

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 28, 2017

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HR2637 by Huberty (Suspending limitations on conference committee jurisdiction, H.B. No. 22.)

Estimated Two-year Net Impact to General Revenue Related Funds for HR2637, As Introduced: a negative impact of (\$1,736,750) through the biennium ending August 31, 2019.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	(\$872,375)
2019	(\$864,375)
2020	(\$114,375)
2021	(\$114,375)
2022	(\$114,375)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2017
2018	(\$872,375)	1.0
2019	(\$864,375)	1.0
2020	(\$114,375)	1.0
2021	(\$114,375)	1.0
2022	(\$114,375)	1.0

Fiscal Analysis

The resolution suspends limitations on the conference committee report for House Bill 22. House Bill 22 would amend the public school accountability system and certain district and campus improvement requirements codified in the Education Code. The bill would reduce the accountability system from five domains to three domains to include Student Achievement, School Performance, and Closing the Gaps, and would specify which indicators to use within the domains to evaluate the performance of school districts, open-enrollment charter schools, and campuses.

The bill would require the Commissioner to evaluate overall performance and individual domain performance using the A-F ratings; establish the percentage assigned to each rating; specify certain requirements for evaluating performance; ensure the method used to evaluate performance for purposes of assigning school districts and campuses an overall and a domain performance rating allows for the mathematical possibility that all districts and campuses receive an A rating; and develop standardized language for each domain according to certain provisions in collaboration with interested stakeholders.

The bill would require the Texas Education Agency (TEA) to evaluate the effectiveness of certain programs based on specify indicators; specify student eligibility for the Public Education Grant; and require the Commissioner to apply and include certain performance indicators when determining accreditation status. The bill would require the Commissioner to conduct a study through an advisory committee to determine the feasibility of incorporating extracurricular and cocurricular student activity indicators to evaluate school district and campus performance resulting in a required report to the Legislature by December 1, 2022.

The bill would require the Commissioner to adopt rules for a local accountability system regarding the assignment of campus performance ratings by school districts and open-enrollment charter schools; specify certain requirements for the rules and the system; and require the Commissioner to develop a process to approve a request to assign performance ratings.

Methodology

Modifying the performance indicators and standards under the state accountability system would result in a cost of \$872,375 in fiscal year 2018 and \$864,375 in fiscal year 2019 due to initial development and personnel costs, and \$114,375 in subsequent years.

The bill would require TEA to develop new performance indicators under three domains (Student Achievement, School Performance, and Closing the Gaps) and would require school districts and charters to report new performance data elements to TEA for purposes of accountability. This analysis estimates that one full-time equivalent position (FTE) would be required to develop and implement the new performance indicators and incorporate them into the new accountability system calculations. The estimated cost of the FTE, including salary, benefits, and other operating expenses, would be \$122,375 in fiscal year 2018 and \$114,375 in subsequent years.

The bill would require school districts and charter schools to submit certain additional data elements for the three domain indicators required under the provisions of the bill. According to the TEA, districts would need to submit the data in formats that allow use in accountability system calculations. This analysis estimates the costs of the data collection development would total \$750,000 in fiscal years 2018 and 2019, resulting in costs of \$375,000 in each fiscal year.

This analysis assumes the TEA can use existing resources related to other administrative activities required based on the provisions of the bill.

Technology

The bill would amend the Education Code to require school districts and charters to submit certain additional data elements for the three domain indicators required under the provisions of the bill and would allow approved districts and charters to submit campus ratings under approved local accountability plans. According to the TEA, districts would need to submit the data in formats that allow use in accountability system calculations. This analysis estimates the costs of the data

collection development would total \$750,000 in fiscal years 2018 and 2019 for initial development.

Local Government Impact

The bill would require school districts and charters to submit new data elements related to the three student performance domains under the provisions of the bill. According to TEA, school districts and charters would incur costs associated with collecting the new data elements and modifying information and reporting systems to provide the data to the agency. Technology costs would vary among districts depending on software contracts.

TEA estimates districts and charters may need additional personnel resources to evaluate, develop, and implement changes. TEA also anticipates districts and charters may incur administrative costs associated with new policy creation and district and campus-level training.

Source Agencies:

LBB Staff: UP, SD, AM, THo, AW