

P-12 Aligned Standards and Assessments. The State Board shall adopt standards identifying content knowledge and skills a student should acquire from school, ultimately preparing the student for postsecondary education or entry into the workforce. Standards must be developed for, at a minimum: reading, writing, mathematics, science, history, geography, visual and performing arts, physical education, world languages, economics, and civics. To the extent practicable, the standards should require students to develop both subject knowledge and creativity, innovation, critical-thinking, and other skills critical to the 21st-century workforce. The State Board must also adopt a system of assessments aligned with the standards. Assessments should be designed to provide results and information to assist teachers, parents, and students in identifying areas of work for the student to attain the standards and postsecondary and workforce readiness. School districts will be required to align with the standards.

Postsecondary and Workforce Readiness Description. The State Board and the CCHE shall jointly adopt a description of postsecondary and workforce readiness which shall include, at a minimum: required subject matter areas; English language competency; and the ability to complete, without remediation, core academic classes. Postsecondary and workforce readiness guidelines address a student's preparedness for the workforce or for postsecondary education. The postsecondary and workforce readiness guidelines shape the P-12 standards and assessments and are used by school districts to develop a Postsecondary and Workforce Readiness Program.

All high schools must offer at least one Postsecondary and Workforce Readiness Program and all students must enroll in a program. Programs are comprised of curriculum adopted to meet the guidelines established by the State Board. A school might have several curricula that address different subjects. Districts may make graduation dependent on completion of the program. Based on criteria set by the State Board, high schools may offer an endorsement on diplomas indicating successful or outstanding completion of the program. Students receiving an endorsement are guaranteed eligibility for credit-bearing courses and are guaranteed to meet minimum academic qualifications for admission into Colorado's moderately selective institutions of higher education.

Postsecondary and Workforce Planning, Preparation, and Readiness Assessments. Beginning in FY 2008-09, the Colorado Department of Education (CDE) will establish a pilot program encouraging school districts to administer a system of postsecondary and workforce readiness assessments. The assessments must include a 9th grade planning assessment, a 10th grade preparatory assessment, and an 11th grade readiness assessment. The CDE is instructed to amend the state plan to align with the assessments and to submit this new state plan to the federal government. Upon federal approval of the new plan, the CDE will replace 9th and 10th grade CSAPs with the planning and preparatory assessments.

Postsecondary Education. The CCHE is to revise the minimum academic admission standards for first-time freshmen and transfer students to align with the postsecondary and workforce readiness description.

Other Items. Several other items relevant to the fiscal analysis of this bill include:

- ▶ all school districts must adopt English language competency graduation requirements by FY 2012-13;
- ▶ the State Board and CCHE may appoint task forces to assist in their duties;
- ▶ the CDE, Department of Higher Education, State Board for Community Colleges and Occupational Education, and the Early Childhood Policy Team in the Office of the Lieutenant Governor shall assist the State Board of Education in implementing this bill;
- ▶ the CDE and Department of Higher Education are authorized to receive and expend gifts, grants, and donations; and
- ▶ the CDE must contract for an assessment of the costs associated with the development and implementation of standards and assessments.

State Revenue

The CDE and CCHE are both authorized to accept gifts, grants, and donations used towards the implementation of this bill. At this time, no gifts, grants, or donation have been identified.

State Expenditures

Total state expenditures under SB08-212 are \$457,660 and 5.0 FTE in FY 2008-09 and \$505,495 and 5.0 FTE in FY 2009-10. The bill has additional costs in out years that could be substantial. However, these costs are highly dependent on decisions made in the first two years. Table 1 and the discussion that follows detail the bill's costs.

