

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

<b>Drafting Number:</b> LLS 10-0792	<b>Date:</b> May 2, 2010
<b>Prime Sponsor(s):</b> Rep. Solano; Scanlan Sen. Hudak	<b>Bill Status:</b> House Education
	<b>Fiscal Analyst:</b> David Porter (303-866-4375)

**TITLE:** CONCERNING ASSESSMENTS IN THE ELEMENTARY AND SECONDARY EDUCATION SYSTEM.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
<b>State Revenue</b>		
<b>State Expenditures</b>		
General Fund	\$ 408,616	\$ 90,552
<b>FTE Position Change</b>	3.7 FTE	3.7 FTE
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature.		
<b>Appropriation Summary for FY 2010-2011:</b> See State Appropriations section.		
<b>School District Impact:</b> See School District Impact section.		

**Summary of Legislation**

This bill makes the following changes to the manner in which student assessments are administered in Colorado:

- P the 9th-grade Colorado Student Assessment Program (CSAP) assessments are replaced with the postsecondary and workforce *planning* assessment starting in the 2010-11 academic year;
- P the 10th-grade CSAP assessments are replaced with the postsecondary and workforce *preparation* assessment starting in the 2011-12 academic year;
- P the 11th-grade achievement exam (currently the ACT) is replaced with the postsecondary and workforce *readiness* exam starting in the 2012-13 academic year;
- P the writing assessment is no longer a statewide assessment and is separated from the reading assessment; and
- P the CSAP is repealed effective July 1, 2013.

The bill makes several other changes to the new statewide assessment system being developed by the State Board of Education. It extends dates for adopting the new system and related changes such that the whole system is to be in place no later than the 2013-14 academic year. It also establishes three categories of assessment tools:

- P *formative assessments* – formative assessments are questions, tools, and processes embedded in instruction and used to provide timely feedback;
- P *interim assessments* – interim assessments are given at regular and specified intervals in the school year to evaluate student knowledge and skills with respect to academic standards in a way that can be aggregated and compared across classrooms, schools, and districts; and
- P *summative assessments* – summative assessments are standardized assessments given to measure proficiency with a specific set of academic standards.

The Colorado Department of Education (CDE) is required to create and maintain a resource bank of interim assessments, best practices, rubrics, and other tools for school districts. Formative and interim assessments are only used for diagnostic purposes and are not to be used in the Colorado Growth Model. To the extent practicable and economically feasible, these assessments should be administered online.

**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 specified in HB10-1430 in Table 1.

<b>Table 1. CSAP Testing Requirements</b>		
<b>Grade</b>	<b>Federal Requirements</b>	<b>HB10-1430 Requirements</b>
3	Reading, Math	Reading, <del>Writing</del> , Math
4	Reading, Math	Reading, <del>Writing</del> , Math
5	Reading, Math, Science (in Grades 3, 4, or 5)	Reading, <del>Writing</del> , Math, Science
6	Reading, Math	Reading, <del>Writing</del> , Math
7	Reading, Math	Reading, <del>Writing</del> , Math
8	Reading, Math, Science (in Grades 6, 7, 8, or 9)	Reading, <del>Writing</del> , Math, Science
9		<del>Reading, Writing, Math</del> Postsecondary and workforce planning assessment (substitute by 2010-11)
10	Reading, Math, Science*	<del>Reading, Writing, Math, Science</del> Postsecondary and workforce preparation assessment (substitute by 2011-12)
11		ACT (similar postsecondary and workforce readiness assessment by 2012-13)

\*Federal law requires testing students one time in grades 10,11, or 12.

In FY 2008-09, there were approximately 1.6 million CSAP tests administered. The new requirements outlined in the bill will decrease the number of tests by about 705,000 (44%). 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) to correspond with the regular tests required by law. By eliminating regular CSAP tests, the bill also eliminates these alternative tests.

**State Expenditures**

**In FY 2010-11 this bill results in General Fund expenditures of \$408,616 and 3.7 FTE. In FY 2011-12, General Fund expenditures of \$90,552 and 3.7 FTE are anticipated.** Expenditures are in the CDE and include cost savings due to the elimination of CSAP assessments and new costs for other assessments. Table 2 and the discussion that follow detail these costs.

