

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 14-0699
Prime Sponsor(s): Rep. Scott

Date: February 11, 2014
Bill Status: House Education
Fiscal Analyst: Josh Abram (303-866-3561)

SHORT TITLE: LOCAL ACCOUNTABILITY REQMTS FOR SCHOOL DISTRICTS

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures	<u>\$59,637</u>	<u>\$57,690</u>
General Fund	53,047	50,695
Centrally Appropriated Costs**	6,590	6,995
FTE Position Change	0.5 FTE	0.5 FTE
Appropriation Required: \$53,047 General Fund - Colorado Department of Education (FY 2014-15)		

* This summary shows changes from current law under the bill for each fiscal year.

** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

Under current law, each school district is required to administer statewide tests in various subjects in each of grades 3 through 11. The State Board of Education (SBE) cannot waive this requirement.

This bill allows the SBE to waive most of the statewide testing requirements for a school district that submits a district assessment plan meeting specified requirements. A school district that receives a waiver must publish its test results on the school district web site and submit the results to the Colorado Department of Education (CDE).

If a school district that receives a waiver fails to meet statewide targets for academic performance for three consecutive school years, the SBE must modify the school district's waiver. The modified waiver must require that the district administer the statewide test in the subjects in which the district failed to meet the statewide targets; however, an individual student cannot be required to take more than one statewide test in a school year.

The parent of a student in a school district with a waiver may excuse his or her child from participating in any standardized tests, including any statewide test. The department cannot penalize a school district, and a school district cannot penalize the student or the student's teacher if a parent excuses his or her child from testing.

State Expenditures

This bill increases state expenditures by \$59,637 and 0.5 FTE in FY 2014-15 and \$57,690 and 0.5 FTE in FY 2015-16.

This fiscal note assumes that in FY 2014-15, at least one but no more than three districts will seek a waiver from testing requirements. In future years, if additional districts seek a testing waiver from the SBE, the department's expenses will increase. Detailed state expenditures are displayed in Table 1 and discussed below.

Table 1. Expenditures Under HB 14-1202		
Cost Components	FY 2014-15	FY 2015-16
Personal Services	\$50,220	\$50,220
FTE	0.5	0.5
Operating Expenses and Capital Outlay Costs	2,827	475
Centrally Appropriated Costs*	6,590	6,995
TOTAL	\$59,637	\$57,690

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

The CDE's Assessment Unit requires additional staff to evaluate and process waiver requests, to assist with the review of standards, and to monitor an exempt district's progress over time. The additional staff will also develop criteria for approving alternative local assessment plans, evaluate the quality of assessments and scoring criteria, and establish or approve targets for districts that receive waivers. In addition, the department's Accountability Unit will see a slight increase in workload to monitor achievement on the alternate local assessments and evaluate whether that district has demonstrated adequate academic performance.

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 14-1202*		
Cost Components	FY 2014-15	FY 2015-16
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$3,102	\$3,102
Supplemental Employee Retirement Payments	3,488	3,893
TOTAL	\$6,590	\$6,995

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

School District Impact

A school district that seeks a waiver from testing requirements from the SBE must create an assessment plan satisfying criteria outlined in the bill, and devote internal district resources implement the plan and test students. Under current law, the state pays for the statewide

assessments administered in school districts. Waiving the requirement to administer these statewide tests and instead substituting district developed and administered tests will increase costs and workload for a district.

Under current law, 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>

Effective Date

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2014-15, this bill requires an appropriation of \$53,047 General Fund and 0.5 FTE to the Colorado Department of Education.

State and Local Government Contacts

Education

Law