

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

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 12, 2021**

**TO:** Honorable Harold V. Dutton, Jr., Chair, House Committee on Public Education

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB764** by Krause (Relating to the academic assessment of public school students.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB764, As Introduced : a negative impact of (\$14,800,000) through the biennium ending August 31, 2023.

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:**

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$7,400,000)
2023	(\$7,400,000)
2024	(\$7,400,000)
2025	(\$7,400,000)
2026	(\$3,100,000)

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>
2022	(\$7,400,000)
2023	(\$7,400,000)
2024	(\$7,400,000)
2025	(\$7,400,000)
2026	(\$3,100,000)

**Fiscal Analysis**

The bill's provisions would replace ELA, mathematics, and science end-of-course assessments with the TSIA, SAT, ACT, PSAT, ACT-Plan or other nationally recognized, norm-referenced secondary-level assessments. It eliminates writing and social studies testing requirements and the social studies distinction designation as well as the distinction designation awarded for advanced middle or junior high school student achievement. Additionally, the bill's provisions repeals the requirement to include advanced testers' results with results of other students enrolled at the same grade level when determining the percentage of students who performed satisfactorily.

**Methodology**

TEA estimates the cost of eliminating the grade 8 social studies assessment would result in an annual cost savings of \$400,000.

The bill's provisions would save on development costs for high school assessments, but TEA would still be required to contract with new vendors to administer new assessments which would generate new costs. The ACT and SAT assessments currently cost approximately \$38 per student per assessment for assessments paid by the state. Using projected 11th grade figures from 2019-20 student enrollment, TEA estimates a cost of \$15.5 million for each student to take a nationally recognized assessment once in their high school career. TEA estimates the cost savings of wholly eliminating the end-of-course (EOC) assessments would be \$12 million per fiscal year. The net to high school assessments would be an increase of \$3.5 million per year (\$15,500,000-\$12,000,000).

The state would incur transition costs of both administering EOCs and districts having the option of administering nationally recognized assessments for the 4 years of transition for students who were in grade 9 or above in the 2021-22 school year. This analysis assumes 50% of students would take a nationally recognized assessment, at an annual cost of \$7,800,000 for 4 years.

### **Local Government Impact**

Schools would need to modify their assessment processes and procedures based on the bill's provisions. Additionally, individual graduation committee processes may need to be changed and procedures for administering the TSI, the SAT, the ACT, the PSAT or the ACT-Plan in place of an "end-of-course" assessment would be needed. Schools would be required to provide written notice of the test results to the students and parents.

**Source Agencies:** 701 Texas Education Agency

**LBB Staff:** JMc, SL, AH