

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 17, 2019

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

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

IN RE: **HB3906** by Huberty (Relating to the assessment of public school development, comprehension, and performance, including the administration of assessment instruments for that purpose.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3906, Committee Report 2nd House, Substituted: a negative impact of (\$99,814,195) 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.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2020	(\$42,524,556)
2021	(\$57,289,639)
2022	(\$67,013,739)
2023	(\$78,263,739)
2024	(\$67,763,739)

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	(\$42,524,556)	4.0
2021	(\$57,289,639)	5.0
2022	(\$67,013,739)	5.0
2023	(\$78,263,739)	5.0
2024	(\$67,763,739)	5.0

Fiscal Analysis

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

- Eliminating required assessments for writing in grades four and seven;
- Requiring students to be assessed in grades three through eight in language arts;
- 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 to develop interim assessments;
- Requiring the transition to electronic assessments.

Methodology

The bill would require TEA to develop a reading instrument that would test developmental skills, including literacy. According to TEA, the cost of developing and maintaining the assessment would total \$4.9 million in fiscal year 2020 and \$2.0 million in subsequent fiscal years.

According to the agency, the cost of developing a language arts assessment and administering the test would be approximately \$4.0 million in fiscal year 2020, \$15.0 million in fiscal year 2021, \$25.0 million in fiscal year 2022, and \$24.0 million in subsequent fiscal years. This would be partially offset by cost savings of \$5.1 million related to eliminating the grades four and seven writing assessment.

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, HL, AM, THo