

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 6, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4545 by Dutton (Relating to the purchase of certain instruction-related materials, the establishment of a strong foundations grant program, providing accelerated instruction for students who fail to achieve satisfactory performance on certain assessment instruments, and an accelerated learning and sustainment outcomes bonus allotment under the foundation school program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4545, As Introduced : a negative impact of (\$227,608,222) 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>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2022	(\$101,621,891)
2023	(\$125,986,331)
2024	(\$136,258,764)
2025	(\$144,854,770)
2026	(\$147,926,239)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable (Cost) from General Revenue Fund 1	Probable (Cost) from Foundation School Fund 193	Probable Revenue Gain/(Loss) from Recapture Payments Atten Crdts 8905
2022	(\$75,115,243)	(\$26,506,648)	(\$2,991,326)
2023	(\$75,345,729)	(\$50,640,602)	(\$6,617,471)
2024	(\$75,000,000)	(\$61,258,764)	(\$5,606,028)
2025	(\$75,000,000)	(\$69,854,770)	(\$8,285,047)
2026	(\$75,000,000)	(\$72,926,239)	(\$8,783,164)

Fiscal Analysis

This bill would create the Strong Foundations Grant Program. The commissioner would be required to adopt components that program participants must implement under the program including the use of high-quality instructional materials, curricula, and curricular tools; aligned professional supports; and a measure of the fidelity of implementation of the program.

The bill would remove grade promotion requirements tied to grades 5 and 8 State of Texas Assessments of Academic Readiness (STAAR) and would establish accelerated learning committees and instruction for students who do not perform satisfactorily on grades three, five, and eight reading and math and end-of-course STAAR.

The bill creates the Accelerated Learning and Sustainment Outcomes Bonus. Each student who did not perform successfully on a subject area assessment as described in Section 39.023(a) of the Education Code in the preceding year but did perform satisfactorily or better in the current year, would be considered successfully accelerated. A student who does not perform satisfactorily in a subject area assessment, and then does perform successfully in that subject area assessment in the two subsequent years, would be considered a sustained accelerated student. The bonus would provide \$500 for each successfully accelerated student who is not educationally disadvantaged and \$1,000 for each successfully accelerated student who is educationally disadvantaged, above a threshold set by the commissioner. The bonus would provide \$250 for each sustained accelerated student who is not educationally disadvantaged and \$500 for each sustained accelerated student who is educationally disadvantaged, above a threshold.

The bill would create Section 48.1102(d-f) giving the commissioner the responsibility of establishing a percentage threshold of successfully accelerated who are and are not economically disadvantaged, to be applied to districts and open-enrollment charters to qualify for Accelerated Learning and Sustainment Outcomes Bonus. The commissioner may modify the threshold after 5 years if changes in performance have occurred.

The bill repeals Section 28.0211(b) of the Education Code which requires districts to provide a student with two additional opportunities to take a state assessment after initially failing and provide an alternative assessment if they fail the other two opportunities.

The bill repeals Section 39.0238 which requires the agency to adopt or develop postsecondary readiness assessment instruments for Algebra II and English III.

Methodology

TEA estimates that Strong Foundations Grant Program would cost \$75 million in funding per year.

TEA estimates the Accelerated Learning and Sustainment Outcomes Bonus would cost \$67.5 million in additional FSP state aid costs with \$9.6 million in recapture revenue loss for a total state cost of \$77.1 million in the first biennium (2022-2023). In the second biennium (2024-2025), TEA estimates the FSP impact of the Bonus to be \$117.2 million for FSP state aid costs and \$13.9 million in lost recapture revenue for a total of \$131.1 million.

According to TEA, repealing Section 28.0211(b) would save the state \$1.5 million annually as a result of eliminating retest opportunities.

Based on information provided by TEA, repealing Section 39.0238 would save the state \$300,000 annually by eliminating the Algebra II and English III tests.

Technology

The bill would require TEA to modify TEA various technology systems.

Total costs to implement changes to the TEA IT systems are \$115,243 in fiscal year 2022 and \$345,729 in fiscal year 2023 for initial development efforts.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 701 Texas Education Agency

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