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FISCAL IMPACT REPORT

BILL NUMBER: House Bill 158/aHAFC

SHORT TITLE: Plans on Use of Certain Funds

SPONSOR: Little/Silva/Dixon/Abeyta/Gonzales.A

LAST ORIGINAL
UPDATE: 2/9/2026 **DATE:** 1/28/26 **ANALYST:** Courtney/Garcia

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
LFC	No fiscal impact	No fiscal impact	No fiscal impact	No fiscal impact		
Executive Agencies	No fiscal impact	No fiscal impact	No fiscal impact	No fiscal impact		
Total	No fiscal impact	No fiscal impact	No fiscal impact	No fiscal impact		

Parentheses () indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

Relates to appropriations in the HAFC substitute for the General Appropriations Act

Sources of Information

LFC Files

Agency or Agencies Providing Analysis
Department of Finance and Administration
Higher Education Department

SUMMARY

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee amendment to House Bill 158 clarifies appropriations made from the Government Results and Opportunity Program Fund, not the Government Results and Opportunity Expendable Trust Fund, are subject to evaluation plans.

Synopsis of the House Bill 158

House Bill 158 (HB158) 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.

The bill 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. The bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or June 20, 2026, if enacted.

FISCAL IMPLICATIONS

The bill 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. Language included in the HAFC substitute for the General Appropriations Act clarifies appropriations included in subsection 9 of House Bill 2, appropriations made from the Government Results and Opportunity Program Fund, include sufficient funds for evaluation.

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 LFC recommendation for the General Appropriation Act includes \$170 million in other state funds for government results and opportunity programs for expenditure from FY27 to FY29. The LFC recommendation makes that funding contingent on the passage of this bill, and this contingency language is included in the HAFC substitute for the General Appropriations Act.

SIGNIFICANT ISSUES

The bill, endorsed by LFC, would put reporting guardrails in place to ensure the Legislature and public have information on how a GRO 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

The bill is a companion to a \$170 million appropriation in the General Appropriation Act as recommended by the LFC.

TECHNICAL ISSUES

Analysis provided by the Department of Finance and Administration language in the bill should refer to programs and projects funded from the Government Results and Opportunity Program

Fund, not the Government Results and Opportunity Expendable Trust. The HAFC amendment addresses this issue.

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.

JC/rl/hg/ct/cf