts may experience some savings for administering shorter assessments; however, these savings are not anticipated to be significant.

Source Agencies: 701 Central Education Agency

LBB Staff: UP, AW, JBi, AM