

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
REVISED FISCAL IMPACT**

(replaces fiscal note dated March 18, 2008)

Drafting Number: LLS 08-0032
Prime Sponsor(s): Rep. Solano
 Sen. Williams

Date: March 31, 2008
Bill Status: House Second Reading
Fiscal Analyst: Josh Abram (303-866-3561)

TITLE: CONCERNING ALIGNMENT OF THE COLORADO STUDENT ASSESSMENT PROGRAM WITH FEDERAL TESTING REQUIREMENTS FOR THE PURPOSE OF MAKING MORE EFFECTIVE USE OF STATE MONEYS IN IMPROVING STUDENT PERFORMANCE IN KINDERGARTEN-THROUGH-TWELFTH-GRADE PUBLIC SCHOOLS, AND, IN CONNECTION THEREWITH, INCREASING FUNDING FOR THE DROPOUT PREVENTION ACTIVITY GRANT PROGRAM AND THE TEACHER DEVELOPMENT GRANT PROGRAM.

Fiscal Impact Summary	FY 2008-2009	FY 2009-2010
State Revenue		
State Expenditures General Fund Cash Funds Teacher Development Fund Dropout Prevention Activity Grant Fund		No Net Change. See State Expenditures Section of Fiscal Note.
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: The bill is effective 90 days following final adjournment of the General Assembly unless a referendum petition is filed (August 6, 2008, if final adjournment is May 7, 2008).		
Appropriation Summary for FY 2008-2009: None required in FY 2008-09; adjustments in funding required in FY 2009-10.		
School District Impact: See School District Impact section.		

Summary of Legislation

This bill, **as amended by the House Education Committee**, makes changes to the Colorado Student Assessment Program (CSAP). Beginning in FY 2009-10, the bill:

- eliminates the writing test in all grades;
- eliminates the reading and math test in grades 9 and 10; and
- eliminates the science test in grade 10.

The Colorado Department of Education (CDE) is required to apply for a federal waiver from the U.S. Department of Education to allow the state to administer a college entrance exam in the 11th grade as the sole, statewide assessment used in high school. If the federal department does not grant the waiver, the state shall continue to administer reading, math, and science tests to all students in grade 10.

Beginning in FY 2009-10, the General Assembly is required to appropriate one-half of the General Fund savings realized as a result of eliminating the tests to the Teacher Development Fund and one-half to the Dropout Prevention Activity Grant Fund.

Background

Under current law, school districts administer the CSAP tests in grades 3 through 10, and a college entrance test (ACT) in grade 11. Federal testing requirements are compared with existing and proposed state requirements in Table 1.

Grade	Federal Requirements	HB 1357 Requirements
3	Reading, Math	Reading, Writing , Math
4	Reading, Math	Reading, Writing , Math
5	Reading, Math, Science in Grades 3, 4, or 5	Reading, Writing , Math, Science
6	Reading, Math	Reading, Writing , Math
7	Reading, Math	Reading, Writing , Math
8	Reading, Math, Science in Grades 6, 7, 8, or 9	Reading, Writing , Math, Science
9		Reading, Writing, Math
10	Reading, Math, Science in Grades 10, 11, or 12	Reading, Writing, Math, Science
11		ACT

In FY 2006-07, there were approximately 1.6 million CSAP tests administered. The new requirements outlined in the bill will decrease the number of tests by about 751,000, or a 48 percent reduction in tests administered. As noted in Table 1, the preponderance of tests eliminated are writing tests. In addition to regular CSAP tests, the state administers the alternative test for children with disabilities (CSAP-A). These tests correspond with the regular tests required by law. By eliminating regular CSAP tests, the bill also eliminates these alternative tests.

State Expenditures

FY 2009-10. This bill does not result in any net change in state expenditures. Beginning in FY 2009-10, the bill will result in total savings of \$6,807,213. Of the total amount, \$6,247,107 is General Fund and \$560,106 is federal funds. General Fund not spent on CSAP tests are redirected to two existing programs: the Teacher Development Grant Program and the Dropout Prevention Activity Grant Program. Federal funds not spent on CSAP tests will be redirected to special education and accountability activities associated with No Child Left Behind (NCLB).

General Fund. General Fund savings are a result of eliminating writing tests in all grades, and math and reading tests in grades 9 and 10. Table 2 displays the cost savings as a result of the bill. Beginning in FY 2009-10, the General Assembly is required to appropriate \$3,123,553 General Fund to the Teacher Development Fund and an equal amount to the Dropout Prevention Activity Grant Fund.

Federal Funds. Federal funds savings are a result of eliminating the CSAP-A test and the science test in grade 10. In FY 2009-10, the total federal funds cost savings is estimated to be \$560,106. Federal funds come from two sources: IDEA-B funds and NCLB funds.

Table 2. Expenditures Under HB 1357		
Test Eliminated	Number of Tests	Amount Saved*
Writing - All Grades Math - Grades 9 & 10 Reading - Grades 9 & 10	694,123	(\$6,247,107)
General Fund — Total		(\$6,247,107)
Science - Grade 10 CSAP-A	56,436 5,798	(\$507,924) (52,182)
Federal Funds** — Total		(\$560,106)

* Based on an estimated cost of \$9 per test.
 ** Federal funds: IDEA-B and NCLB.

Department Differences

The CDE was provided with rough estimates of cost savings from the CSAP contractor. These estimates identified a total cost reduction to the state of \$4,500,000. Using this estimate, the revenue to the two cash funds would equal \$2,250,000 each. No detailed justification for these estimates, nor any estimate of federal fund savings was provided.

In the absence of specific cost information from the contractor, this analysis calculates cost savings based on the total number of tests eliminated, multiplied by the per pupil test cost of \$9. This permits the analysis to include an estimation of the federal funds saved as a result of eliminating the science test in grade 10, and the elimination of the CSAP-A tests. This fiscal note will be revised as more detailed estimates are provided by the department.

School District Impact

Administration of the CSAP tests is the responsibility of the school districts. School districts will realize cost savings from the reduced effort related to administering less tests. Curriculum alignment, classroom instruction, and student test preparation for CSAP all consume local resources that will be shifted by the elimination of tests. Further, school district will incur costs to align curriculum, instruction, and student assessment, as a result of the elimination of writing tests in all grades.

Departments Contacted

Education Law Treasury