Table 1. Total Costs Under SB08-212		
Cost Components	FY 2008-09	FY 2009-10
CDE Personal Services Costs*	\$ 261,992	\$ 249,827
<i>FTE</i>	<i>4.0</i>	<i>4.0</i>
CCHE Personal Services Costs*	89,280	89,280
<i>FTE</i>	<i>1.0</i>	<i>1.0</i>
Regional Educator Meetings	25,162	25,162
Meetings for Public Input	25,000	25,000
State Board Meetings	7,626	7,626
Outside Consulting and Expertise	48,600	48,600
Cost Assessment Contract	0	60,000
State Education Fund Total	\$ 457,660	\$ 505,495
FTE Total	5.0	5.0

* *Personal services costs include PERA, Medicare, operating, and capital expenses but do not include expenditures discussed in the Expenditures Not Included section.*

General Discussion of Expenditures. In general, SB08-212 creates a process to align the preschool through 12th-grade education system with the needs of either the workforce or postsecondary education. The process is as follows:

- ▶ identify the standards or components of school readiness, preschool through elementary and secondary education, and postsecondary and workforce readiness;
- ▶ adopt an assessment or set of assessments; and
- ▶ integrate the new standards and assessments into the school system.

Costs identified for this bill address the needs of one or several of these steps in the implementation process.

CDE Personal Services Costs (\$261,992 and 4.0 FTE). The CDE has the primary responsibility for creating standards and assessments. Although the FTE indicated in this fiscal note are CDE employees, it is assumed that a portion of their time will be working on issues for the Department of Higher Education, either formally (through a memorandum of understanding) or informally.

These positions will be used to accomplish the following:

- ▶ **program management** – general oversight of activities within the departments, coordination of activities necessary to develop standards and assessments, and acting as a liaison between departments;
- ▶ **research** – staff will research standards and assessments across the continuum of education and will identify best practices for implementing policies of this nature;
- ▶ **meeting coordination and administration** – staff will coordinate the meetings between the public, State Board, and higher education participants;
- ▶ **reporting** – staff will gather information and prepare the reports required by the bill; and
- ▶ **pilot program** – coordination of the creation and implementation of the pilot program, collection of data from the pilot sites, preparation of changes to the state plan, and submission of the new state plan to the federal government.

CCHE Personal Services Costs (\$89,280 and 1.0 FTE). In addition to any personal services provided to the CCHE in agreement with CDE, the CCHE requires 1.0 FTE to work with faculty, academic personnel, and representatives from the business community. This position will oversee the initial process to conceptualize what postsecondary and workforce readiness requires from the educational system for institutions of higher education. The person will coordinate with the CDE in developing standards and guidelines.

Regional Educator Meetings (\$25,162). The bill requires the CDE to hold regional educator meetings to discuss the impact of the legislation and to help direct the implementation of the bill with teachers and the education community. This fiscal note assumes 1 meeting in each of the 8 regions each year. Costs for regional education meetings include travel and lodging for CDE staff (\$11,162), facility rental (\$8,000), and supplies for the meeting (\$6,000 – copies, coffee, and snacks).

Meetings for Public Input (\$25,000). In developing the new standards and assessments, the CDE is required to solicit input from a number of different stakeholder groups. This input will be solicited through a series of public meetings. Each meeting is anticipated to cost roughly \$500 in the front range and \$2,500 in mountain and western areas. Costs are for basic mileage for State Board members, CCHE representatives, and CDE staff, as well as any facility charges. This fiscal note assumes 10 front range meetings (\$5,000) and 8 meetings in mountain and western areas (\$20,000).

State Board Meetings (\$7,626). In adopting the standards and definitions by December 15, 2008 and 2009, the State Board will need to add one day to five monthly meetings. Additionally, the State Board and the CCHE will meet four times in FY 2008-09.

Outside Consultants and Expertise (\$48,600). To assist in research efforts, the services of outside consultants and experts may be used. These moneys may be used by the CDE or CCHE and can be used to hire consultants for specific issues, to bring in outside experts to speak at meetings, or to relieve faculty from teaching duties in order to provide their expertise about larger issues. This fiscal note assumes that the CDE will receive \$32,700 and the CCHE will receive \$15,900. This estimate is based on 6 expert consultations at \$2,500 each and 480 hours of outside consultant work at \$70 per hour.

Cost Assessment Contract (\$60,000 in FY 2009-10). In FY 2009-10, the CDE is required to hire an outside contractor to investigate the costs of implementing the standards and assessments. Based on a project of similar scope, the data infrastructure review, the cost is expected to be between \$100,000 and \$180,000. Actual cost will be determined when the contract is put out for bid. This fiscal note assumes that the first year cost will be \$60,000 in FY 2009-10.

