

Colorado Legislative Council Staff Fiscal Note
**STATE and LOCAL
 FISCAL IMPACT**

Drafting Number: LLS 12-0498
Prime Sponsor(s): Rep. Solano
 Sen. Bacon

Date: February 21, 2012
Bill Status: House SVMA
Fiscal Analyst: Josh Abram (303-866-3561)

TITLE: CONCERNING REDUCING THE REQUIREMENTS OF STATEWIDE STUDENT ASSESSMENTS TO NOT EXCEED FEDERAL TESTING REQUIREMENTS, AND, IN CONNECTION THEREWITH, PROVIDING FUNDING FOR THE COLORADO PRESCHOOL PROGRAM.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures		
State Education Fund - Colorado Preschool Program	\$6,276,809	
State Education Fund - CDE	190,510	\$6,467,319
State Education Fund	(\$6,467,319)	(\$6,467,319)
FTE Position Change	0.8 FTE	
Effective Date: August 8, 2012, if the General Assembly adjourns on May 9, 2012, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2012-2013: See State Appropriations section.		
School District Impact: See School District Impact section.		

State expenditures from the State Education Fund are for increased expenses in the Colorado Department of Education and for the Colorado Preschool Program. See State Expenditures section.

Summary of Legislation

This bill makes changes to the Colorado Student Assessment Program (CSAP). Beginning in 2013, the number of statewide assessments administered by the Colorado Department of Education may not exceed federal requirements. The bill eliminates:

- writing tests in grades 3 through 10;
- reading and math tests in grade 9; and
- reading, math, and science tests in grade 10.

Beginning in FY 2012-13, the bill requires the General Assembly to appropriate any cost savings from eliminating statewide assessments to the Colorado Preschool Program.

Background

Under current law, school districts administer the CSAP tests in grades 3 through 10, and a college entrance test (ACT) in grade 11. Current federal testing requirements are compared with existing and proposed state requirements specified in House Bill 12-1091 in Table 1.

Table 1. CSAP Testing Requirements		
Grade	Federal Requirements	HB12-1091 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*	Reading, Writing, Math, Science
11		ACT

**Federal law requires testing students once in grades 10,11, or 12.*

In FY 2010-11 the state administered 1,631,650 CSAP tests at a total cost of \$15,773,753 from the State Education Fund. Eliminating the specified tests will decrease the number of tests by 718,591 (44%). The majority of tests eliminated are writing tests.

State Expenditures

Beginning FY 2012-13, this bill requires that the General Assembly appropriate an amount equal to the General Fund savings realized from eliminating assessments; however, CSAP is funded through the State Education Fund and not the General Fund. This fiscal note assumes this is a technical issue that will be corrected by amendment and that all expenditures are from the State Education Fund.

In FY 2012-13 and thereafter, this bill will reduce CSAP expenditures by \$6,467,319. Appropriations for the Colorado Preschool Program are increased by \$6,276,809 in FY 2012-13 and by \$6,467,319 in FY 2013-14. The bill increases expenditures by \$190,510 and 0.8 FTE in the CDE to make modifications to the longitudinal growth model and to adjust performance and accountability reporting systems. These one-time costs for CDE reduce the appropriation available for the preschool program in FY 2012-13. Table 2 displays the cost savings that result from eliminating an estimated 718,591 tests at \$9 per test. Table 3 details the additional administrative expenses incurred by the CDE in FY 2012-13.

Table 2. Cost Savings Under HB 12-1091		
Test Eliminated	Number of Tests	Amount Saved
Writing - All Grades	482,975	\$4,346,775
Math - Grades 9 & 10	117,799	\$1,060,191
Reading - Grades 9 & 10	117,817	\$1,060,353
State Education Fund — Total	(718,591)	(\$6,467,319)

Table 3. New Expenditures Under HB 12-1091	
Cost Components	FY 2012-13
Personal Services	\$51,425
FTE	0.8
Operating Expenses and Capital Outlay	\$4,522
Contract Services	\$134,563
TOTAL	\$190,510

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 4.

Table 4. Expenditures Not Included Under HB 12-1091*	
Cost Components	FY 2012-13
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$4,922
Supplemental Employee Retirement Payments	\$2,742
TOTAL	\$7,664

*More information is available at: <http://colorado.gov/fiscalnotes>

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 fewer tests. Curriculum alignment, classroom instruction, and student test preparation for CSAP all consume local resources that will be shifted by the elimination of tests.

Pursuant to Section 22-32-143, C.R.S., as specified by House Bill 11-1277, school districts and Boards of Cooperative Educational Services (BOCES) may submit estimates of fiscal impacts within seven days of a bill's introduction. As of the date of this fiscal note, no summaries of fiscal impacts were submitted by districts or BOCES for this bill. If summaries of fiscal impacts are submitted by districts or BOCES in the future, they will be noted in subsequent revisions to the fiscal note and posted at this address: <http://www.colorado.gov/lcs>

Departmental Differences

The Colorado Department of Education provided an estimate of \$1.5 million cost savings to eliminate the tests from the CSAP program. This information was provided by CTB McGraw Hill, the CSAP contractor responsible for developing, printing, distributing, scoring, and reporting the tests. The CTB McGraw Hill contract for CSAP is estimated at \$21.7 million annually. No explanation was provided to explain why a new contract requiring 44 percent fewer tests would only save approximately 7 percent from the prior year's contract cost.

This analysis calculates cost savings based on the total number of tests eliminated, multiplied by a per-pupil test cost of \$9. Previous analysis of CSAP costs conducted by CDE, Legislative Council Staff, and Joint Budget Committee Staff have estimated the per-pupil cost of CSAP at between \$9 and \$12 per test. This fiscal note uses the lower figure to acknowledge the fixed costs of the CSAP program that are unrelated to the actual administration of the tests.

State Appropriations

For FY 2012-13, this bill decreases appropriations from the State Education Fund to the Colorado Department of Education by \$6,467,319 for administration of the CSAP.

The bill increases appropriations from the State Education Fund by \$6,276,809 to the Colorado Department of Education for school finance funding to the Colorado Preschool Program, and by \$190,510 and 0.8 FTE.

Departments Contacted

Education