

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 14, 2019

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

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

IN RE: HB3904 by Huberty (Relating to public school accountability, including certain performance standards and sanctions, to providing alternative methods to satisfy certain public high school graduation requirements, and to public school class size limits.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3904, As Engrossed: a negative impact of (\$4,624,371) through the biennium ending August 31, 2021.

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	(\$4,281,306)
2021	(\$343,065)
2022	(\$238,427)
2023	(\$238,427)
2024	(\$238,427)

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	(\$4,281,306)	2.0
2021	(\$343,065)	2.0
2022	(\$238,427)	2.0
2023	(\$238,427)	2.0
2024	(\$238,427)	2.0

Fiscal Analysis

The bill would make various revisions to the state's public school accountability system.

The bill would incorporate new measures into the domains of the state's accountability system, including measures that focus on completion of coherent sequences of courses required to earn industry certifications, student participation in extracurricular activities, measures that evaluate whether students are on track to graduate, participation in full-day prekindergarten programs, among other measures.

The bill would prohibit the Commissioner from assigning more than 50 percent of any domain performance rating to the results of criterion-referenced assessment instruments, end of course exams, or English proficiency exams. The student achievement domain would be based on the following: 30 percent would be attributable to assessment instrument results; 40 percent would be attributable to high school graduation rates; and 30 percent would be attributable to college, career and military readiness indicators.

The bill would require the Commissioner of Education to evaluate dropout recovery schools for accountability purposes under an alternative accountability system, to the extent such a system was allowed under federal law or waiver. For such programs, for the purposes of assigning an accountability rating under the A-F system, the Commissioner of Education would be required to adopt performance targets for the student achievement domain and the school progress domain that are based on the average performance of districts and campuses registered under the alternative education accountability procedures for the preceding school year for each domain. Further, only those two domains could be used in assigning an overall performance rating for a dropout recovery school.

The bill would also repeal an expiration date of September 1, 2019 that is associated with the use of individual graduation committees (IGC) and the reporting requirements for students graduating based on IGC review process.

The bill would take immediate effect if it receives a two-thirds vote in each house of the Legislature. Otherwise, the bill would take effect on the 91st day after the last day of the legislative session.

Methodology

The bill requires that the Texas Education Agency (TEA) designate a level of performance considered to be satisfactory and a level of performance indicating college readiness for substitute assessment instruments used for the purpose of satisfying end-of-course assessment requirements. In order to comply with these requirements, the agency would be required to develop performance standards and complete psychometric analyses in order to designate levels of performance considered to be satisfactory and college-ready. According to TEA, these requirements would result in costs of \$4.0 million in fiscal year 2020.

According to TEA, the bill would require the establishment of a parallel accountability system for dropout recovery schools, as the bill's requirements would otherwise violate federal requirements under the Every Student Succeeds Act. According to TEA, one staff member would be required to establish and manage the secondary accountability system for dropout recovery schools. In addition, one programmer would be required to collect, process, and report data for the secondary accountability system for dropout recovery schools. Costs associated with these FTEs would total \$484,854 in the biennium.

Technology

To make the various required updates to the TSDS system, including the creation of new data elements related to the new measures that would contribute to the state's accountability rating system, TEA estimates that \$139,517 would be required in the 2020-2021 biennium.

Local Government Impact

The agency estimates that there may there may be some continued cost to local districts and charters as they continue to convene individual graduation committees and to send correspondence to parents.

Source Agencies: 701 Texas Education Agency

LBB Staff: WP, HL, AM, THo, CPa, SD