

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 20, 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 changes to the high school graduation requirements and accountability rating system for assessing campus and district performance.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB4402, As Introduced : a negative impact of (\$68,160,457) 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	(\$30,633,455)
2025	(\$37,402,002)
2026	(\$35,808,930)
2027	(\$65,796,532)
2028	(\$65,798,989)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$30,633,455)	27.0
2025	(\$37,402,002)	27.0
2026	(\$35,808,930)	27.0
2027	(\$65,796,532)	27.0
2028	(\$65,798,989)	27.0

Fiscal Analysis

The bill would require that prior to the 2027-2028 school year, the Texas Education Agency (TEA) would pilot, adopt and incorporate an indicator that accounts for performance on physical fitness assessments.

The bill would eliminate the eighth grade social studies assessment as well as end-of-course (EOC) assessments for English II and U.S. history. The bill would also require the annual release of the questions and answer keys to each assessment every year.

The bill would require TEA to develop assessments as through-year assessments and would require those

assessments to consist of no less than three test administrations during a single 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 eliminate the requirement that students achieve satisfactory performance on each EOC assessment to receive a high school diploma. Students enrolled in courses with EOC assessments are administered the corresponding assessment instruments, but would not be required to retake the assessment if they do not achieve a satisfactory performance.

The bill would add assessment indicators that account for extracurricular and cocurricular student success, parent and student satisfaction and performance on physical fitness assessments.

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

## **Methodology**

To implement the various new provisions of the bill TEA would require 27 additional FTEs. Salary, benefits, and startup costs would be \$3,610,000 in fiscal year 2024 and \$3,510,000 in subsequent years.

The bill's provisions would create three new Advisory Committees. TEA estimates committee costs to be \$485,800 in fiscal year 2024, \$767,200 in fiscal year 2025, and \$204,400 in fiscal year 2026.

The bill's provisions would create a savings by eliminating three assessments and retests for students not meeting standards on EOC exams. TEA estimates the savings to be \$7,275,249 in fiscal year 2024 and each subsequent year.

The bill's provisions would direct TEA to develop and implement a Through-Year Assessment system in Texas. TEA estimates these costs to be \$20,115,030 in fiscal years 2024, 2025 and 2026, rising to \$41,755,248 in fiscal year 2027 and 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 \$9,046,126 in fiscal years 2024, 2025 and 2026, rising to \$18,195,480 in fiscal year 2027 and subsequent years.

To implement the physical fitness assessment system and train school districts to administer, score, and report on the various physical fitness assessments, TEA estimates the need for \$192,000 in training resources in fiscal year 2024.

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.

## **Technology**

TEA estimates that the costs to update TSDS, develop and implement new applications, and Capital Data Center expenses to be \$464,513 in fiscal year 2024, \$1,141,431 in fiscal year 2025, and \$108,756 in subsequent years. TEA estimates the need for 2 additional IT staff, included in FTE estimates above.

## **Local Government Impact**

The bill would add multiple PEIMS and accountability indicators for district data collections. Local education

agencies (LEAs) would be required to provide high school diplomas to former students who qualify and request them. Additionally, LEAs 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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