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FISCAL IMPACT REPORT

LAST UPDATED _____
ORIGINAL DATE 3/5/25

SPONSOR Small

BILL
NUMBER House Bill 187

SHORT TITLE State Trust Program Accountability Plan

ANALYST Courtney

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Multiple State Agencies	No fiscal impact	No fiscal impact	No fiscal impact	No fiscal impact	Recurring	Other state funds

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Duplicates House Bill 181

Is a companion to the General Appropriation Act

Agency Analysis Requested But Not Yet Received From

Department of Finance and Administration (DFA)

Sources of Information

LFC Files

SUMMARY

Synopsis of House Bill 187

House Bill 187 (HB187) requires the Department of Finance and Administration (DFA) and the Legislative Finance Committee (LFC) to jointly develop instructions for agencies to submit an accountability and evaluation plan for appropriations from the government results and opportunity fund. The bill outlines six areas of information to be included in accountability and evaluation plans: identifying goals of projects, describing how activities will achieve outcomes, categorizing the program in terms of evidence using existing Accountability in Government Act definitions, providing performance measures, providing a plan to assess outcomes, and providing methods and timelines.

HB187 requires DFA to notify agencies to submit plans on or before July 1 of the year the appropriation is made. Additionally, the bill requires DFA and LFC to consider the evaluation performed on the pilot on or before July 15 of the final year of the appropriation to consider the program for future funding.

HB187 does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or June 20, 2025, if enacted.

FISCAL IMPLICATIONS

HB187 does not contain an appropriation and has no additional estimated fiscal impacts. Costs for developing the accountability and evaluation plans are part of the normal operations of the participating agencies.

Should DFA and LFC find programs successfully impacted outcomes, each agency may consider incorporating programs into budgets for future years as described in Section C of the bill.

The House Appropriations and Finance Committee substitute of House Bills 2 and 3 (General Appropriation Act or GAA) includes \$273.6 million in other state funds and \$159 million in federal funds for government results and opportunity programs for expenditure from FY26 to FY28. The substitute currently includes a \$459 million transfer to the government results and opportunity expendable trust and a \$66 million transfer to the government results and opportunity program fund.

SIGNIFICANT ISSUES

HB187, endorsed by LFC, would put reporting guardrails in place to ensure the Legislature and public have information on how a pilot program is performing; this information would be beneficial when the Legislature considers future funding.

ADMINISTRATIVE IMPLICATIONS

The accountability and evaluation plans for each program must (1) identify program goals and outcomes, (2) describe how program activities will achieve expected outcomes, (3) summarize evidence or research on program effectiveness, (4) include a plan for monitoring performance, (5) include an evaluation plan to assess casual impacts of the program, and (6) describe methods for statistical analysis and timelines for reporting results.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Duplicates House Bill 181

HB187 is a companion to a \$525 million appropriation in the General Appropriation Act to the government and results opportunity trust and program fund.

OTHER SUBSTANTIVE ISSUES

Provisions of the bill require evaluations of reform fund programs to assess causal impacts on expected outcomes and planned statistical analyses. Causal impact evaluations help researchers determine the effect of a program or policy and are used to show if changes in outcomes are due to a program and not to other factors (e.g., confounding variables like poverty). However, the higher standard of requiring counterfactual data for comparison may limit the topics of study due to ethical or cost-prohibitive reasons. Randomized controlled trials (RCT), often hailed as the gold standard, involve randomly assigning subjects to either a treatment group or control group, allowing researchers to observe differences caused by the treatment or intervention. Ethical concerns relating to RCTs in education typically center on equity issues because studies could potentially deprive some students of beneficial interventions while others receive them. However, other causal-based quasi-experimental studies could replace RCTs in instances of ethical concerns.

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