LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

February 19, 2019

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

FROM: John McGeady, Assistant Director   Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB108** by González, Mary (Relating to establishing a pilot program under which public schools may use a digital portfolio method to assess student performance in grades three through eight for purposes of accountability and qualification for promotion.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB108, As Introduced: a negative impact of ($25,856,788) through the biennium ending August 31, 2021.

In addition to the above amounts, this analysis assumes that costs will result from compensating individuals for grading digitally submitted student portfolios. Due to uncertainty about the number of school districts likely to participate in the pilot program and the number of students and portfolios that would be submitted, costs associated with compensation for individuals who would grade portfolios can not be determined.

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
2020	($10,425,394)
2021	($15,431,394)
2022	($15,431,394)
2023	($15,431,394)
2024	($15,431,394)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2019
2020	($10,425,394)	1.0
2021	($15,431,394)	1.0
2022	($15,431,394)	1.0
2023	($15,431,394)	1.0
2024	($15,431,394)	1.0

Fiscal Analysis

The bill would require the commissioner of education to establish a pilot assessment program for students in grades three through eight at participating school districts and would require TEA to contract with an outside entity to facilitate the use of the digital assessment method by school districts participating in the pilot program. The agency's contract would have to require the entity to provide the following components:

- a secure digital platform that could be accessed by students, teachers, administrators, and graders;

- a rubric for grading portfolios;

- functionality that facilitates the grading of portfolios by individuals who are not associated with the contracted entity; and

- functionality that facilitates anonymization of student information.

The bill establishes various requirements for the external contracting entity, such as establishing a grading rubric in coordination with stakeholders and subject matter experts. The rubric would be have to be capable of being used statewide, be based on a 100-point scale, establish levels of performance considered satisfactory and college-ready, and provide for accommodations for students with disabilities and students with limited English proficiency.

The pilot program would be based on a digital portfolio method of evaluating student achievement. For students in districts in which the portfolio program is implemented, student performance under the portfolio assessment system would be a factor in a student's overall performance for the purposes of accountability and promotion.

In order to participate in the pilot program a school district would be required to apply to TEA by May 1, 2020. The commissioner would be required to review and select districts for the pilot by August 1, 2020. The pilot would have to include at least one large urban district, one medium-sized district, and one rural district, to the extent practicable.

An applying district's plan for implementing the program would have to be developed by a committee of various stakeholders and approved by the district's board of trustees. The district's plan would be required to specify the subjects to be assessed under the digital portfolio assessment, grade levels to be assessed, accommodations to be provided, and examples of the type of work samples that could be submitted through the portal. Under a plan, portfolio assessments could be used for other purposes, such as assisting in the development of campus turnaround plans or communicating with students' parents about student academic development. An approved plan would have to be implemented beginning with the 2020-2021 school year.

TEA would be required to work with regional education service centers (ESCs) to establish a process by which individuals may apply to be graders. In order to be approved, a grader would have to be an active or retired educator.

The bill would require TEA to coordinate with ESCs and develop a process for assigning graders for digitally submitted student portfolios. The bill would require that, to the greatest extent possible, a grader assigned to grade a student portfolio should not work or have worked in the campus or district of the student whose portfolio the grader is evaluating. The agency would be permitted to use any available revenue to compensate graders for their work, including appropriations, grants, gifts, or donations.

The bill stipulates that a student's performance under the digital portfolio assessment for a grade and subject would be combined with the student's performance on existing assessment instruments to determine the student's overall performance for that grade and subject. For the purposes of assigning district and campus performance ratings and for determining whether the student qualifies for promotion, the digital portfolio assessment would be considered as 50 percent of the student's performance.

TEA would be required to submit a report evaluating the implementation and results of the pilot program by September 1, 2024. The report would have to include recommendations as to feasibility of statewide implementation of the portfolio assessment program.

The bill would take immediate effect if it received a two-thirds vote in each house of the Legislature. Otherwise, the bill would take effect September 1, 2019. The bill's provisions would expire on September 1, 2025.

Methodology

The majority of the costs identified in this analysis are attributable to the bill's requirement that TEA contract with an external entity to provide a secure electronic platform for the digital portfolio assessment.

In order to estimate the cost associated with the contract for services required under the bill, TEA consulted with an outside entity to determine the scope of activities that would be required to implement the bill. Based on this consultation and on the agency's experience managing similar projects, TEA anticipates that professional services costs would total $10.3 million in fiscal year 2020 and $15.4 million in fiscal year 2021. In fiscal year 2020, costs anticipated by the agency include $5.0 million to develop the digital platform; $0.1 million for materials and documentation; $0.2 million for preliminary training; and $5.0 million for accommodations and system integration.

In fiscal year 2021, costs anticipated by the agency include $2.0 million for platform maintenance; $0.8 million for materials and documentation; $0.8 million for training; $7.2 million for scoring and reporting; and $4.6 million for accommodations and system integration.

According to the agency, one FTE would be required to administer the program. This employee's responsibilities would include establishing a process for school districts to apply to participate in the pilot program, coordinating rule adoption, providing technical assistance to school districts, and coordinating evaluation of the program and the development of the report that the bill requires. This analysis assumes that the agency evaluation of the pilot program would be included in the cost of the new agency FTE relating to the pilot program.

In addition to the costs outlined above, the bill authorizes compensation for individuals who grade digitally submitted portfolios. These costs could vary based on factors such as the number of districts participating in the pilot program, the number of students in each district that are included in the pilot program, and the number of subjects included in the pilot program. Due to these unknown factors, costs associated with compensating graders can not be determined. However, the information below is intended to illustrate the scope of potential costs and is based on hypothetical assumptions.

Each digitally submitted portfolio for each subject and student would require a minimum of two graders. For instances in which there was a substantial discrepancy between graders' scores, a third grader would evaluate the portfolio. The agency estimates that an hourly rate of at least $28 would be required to retain graders. Each math or science portfolio would take at least one hour to grade, while each reading language arts portfolio would take at least one and one half hours to grade.

According to TEA, there are currently 2,441,845 students enrolled in grades three through eight statewide. Based on the assumptions above and further assuming that 244,185 students, or ten percent of all students enrolled in grades three through eight, were assessed under the digital portfolio program in reading language arts, math, and science, and that 25 percent of the portfolios required a third individual to grade the portfolio, the total annual cost to compensate portfolio graders would be $53.8 million. These costs would be less to the extent that participation rates in the pilot program were less than ten percent.

Technology

No technology impact is anticipated.

Local Government Impact

School districts that elect to participate in the pilot program would be likely to experience some increased costs. This could include costs related to the development of digital portfolio assessment implementation plans, as well as staff time to train educators and to digitally submit student portfolios.

Source Agencies: 701 Texas Education Agency
LBB Staff: WP, HL, AM, THo, RC