

Other provisions. In addition to new standards and assessments, this bill:

- repeals Colorado's participation as a governing board member in the Partnership for Assessment of Readiness for College and Careers (PARCC) and prohibits any agreement with the federal government or a private agency that cedes or limits state or local control over the selection of standards and tests used in public schools;
- allows a LEP to adopt their own definition of school readiness and postsecondary and workforce readiness, and to select corresponding tests to measure those standards;
- requires the CDE to apply to the federal Department of Education for amendments to the state plan that incorporate the requirements and procedures to include local assessments in the statewide system; and
- permits a parent to opt students out of participation in statewide tests.

State Expenditures

This bill increases state expenditures by about \$8.2 million and 2.5 FTE in FY 2015-16, and by about \$8.3 million and 5.0 FTE in FY 2016-17. New costs are detailed in Table 1 and described below.

Table 1. Expenditures Under HB 15-1208		
Cost Components	FY 2015-16	FY 2016-17
Personal Services*	\$231,012	\$502,200
FTE	2.5 FTE	5.0 FTE
Operating Expenses	14,133	14,683
Standards Redesign	218,280	
New Assessments	7,450,000	7,450,000
Consultant Services	36,000	36,000
Information Technology	250,000	250,000
Centrally Appropriated Costs**	38,179	83,601
TOTAL	\$8,237,604	\$8,336,484

* Personal services costs in FY 2015-16 reflect the bill's effective date of August 5, 2015.

** Centrally appropriated costs are not included in the bill's appropriation.

Assumptions. This analysis assumes that the CDE is able to administer tests in 2015-16 and 2016-17 school years that are aligned with the 2009 ELA and math standards; that new standards in ELA and math can be adopted in FY 2015-16, and new tests can be developed in FY 2016-17 for use in 2017-18 school year; and that the first year that local assessments can be submitted for review is FY 2017-18, for possible use beginning with the 2018-19 school year.

Personal Services. The CDE assessment office requires new staff and associated costs in the first year to manage the standards redesign process, and to evaluate and select new assessments. Additional staff are required in the second year to develop a process to evaluate tests submitted by LEPs, negotiate federal waivers, coordinate information management systems across multiple units in the department, manage information technology vendors, and provide technical assistance and data support to LEPs in preparation for new assessments in FY 2017-18. A preliminary estimate of these staff costs are \$231,012 and 2.5 FTE in FY 2015-16 and \$502,200 and 5.0 FTE in FY 2016-17. The department can anticipate additional staff needs in future years to assist evaluating locally generated tests.

Standards redesign. The bill requires that the SBE re-adopt academic content standards in ELA and mathematics. Consistent with the department's experience adopting standards pursuant to the Colorado Achievement Plan for Kids (CAP4K), re-adopting content standards includes assembling several standards review committees, creating multiple drafts of proposed standards, and engaging the public in review and comment of the documents. Travel, lodging, per-diem, facility rentals, printing, and other associated costs total \$218,280 for FY 2015-16 only.

Adopting new tests. The bill requires that the CDE adopt new tests for ELA and math. Pursuant to Colorado's Achievement Plan for Kids (CAP4K), the SBE was required to adopt aligned tests for new academic standards. Instead of state-developed assessments for ELA and math, Colorado joined a consortium of states that developed these tests jointly. Using consortium-developed tests reduced the state's cost that otherwise would have been incurred to develop these test through a separate vendor contract. For this reason, the costs for developing aligned ELA and math tests outside the consortium are difficult to estimate.

For FY 2011-12, the state appropriated about \$16.5 million for the vendor contract to develop, produce, administer, score, and report the Colorado Student Assessment Program (CSAP) test (aligned to the original Colorado standards for reading, writing, math, and science). For FY 2012-13, the legislature appropriated \$6.4 million for vendor contracts to develop new social studies tests and science tests aligned to the new standards. Assuming similar vendor contracts, the cost to develop new assessments only for ELA and math are estimated at \$12.2 million, which includes costs for development, production, printing, administration, scoring, reporting, and post test management. In addition to the tests given to the general student population, the state must also develop alternative tests for students with learning disabilities, and for students still acquiring English language skills. Including these additional test products increases the total estimated expense of adopting new tests by \$2.7 million, for a combined total of \$14.9 million, spread across two fiscal years.

Consultant services. The CDE will engage technical consultants to assist the department to determine appropriate methodology for establishing achievement scores for new tests; create a valid, cross-state comparison of test results; generate comparable growth metrics between tests; validate results for distribution to schools and districts to inform accountability and improvement planning; and assist in making structural changes to the state's online Unified Improvement System (UIP). A preliminary estimate of these contracted services is \$36,000 in both FY 2015-16 and FY 2016-17.

Information technology. The CDE requires contract services for additional IT support to create new data pipeline protocols for LEPs; refine student biographical demographic records to account for the possibility of multiple tests in each content area; map and store data and establish data warehousing; and, modify data displays and reports. A preliminary estimate of these contract costs are \$250,000 in both FY 2015-16 and FY 2016-17.

Centrally appropriated costs. 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 estimated in the fiscal note for informational purposes and summarized in Table 2.

Table 2. Centrally Appropriated Costs Under HB 15-1208*		
Cost Components	FY 2015-16	FY 2016-17
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$20,273	\$40,626
Supplemental Employee Retirement Payments	17,906	42,975
TOTAL	\$38,179	\$83,601

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

School District Impact

Statewide testing at the local level creates both direct and indirect costs for school districts. As part of the House Bill 14-1202 Standards and Assessment Task Force, the consulting firm of Augenblick, Palich, and Associates (APA) prepared a study of test use in Colorado and identified three categories of costs for school districts.¹ These costs include one-time expenses to ensure a school district has the capacity to administer tests, such as the cost to purchase needed technology if it is not already owned by the school district; ongoing opportunity costs as a result of student and staff time spent administering and taking tests that could have otherwise been spent on instruction or other functions; and ongoing direct costs incurred to prepare for and administer tests, including the direct cost to purchase testing materials, the cost of hiring additional test proctors and classroom substitutes during test days, and any material management costs.

In conducting their study, APA discovered that direct costs range dramatically between districts and represent different resource starting points and capacity capabilities. Though not a perfect correlation, APA found that smaller districts tend to have higher costs than larger districts.

This bill potentially changes the academic standards used by schools and the assessments used to measure student growth and educator effectiveness. Standards changes affect both the curriculum products schools will use and the staff development necessary to assist instructional staff's transition from previous standards. Therefore, schedule, workload, and administrative costs related to adopting standards and statewide testing are expected to increase at both the school and district levels.

Pursuant to Section 22-32-143, C.R.S., 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>

¹ Study of Assessment Use in Colorado Districts and Schools. November 2014. Augenblick, Paliach and Associates. Retrieved from <http://www.cde.state.co.us/cdedepcom/finalapareport>

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2015-16, this bill requires an appropriation of \$5,749,425 General Fund and 2.5 FTE to the Colorado Department of Education.

State and Local Government Contacts

Education

Higher Education

Law