

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 21, 2013

TO: Honorable Jimmie Don Aycock, Chair, House Committee on Public Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2824** by Ratliff (Relating to the Texas High Performance Schools Consortium.),
Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB2824, Committee Report 1st House, Substituted: a positive impact of \$1,580,000 through the biennium ending August 31, 2015.

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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	\$790,000
2015	\$790,000
2016	\$790,000
2017	\$790,000
2018	\$790,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Foundation School Fund</i> 193	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1
2014	(\$1,963,761)	\$790,000	\$1,963,761
2015	(\$1,891,761)	\$790,000	\$1,891,761
2016	(\$841,761)	\$790,000	\$841,761
2017	(\$841,761)	\$790,000	\$841,761
2018	(\$841,761)	\$790,000	\$841,761

Fiscal Year	Change in Number of State Employees from FY 2013
2014	9.0
2015	9.0
2016	9.0
2017	9.0
2018	9.0

Fiscal Analysis

The bill would require the participants of the Texas Higher Performance Schools Consortium to submit a report not later than December 1, 2014 and not later than December 1, 2016 on the progress campuses participating in the Texas High Performance Schools Consortium have made in achieving certain goals as outlined in the bill.

The bill would modify how participant campuses of the Texas High Performance Schools Consortium would be evaluated for accountability purposes.

In the 2013-14 school year, the bill would require participant campuses to be evaluated on disaggregated data by student group, with an emphasis on closing achievement gaps by an independent evaluation, and on a report-only basis by the Texas Education Agency (TEA). The bill would also require participant campuses to only be evaluated on readiness standards. The bill would require participant campuses to provide only the assessments for mathematics and reading, annually in grades 3 through 8 and 10; and in science in grades 5, 8, and 10 unless fewer assessment instruments are required by federal law or a waiver of federal law.

In the 2014-15 school year, or as soon as possible following receipt of a waiver from federal law, a student would be assessed for reading in grades 3 and 6; math in grades 4 and 7; and science in grade 5. The bill would authorize locally approved or developed assessments that are aligned to readiness standards or high-priority learning standards that have results that can be accessed by the TEA for monitoring and reporting purposes.

The bill would authorize a school district or open-enrollment charter school participating in the Texas High Performance Schools Consortium to exempt a student from the requirements that the student take an end-of-course assessment instrument in that subject and allow the student to demonstrate satisfactory secondary-level performance in an alternative manner, including satisfactory performance on another assessment instrument including one determined by the Commissioner of Education to be at least as rigorous as an end-of-course assessment instrument, or successful completion of a dual-credit course, an international baccalaureate course, or an advanced placement course.

The bill would require the High Performing Schools Consortium to receive independent evaluation from one or more external evaluation teams.

Methodology

Based on information provided by the TEA, 9 full-time equivalents (FTEs) would be required to implement the provisions of the bill, including 5 FTEs to develop separate indicators for report-

only purposes; 2 FTEs for quality control of the separate reports that would measure readiness standards only; 1 FTE to manage and monitor the required evaluations; and 1 FTE to process data for accountability purposes. The total costs for these positions, including salary, benefits, and other operating expenses, is estimated to be \$0.9 million in fiscal year 2014 and \$0.8 million in subsequent years.

The bill would require participant campuses to be evaluated on readiness standards only. Based on information provided by TEA, readiness standards are currently being developed for the STAAR assessments, and the development of test items related to the standards would have to be accelerated to meet the requirements of the bill. Based on information provided by TEA, the acceleration of the standards is estimated to cost \$0.9 million in fiscal year 2014 and 2015.

Based on information provided by TEA, the modifications to the current reporting system to use only the readiness standards for calculating scores would cost an estimated \$42,500 in fiscal year 2014 and 2015.

Based on information provided by TEA, the estimated cost for an independent evaluation of the High Performing Schools Consortium would be \$50,000 per fiscal year.

The bill would require students in a special education program at a participating campus to be administered appropriate assessments that measure growth as determined by the student's individualized education program. The bill would also require students of limited English proficiency to be administered assessments that measure growth as determined by the student's language proficiency assessment committee. Based on information provided by TEA, the estimated cost of the Texas Assessment Management System to allow for these growth targets would be \$150,000 in fiscal year 2014 and 2015.

The bill would authorize the Commissioner of Education to charge a fee to a school district or open-enrollment charter school participating in the High Performance Schools Consortium to cover the costs of administering the consortium. This analysis assumes that any costs incurred by TEA in administering the Texas High Performing Schools Consortium would be offset by the revenue collected from the participants.

The bill would limit the number of students initially enrolled in participant campuses to not exceed five percent of the total number of students enrolled in public schools in this state. For the purpose of this analysis, it is assumed that five percent of the total student population is enrolled at participant campuses, and would therefore be subject to fewer assessments. Based on information provided by TEA, a participation rate of 5 percent of the total student population would yield an estimated savings to the state of \$790,000 per fiscal year. Additional savings could be realized upon receipt of a federal waiver requiring fewer assessment instruments.

Local Government Impact

Participant districts could incur additional administrative costs by implementing the provisions of the bill, although these costs would vary. Participant districts could be charged fees to fund the implementation of the bill.

Source Agencies: 701 Central Education Agency

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