

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 25, 2019**

**TO:** Honorable Dan Patrick, Lieutenant Governor, Senate  
Honorable Dennis Bonnen, Speaker of the House, House of Representatives

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

**IN RE:** **HB3906** by Huberty (Relating to the assessment of public school students, including the development and administration of assessment instruments, and technology permitted for use by students.), **Conference Committee Report**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3906, Conference Committee Report: a negative impact of (\$55,964,195) 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.

The bill specifies that the Texas Education Agency is only required to implement a provision of Education Code Section 25.094 if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the agency may, but is not required to, implement a provision of that section using other appropriations available for that purpose.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2020	(\$24,674,556)
2021	(\$31,289,639)
2022	(\$30,741,839)
2023	(\$28,241,839)
2024	(\$17,741,839)

## All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>Foundation School Fund</i> 193	Change in Number of State Employees from FY 2019
2020	(\$24,674,556)	4.0
2021	(\$31,289,639)	5.0
2022	(\$30,741,839)	5.0
2023	(\$28,241,839)	5.0
2024	(\$17,741,839)	5.0

## Fiscal Analysis

The bill would make multiple changes related to student assessments, including the following:

- Setting maximum time limits on assessments in grades three through eight and allowing parts of assessments to be administered over more than one day;
- Requiring the Texas Education Agency (TEA) to develop interim assessments;
- Requiring the transition to electronic assessments.
- Instituting a limit on multiple choice questions.

The bill would prohibit the Texas Education Agency from using more than \$35 million annually of foundation school program funds appropriated to the agency to implement the bill.

## Methodology

According to the agency, provisions related allowing tests to be administered over more than one day would cost \$4.0 million in fiscal year 2020 and \$5.0 million in subsequent fiscal years. According to the agency, the cost of developing and administering interim assessments would total \$10.0 million in fiscal years 2020, 2021, and 2022, with costs declining to \$7.0 million in subsequent fiscal years. The cost of implementing formative assessments would total \$5.7 million in fiscal year 2020, \$10.5 million in fiscal year 2021, \$10.0 million in fiscal year 2022, and \$10.5 million in fiscal year 2023.

According to the agency, the agency would have to begin item development related to the limit on multiple choice items in fiscal year 2020. The agency estimates that it would cost \$3.5 million each to begin developing reading language arts items and science items, \$5 million to begin developing math items, and \$1 million to begin developing social studies items. The total to develop items in fiscal year 2020 would be \$13 million.

The agency estimates a cost of \$250,000 to conduct a feasibility study regarding the impact to school districts of the implementation of electronic administration of all assessment instruments and \$250,000 to provide technology migration support to begin preparation for electronic assessment administration.

According to TEA, the agency would be required to develop additional items to provide districts with multiple opportunities to deliver shorter assessments. Costs associated with these requirements would total \$4.0 million in fiscal year 2020 and \$5.0 million in fiscal year 2021.

The agency would require \$65,700 in fiscal year 2020, \$43,800 in fiscal year 2021, and \$21,900 in fiscal year 2022 to support a new educator advisory committee established by the bill.

According to the agency, the cost of supporting the electronic administration of assessments would be \$500,000 in fiscal year 2020 and \$250,000 in subsequent fiscal years.

The bill requires the agency to submit a report to the Governor and the Legislature related to the readability of state assessments. According to the agency, the cost of contracting for such a study, as required by the bill, would total \$250,000 in fiscal year 2021.

The agency would require 4.0 additional FTEs in fiscal year 2020 and 5.0 FTEs in subsequent fiscal years to implement the bill. The cost of these FTEs would total \$0.9 million in the 2020-2021 biennium.

### **Local Government Impact**

No significant fiscal implication to school districts and charter schools is anticipated.

**Source Agencies:** 701 Texas Education Agency

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