Pilot Program Costs. For the purposes of this fiscal note, the Explore, Plan, and ACT examinations are expected to be adopted for the pilot program. This fiscal note assumes test costs will be borne by the school districts that choose to participate. If the CDE were to offer partial or full payment for the examinations, the following is relevant cost information:

- ▶ Explore – 9th grade planning assessment – \$7.75 per student (approximately \$410,000 for all students);
- ▶ Plan – 10th grade preparatory assessment – \$9.75 per student (approximately \$510,000 for all students); and
- ▶ ACT – 11th grade readiness assessment – \$28.00 per student (this assessment is currently administered by the CDE for approximately \$1,500,000).

Out year costs. Fiscally, the cost of creating and implementing the preschool through 8th grade assessments is the greatest unknown of this bill. Generally, this cost will depend on the answers to these questions:

- ▶ will the assessments be in addition to the current CSAP;
- ▶ will assessments be created for Colorado specifically, will they be preexisting products, or will there be some combination of these two;
- ▶ how many different and new tests will be created for school readiness and for postsecondary and workforce readiness; and
- ▶ to what extent can current assessments be used or adapted for use?

Currently, the state spends approximately \$18.0 million per year for the CSAP and CSAPA. Should the state adopt assessments such as the ACT products mentioned in this fiscal note, 9th and 10th grade assessment costs may be reduced.

The date requirements of the bill may drive new computer programming and computer equipment costs in the CDE and Department of Higher Education.

The adoption of English language competency requirements to graduate could result in costs to provide English language educational services to students who are unable to meet the requirements. The number of students requiring services and the nature of these services will depend on how districts implement the bill's requirements. However, it is assumed that the state will be responsible for the costs as students will still be in Colorado's public education system.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, funding for the items noted below will not be included in fiscal note expenditure estimates.

- group health, life and dental insurance
- inflation indices
- amortization equalization disbursements
- supplemental amortization equalization disbursements
- short-term disability
- leased space
- indirect costs

School District Impact

This bill impacts school districts in several ways, although the magnitude of these impacts will not be known until the standards and assessments are developed and adopted. In the first years, the impact to school districts will be primarily as participants in the process of developing the standards and assessments. District personnel may attend meetings to assist in shaping the standards and educators will participate in the regional educator meetings.

After the State Board adopts new standards and assessments, the following activities are required:

- ▶ (optional) participate in the postsecondary and workforce planning, preparation, and readiness pilot program (FY 2008-09);
- ▶ review and revise content standards to meet or exceed those adopted by the State Board (12/2011);
- ▶ review and revise high school curricula against the postsecondary and workforce readiness description (12/2011);
- ▶ provide individual readiness plans for preschool and kindergarten children to ensure progress towards school readiness (Fall 2012);
- ▶ implement standards and assessments for elementary and secondary education and enroll high school students in a postsecondary and workforce readiness program (12/2012); and
- ▶ administer the school readiness assessments (Fall 2013).

The impact to school districts to accomplish the required tasks will vary based on how substantially different the new standards and assessments are. Costs will also depend on how districts choose to implement the postsecondary and workforce readiness program. The cost study commissioned in FY 2009-10 will provide greater insight to these costs.

Department Differences

The CDE has requested additional funding of at least \$200,000. The fiscal analysis from the CDE was unclear about the year in which costs are incurred, had seemingly duplicated costs, and generally lacked sufficient substantiation of costs. As such, this fiscal note has not included the costs. Further, the CDE did not provide costs for several components of the bill that will most likely result in a workload change. These costs were not provided as the CDE anticipates the adoption of amendments. The fiscal note may be adjusted upon receipt of better information.

State Appropriations

In FY 2008-09 the Department of Education requires \$457,660 and 4.0 FTE from the State Education Fund. Of this amount, the Department of Higher Education requires reappropriated funds in the amount of \$105,180 and 1.0 FTE.

Departments Contacted

Higher Education

Education

Human Services

Law