HB25-1278

JBC Staff Fiscal Analysis

House Appropriations Committee

Concerning modifications to the statewide education accountability system.

Prime Sponsors:
Representatives Bird; Lukens
Senators Kirkmeyer; Michaelson Jenet

Date Prepared:
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Fiscal Impacts

Appropriation Required, Amendment in Packet

General Fund Impact

Fiscal Note Status

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/14/25.

No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill.

Amendments in This Packet

J.001	Staff-prepared appropriation amendment
L.018/J.002	Bill Sponsor amendment - changes fiscal impact and appropriation
L.014/J.003	Bill Sponsor amendment - changes fiscal impact and appropriation

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001

Staff amendment **J.001** (attached) appropriates a total of $1,533,098 General Fund to the Department of Education for FY 2025-26. The appropriation reflects 7.5 FTE.

L.018 and J.002

Bill Sponsor amendment **L.018** (attached):

- Removes a requirement that a local education provider (LEP) administer the writing portion of the achievement college entrance exam (currently the SAT) to each student who requests this. Also removes the requirement that the Department pay the cost of administering the writing portion of the exam.
- Specifies that the Department is only required to offer a pen-and-paper exam for a student with a disability who has an individualized education plan (IEP) or a section 504 plan and whose accommodation requires a paper-and-pencil format.
- Replaces provisions in the bill requiring the Department divide each state assessment into smaller sections with age-appropriate time frames with a provision requiring the Department to provide guidance to LEPs on how to divide assessments into smaller sections with age-appropriate timeframes for students with disabilities with an IEP or section 504 plan.
- Modifies timelines in the bill for the Department to report the results of state assessments to districts. Instead of requiring reports no later than June 1 of each year requires results "as soon as practicable".
- Specifies that, in order to provide support to a district whose performance is declining (a new requirement), the Department use existing resources in FY 2024-25 and FY 2025-26 and may submit a request for additional resources through the budget process in FY 2026-27 and thereafter.
- Delays a study on test score measurement from November 1, 2026 to November 1, 2027 and eliminates and consolidates multiple other study requirements including studies on: college and career readiness, performance frameworks, professional learning for schools in priority improvement and turnaround status, certain assessments for students with disabilities, schools that receive performance awards, expansion of the state review panel, accreditation categories, and assessment participation.

These components reduce the cost of the bill as follows:

- Eliminate paper-based assessments: -$450,000 cash funds from the State Education Fund
- Change requirements on provision of SAT written exam: -$6,000 cash funds from the SEF
- Adjust responsibilities for dividing up tests into smaller components: -$125,000 General Fund
- Consolidate and eliminate studies: -$238,818 General Fund and -1.1 FTE
- Further reduce some General Fund costs related to supports to schools for continuous improvement activities

These reductions are combined in **J.002** (attached) with the following reductions:

- Reductions to FY 2024-25 and FY 2025-26 Local Accountability System Grant appropriations of -$81,000 in each of the two years for funds that are anticipated not to be required
- Reduction for FY 2025-26 of -$91,945 General Fund for 1.0 FTE and -$52,950 General Fund for data collection on postsecondary workforce readiness, which are costs that are now anticipated to be absorbed in a separate bill on this topic that also requires this work

Based on consultation between Legislative Council Staff and JBC Staff, the costs and savings in the bill for FY 2024-25 and FY 2025-26, with amendments **L.018** and **J.002** are summarized below.

Total with L.018 and J.002	**FY 2024-25**	**FY 2025-26**
General Fund excluding centrally appropriated	-$81,000	$478,178
Cash Funds (State Education Fund)		-456,000
Centrally appropriated (General Fund – Excluded from J.002 appropriations pursuant to JBC policy)		*163,977*
Total	**-$81,000**	**$186,155**
FTE	0.0	3.4

L.014 and J.003

Bill Sponsor amendment **L.014** (attached) strikes requirements for a study about creating a new statewide education accountability dashboard and specifies that the Department may publish graduation requirements from each school on a data portal subject to available appropriation. Eliminating the dashboard study provides savings of $153,000.

Bill sponsor amendment **J.003** includes *all of the changes described in Bill Sponsor amendment J.002 and also* includes an additional reduction of $153,000 in General Fund appropriations for the bill associated with this change. If amendments **L.018, L.014,** and **J.003** are adopted, the cost of bill is summarized below.

Total with L.018, L.014 and J.003	**FY 2024-25**	**FY 2025-26**
General Fund excluding centrally appropriated	-$81,000	$325,178
Cash Funds (State Education Fund)		-456,000
Centrally appropriated ((*General Fund – Excluded from J.003 appropriations pursuant to JBC policy)*		163,977
Total	**-$81,000**	**$33,155**
FTE	0	3.4

The Committee may adopt: **J.001** or the combination of **L.018 and J.002** or the combination of **L.018, L.014, and J.003** but should not adopt any other combinations.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2025-26 based on the March 2025 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes $18.2 million in set-asides for legislation outside of the package (see table below). The budget package accounts for the 15.0 percent reserve associated with the placeholders.

General Fund Appropriation Placeholders for Other 2025 Legislation	
Description	FY 2025-26 Appropriation
Juvenile diversion, deflection, or detention	$10,000,000
General Assembly legislative priorities	6,521,739

General Fund Appropriation Placeholders for Other 2025 Legislation	
Description	FY 2025-26 Appropriation
Voter approved initiatives	1,700,000
Total	$18,221,739

The bill requires a General Fund appropriation for FY 2025-26 of $1,533,098 if **J.001** is adopted, $478,178 if **J.002** is adopted, or $325,178 if **J.003** is adopted, reducing the $18.2 million set aside by the same amount.

Technical Note

The bill currently includes a petition clause. If the Committee adopts **J.002** or **J.003**, which include supplemental amendments for FY 2024-25, this should be changed to a safety clause so that the supplemental adjustments can be realized prior to the end of the fiscal year.