

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 6, 2015

TO: Honorable Larry Taylor, Chair, Senate Committee on Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB149 by Seliger (Relating to alternative methods for satisfying certain public high school graduation requirements, including the use of individual graduation committees.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB149, Committee Report 1st House, Substituted: a positive impact of \$2,168,166 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	\$1,074,946
2017	\$1,093,220
2018	\$0
2019	\$0
2020	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
	1
2016	\$1,074,946
2017	\$1,093,220
2018	\$0
2019	\$0
2020	\$0

Fiscal Analysis

The bill would amend the Education Code to provide alternative options for graduation to 11th or 12th grade students who fail to perform satisfactorily on not more than two required end-of-

course (EOC) assessment instruments by requiring school districts and open-enrollment charter schools to establish an individual graduation committee (IGC) for such students. The bill would authorize IGCs to establish a variety of graduation criteria other than an EOC assessment for qualifying students. Since the bill would reduce the number of students retested on EOC assessments, savings on the cost of retesting would result. These provisions expire September 1, 2017.

The bill would take effect on September 1, 2015, or immediately if passed with the necessary voting margins and would take effect beginning with school year 2014-15.

Methodology

Allowing an 11th or 12th grade student to avoid a retest after failing only two end-of-course (EOC) assessments would result in an annual savings due to the smaller number of retest administrations. This estimate assumes 50 percent of students failing a second time would opt for individual graduation committee options established in the bill instead of taking a retest.

According to information provided by the Texas Education Agency, the fiscal year 2015 average cost per test is \$3.38 to administer the Algebra I, Biology, or U.S. History EOC assessments and \$16.90 to administer the English I or English II EOC assessments fiscal year for 2015.

Using agency estimates for fiscal year 2015 retests as an initial basis multiplied by projected student enrollment growth rate of 1.7 percent, it is anticipated that the fiscal year 2016 retests for the EOC assessments would be 19,340 in Algebra I; 7,983 in Biology I; 7,421 in U.S. History; 30,346 in English I; and 26,311 in English II. Under these assumptions, the savings related to administering retests is \$65,369 for Algebra I, \$26,983 for Biology I, \$25,082 for U.S. History, \$512,855 for English I, and \$444,656 for English II totaling \$1,074,946 in fiscal year 2016. For this analysis, it is assumed the number of and savings associated with EOC assessments would mirror anticipated enrollment growth of 1.7 percent annually until fiscal year 2017 when students would no longer be eligible for these provisions.

Estimates above may vary based on a number of factors, including the number of students opting to retest and the cost of retesting. This analysis assumes no change in the rate of students eligible and opting for the IGC alternatives. For this analysis, the cost of retesting is based on the agency's current state assessment contract, which expires on August 31, 2015.

Local Government Impact

There would be costs to districts and charters to establish the IGCs and communicate with parents regarding the committee. These costs would vary from district to district depending on the number of students that elected to use the IGC as an alternative to retesting on EOCs.

Source Agencies: 701 Central Education Agency

LBB Staff: UP, AW, JBi, AM