

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 20, 2017

TO: Honorable Dan Huberty, Chair, House Committee on Public Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3607 by King, Ken (Relating to secondary-level assessment of public school students.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3607, As Introduced: a negative impact of (\$4,960,691) through the biennium ending August 31, 2019.

The bill would also result in an undetermined reduction in Federal Funds.

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
2018	(\$2,499,925)
2019	(\$2,460,766)
2020	(\$2,460,766)
2021	(\$2,460,766)
2022	(\$2,460,766)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
	1
2018	(\$2,499,925)
2019	(\$2,460,766)
2020	(\$2,460,766)
2021	(\$2,460,766)
2022	(\$2,460,766)

Fiscal Analysis

The bill would amend Education Code to eliminate the end-of-course graduation requirements and assessments for students at the secondary-level. The bill would require the Commissioner to

identify a procedure to allow a school district to select the Texas Success Initiative (TSI) assessment or a nationally recognized, norm-referenced assessment instrument as the secondary-level assessment instrument to be administered to students in grade 11. This assessment requirement would apply to students entering grade 9 in school year 2017-18.

The bill would take effect immediately if passed with necessary voting margins, or September 1, 2017, and would apply beginning in school year 2017-18.

Methodology

The bill would result in savings associated with eliminating five end-of-course assessments (EOCs); however, these savings would be offset by the costs to administer the Texas Success Initiative (TSI) or a nationally recognized, norm-referenced assessment instrument to students in grade 11, resulting in an overall net cost of approximately \$2.5 million each fiscal year.

The bill would eliminate the end-of-course assessments (EOCs) in Algebra I, Biology, English I, English II, and United States History. Eliminating the five EOC assessment instruments would result in savings of approximately \$18.9 million annually based on the costs of the current state assessment contract.

Based on information provided by the Texas Education Agency (TEA), the estimated savings of eliminating the English I and II EOC would be approximately \$6.0 million per fiscal year, per assessment. The estimated savings of eliminating the Algebra I EOC would be approximately \$1.4 million per fiscal year. The estimated savings of eliminating the Biology and United States history EOC would be \$1.1 million per fiscal year, per assessment.

The bill allows districts to select the Texas Success Initiative (TSI) assessment or a nationally recognized, norm-referenced assessment instrument as the secondary-level assessment instrument to be administered to students in grade 11. This analysis assumes the nationally recognized test would be the SAT and ACT. The bill would require the selected assessment instrument to be used for purposes of accountability and graduation.

According to information provided by TEA, approximately 365,000 students would be required to take the TSI or a national recognized assessment instrument each year, with 20 percent of the students (73,000 students) required to retest for graduation purposes, totaling approximately 438,000 students in each fiscal year. Of the 365,000 students, this analysis assumes 70 percent (306,600 students) would take the SAT or ACT test, while 30 percent (131,000 students) would take the TSI. This analysis further assumes 70 percent of the students retesting (54,600 students) would take the SAT or ACT, while 30 percent (23,400 students) would take the TSI.

According to information provided by TEA, the SAT and ACT cost approximately \$57 per test, while the TSI costs \$8 per test. Costs associated with administering the SAT, ACT, and TSI would total approximately \$21.4 million in each fiscal year. These costs include the initial administration and subsequent administration for retesting purposes.

However, according to TEA, recent interpretation of federal regulations indicate that state writing assessments are now a required component of the state's English Language Arts standards. Accordingly, elimination of the English I and II end-of-course assessment, which include writing as a component, may result in the loss of federal funding and other federal penalties. Although the amount of Federal Funds that may be lost as a result of noncompliance is unknown, the loss could potentially be as much as \$18 million annually.

Local Government Impact

Districts and charters may incur varying costs associated with rearranging test days and school calendars to comply with vendor requirements associated with the Texas Success Initiative (TSI) or a nationally recognized, norm-referenced assessment instrument; however, these costs are not expected to be significant.

Source Agencies: 701 Texas Education Agency

LBB Staff: UP, THo, AM, AW