<b>Table 2. Expenditures Under HB10-1430</b>		
<b>Cost Components</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>
Personal Services	\$275,902	\$282,224
<i>FTE</i>	3.7	3.7
Operating Expenses and Capital Outlay	20,794	3,515
Travel	9,600	9,600
Elimination of CSAP Tests	(5,288,400)	(6,347,700)
New Assessments – Test Cost	483,600	1,069,000
Incorporation of New Assessments	551,120	717,913
Resource Bank	4,356,000	4,356,000
<b>TOTAL</b>	<b>\$408,616</b>	<b>\$90,552</b>

Cost components are for the following:

- P **Personal Services.** Personnel are required for three primary purposes:
  - R *New Assessments* – A senior consultant (1.0 FTE) will support implementation of the postsecondary and workforce planning assessment for 9th graders in FY 2010-11 and the postsecondary and workforce preparation assessment for 10th graders in FY 2011-12.
  - R *Alignment of Growth Model and State Plan.* Changes to the Colorado Growth Model and to the Colorado State Plan to add and remove tests requires the time of a senior consultant (0.7 FTE).
  - R *Resource bank* – A principal and senior consultant (2.0 FTE total) will establish resource bank of assessments, best practices, rubrics, and other tools for school districts. These personnel will work in assembling the information and working with the districts.
- P **Operating Expenses and Capital Outlay.** Standard recurring operating expenses, such as telephone charges, and one-time capital outlay, for items such as desks, are provided for new personnel.
- P **Travel Costs.** Providing training for the new assessments will require 12 trips at approximately \$800 each.
- P **Elimination of CSAP Tests.** Savings for eliminating the CSAP assessments are based on the following:
  - R 469,900 fewer writing assessments annually;
  - R 117,700 fewer 9th grade reading and math assessments FY 2010-11;

- R 235,400 fewer 9th and 10th grade reading and math tests in FY 2011-12; and
- R \$9.00 test costs.
- P **New Tests.** New test costs are based on the following:
  - R 60,000 9th grade postsecondary and workforce planning tests at \$7.56 each in FY 2010-11 and thereafter;
  - R \$30,000 in training costs in FY 2010-11;
  - R 60,000 10th grade postsecondary and workforce preparation tests at \$9.09 each in FY 2011-12 and thereafter; and
  - R \$70,000 in training costs in FY 2011-12;
  - R no change in postsecondary and workforce readiness assessment as the cost for the new assessment will be approximately the same as the ACT currently being used.
- P **Incorporation of New Tests.** Removing the writing examination and the 9th and 10th grade CSAP results in costs to revise the student growth percentile calculations and performance evaluation framework. Incorporating new examinations into the Colorado Growth Model results in costs to recalibrate the model, alter current reporting forms, and update the interactive data model.
- P **Resource Bank.** Resource bank costs are based on providing access to a system such as the "Acuity" tool. An annual subscription to this system is \$11.60 per student (for 360,000 students). An additional \$180,000 per year will be for a contractor to develop best practices.

Note that the removal of CSAP-A tests is not reflected in the above analysis. These costs will be incorporated in a future fiscal note.

**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 3.

<b>Table 3. Expenditures Not Included Under HB10-1430*</b>		
<b>Cost Components</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$25,330	\$25,330
Supplemental Employee Retirement Payments	10,495	12,771
Indirect Costs	61,292	13,583
Workers' Compensation and Risk Management	3,264	3,264
<b>TOTAL</b>	<b>\$100,381</b>	<b>\$54,948</b>

\*More information is available at: <http://www.colorado.gov/cs/Satellite/CGA-LegislativeCouncil/CLC/1200536133924>

### **School District Impact**

Administration of the CSAP tests is the responsibility of the school districts. School districts will have additional effort to learn and administer the new assessments. Districts will also administer writing assessments locally. The CDE will provide districts with access to the resource bank of assessments, which school districts must incorporate into their system of assessments. The resource bank may reduce school district costs for those districts currently using similar assessment banks. Other districts will need to adjust their practices to incorporate the new types of assessments.

### **Department Differences**

The Colorado Department of Education provided an estimate of \$1.5 million cost savings in FY 2010-11 and \$2.0 million in FY 2011-12 to eliminate the tests from the CSAP program. This estimate is based on information 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. Specific detail was not provided to explain why a new contract requiring 44 percent fewer tests would only save approximately 9.2 percent from the prior year's contract.

In the absence of specific details, 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 Colorado Department of Education, Legislative Council Staff, and Joint Budget Committee Staff have estimated the per pupil cost of CSAP at between \$9 and \$12. This fiscal note uses the lower figure to acknowledge fixed costs unrelated to the actual administration of the tests.

### **State Appropriations**

In FY 2010-11, this bill requires a General Fund appropriation of \$408,616 and 3.7 FTE to the Colorado Department of Education.

### **Departments Contacted**

Education