

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 25, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4 by Buckley (Relating to the assessment of public school students, public school accountability and actions, and proceedings challenging the operations of the public school system.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4, As Introduced: a negative impact of (\$36,262,002) through the biennium ending August 31, 2027.

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>
2026	(\$16,290,501)
2027	(\$19,971,501)
2028	(\$19,960,420)
2029	(\$19,255,990)
2030	(\$18,917,264)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$16,290,501)	16.0
2027	(\$19,971,501)	16.0
2028	(\$19,960,420)	16.0
2029	(\$19,255,990)	16.0
2030	(\$18,917,264)	16.0

Fiscal Analysis

The bill would reassign assessment program responsibilities from the State Board of Education to the Texas Education Agency (TEA). The bill would require the agency to implement the assessment program according to certain provisions and to provide related technical assistance and guidance to public schools.

The bill would direct the agency to include teachers in the scoring process for certain assessment items.

The bill would amend the commissioner's duties related to College, Career, and Military Readiness (CCMR) indicators. The bill would require the commissioner to modify indicators, collect certain data on military-

related testing and actions, and to study and report on the results.

The bill would require TEA to establish a grant program with capacity to assist at least one school district per education service center region in developing a local accountability system with certain requirements.

The bill would allow the commissioner to take authorized action against a school district that initiates or maintains an action or proceeding against the state or an agency or officer of the state. The bill would also require certain sanctions and interventions for these school districts.

The bill would clarify that certain appeals of TEA or commissioner actions could be made to a Travis County district court. The bill would also amend the eligibility of certain proceedings eligible for a special three-judge district court panel to include challenges to the implementation of a public school accountability system.

Methodology

TEA estimates the cost to support the development and administration of enhanced interim assessments would be \$4.9 million in fiscal year 2026 and \$4.4 million in subsequent fiscal years. The cost to provide technical assistance for course development and provider certification would be \$5.8 million in fiscal year 2026, \$1.1 million in fiscal year 2027, decreasing to \$0.1 million in fiscal year 2030. TEA also estimates annual technical assistance grants of \$5.4 million annually beginning in fiscal year 2027 to assist schools in implementation of assessment strategies. These costs would be partially offset by an estimated annual savings for streamlined summative assessments of \$1.3 million annually.

TEA estimates the cost of paying stipends to teachers for scoring assessments would be \$3.6 million annually, beginning in fiscal year 2027.

TEA assumes an annual cost of \$5.0 million in grants to schools for the local accountability grant program.

The costs to the state judicial system could not be determined as the volume and complexity of the potential legal proceedings that could result from provisions of the bill are unknown.

This analysis assumes TEA could implement provisions of the bill with 16.0 additional FTEs at a cost of \$1.9 million in fiscal year 2026 and \$1.8 million in subsequent fiscal years.

Technology

TEA estimates total IT development costs to be approximately \$0.1 million for the 2026-27 biennium.

Local Government Impact

Based on information provided by TEA, this analysis assumes certain school districts may incur costs for imposed interventions or sanctions, with estimated monthly conservator costs between \$2,500 and \$8,000.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 320 Texas Workforce Commission, 701 Texas Education Agency

LBB Staff: JMc, NC, ASA, ENA