

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 26, 2023

TO: Honorable Brad Buckley, Chair, House Committee on Public Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4402 by Bell, Keith (relating to the administration of certain assessment instruments, the accountability rating system for assessing campus and district performance, and an extracurricular and cocurricular allotment under the Foundation School Program.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4402, Committee Report 1st House, Substituted : a negative impact of (\$312,724,130) through the biennium ending August 31, 2025.

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>
2024	(\$152,667,508)
2025	(\$160,056,622)
2026	(\$160,316,437)
2027	(\$195,425,179)
2028	(\$195,505,095)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Probable Savings/(Cost) from Foundation School Fund 193</i>	<i>Probable Savings/(Cost) from Recapture Payments Attention Crdts 8905</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$41,638,000)	(\$111,029,508)	\$19,023,354	24.0
2025	(\$47,638,000)	(\$112,418,622)	\$19,680,842	24.0
2026	(\$47,638,000)	(\$112,678,437)	\$19,169,310	24.0
2027	(\$83,057,000)	(\$112,368,179)	\$20,366,617	24.0
2028	(\$83,057,000)	(\$112,448,095)	\$20,465,583	24.0

Fiscal Analysis

The bill would require the annual release of the questions and answer keys to each assessment every year.

The bill would require districts to administer assessment instruments in a paper version to any student whose parent or guardian requests a paper version up to one percent of enrolled students.

The bill would require TEA to develop assessments as through-year assessments beginning with the 2027-28 school year and would require those assessments to consist of no less than three test administrations during a school year. The bill would allow TEA to require school districts to participate in piloting through-year assessments and report information to implement the assessment instruments as necessary.

The bill would add assessment indicators that account for extracurricular and cocurricular student success, parent and student satisfaction and performance in middle school mathematics.

The bill would allow district grants for planning and implementing local accountability systems.

The bill would create the Extracurricular and Cocurricular allotment which would provide districts with an additional allotment per student in average daily attendance equal to the basic allotment, or, if applicable, the sum of the basic allotment and the allotment under Section 48.101 to which the district is entitled, multiplied by 0.003.

Methodology

TEA estimates the need for 24.0 FTEs to implement the bill's requirements. Wages, benefits, and start-up costs for fiscal year 2024 would be \$3,100,000 in fiscal year 2024 and \$3,000,000 in subsequent years.

TEA estimates that the cost to release STAAR assessment question and the additional alternate assessment development needed for yearly release of questions to be \$10,400,000 in fiscal years 2024, 2025 and 2026, rising to \$20,900,000 in fiscal year 2027 and subsequent years.

TEA estimates the cost to administer paper assessments to certain students to be \$552,000 in fiscal years 2024-2026 and \$1,657,000 in subsequent years.

The bill's provisions would direct TEA to develop and implement a Through-Year Assessment system in Texas. TEA estimates these costs to be \$23,100,000 in fiscal years 2024, 2025 and 2026, rising to \$48,000,000 in fiscal year 2027 and subsequent years.

TEA estimates the cost to perform required research studies on the three new indicators to be \$600,000 in fiscal year 2025 and fiscal year 2026.

The bill would require the development and administration of a new student and parent satisfaction survey to be administered across the state. TEA estimates a survey, reporting, and analysis cost of \$3,000,000 in fiscal year 2024 and \$8,500,000 in subsequent years.

The bill would direct TEA to provide grants for planning and implementation of local accountability systems. TEA estimates the cost for the grant program to be \$1,000,000 in fiscal year 2024 and subsequent years.

TEA estimates costs for advisory committees to be \$486,000 in fiscal years 2024, 2025, and 2026.

This analysis assumes that the cost of the Extracurricular and Cocurricular Allotment under the Foundation School Program (FSP) would be \$111.0 million in fiscal year 2024, \$112.4 million in fiscal year 2025, and \$112.4 million in fiscal year 2028. The cost includes estimated decreases in Recapture Payments - Attendance Credits of \$19.0 million in fiscal year 2024, \$19.7 million in fiscal year 2025, increasing to \$20.5 million in fiscal year 2028. The decrease in recapture is reflected as a savings in the table above because recapture is appropriated as a method of finance for the FSP in the General Appropriations Act.

Technology

TEA estimates that the costs to update the Texas Student Data System to be \$39,000 in fiscal year 2024, and \$116,000 in fiscal year 2025.

Local Government Impact

The bill would add multiple PEIMS and accountability indicators for district data collections. Additionally, districts would be required to collect data for the newly developed student and parent satisfaction indicator.

Source Agencies: 701 Texas Education Agency, 720 The University of Texas System Administration, 781 Higher Education Coordinating Board

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