

*Colorado Legislative Council Staff Fiscal Note*

**FINAL  
FISCAL NOTE**

<b>Drafting Number:</b> LLS 15-0849	<b>Date:</b> July 13, 2015
<b>Prime Sponsor(s):</b> Rep. Buckner; Wilson Sen. Holbert; Kerr	<b>Bill Status:</b> Signed into Law
	<b>Fiscal Analyst:</b> Josh Abram (303-866-3561)

**BILL TOPIC:** CHANGES TO ASSESSMENTS IN PUBLIC SCHOOLS

<b>Fiscal Impact Summary*</b>	<b>FY 2015-2016</b>	<b>FY 2016-2017</b>
<b>State Revenue</b>		
<b>State Expenditures</b>	<b>(\$2,369,118)</b>	<b>(\$2,369,118)</b>
State Education Fund	(2,369,118)	(2,369,118)
<b>Appropriation Required:</b> (\$2,369,118) State Education Fund - Colorado Department of Education (FY 2015-16)		

\* This summary shows changes from current law under the bill for each fiscal year. Parentheses indicate a decrease in funds.

**Summary of Legislation**

The bill modifies the system of statewide assessments in English language arts (ELA), math, science, and social studies. The Colorado Department of Education (CDE) is restricted to administering tests in ELA and math to students enrolled in grades 3 through 9, and science tests one time in elementary, middle, and high schools. Social studies exams are eliminated.

Among the other testing provisions, this bill:

- requires that the CDE continue to administer a curriculum-based college entrance exam to students in eleventh grade, and to administer the writing portion of the exam when requested to do so by students;
- requires that the CDE administer a 10th grade college entrance preparation exam;
- requires that the CDE request various waivers of federal law;
- requires that the CDE make tests in any format available as a pencil and paper test if requested by a LEP and requires that each LEP adopt a written policy by which the LEP decides, in consultation with schools and parents, whether to request pencil and paper state tests;
- requires that LEPs adopt a policy allowing parents of students to opt-out of participation in one or more of the state assessments without imposing negative consequences on the student or parent;
- provides some flexibility to LEPs in the number, frequency, timing, and administration of early reading and school readiness tests;

- creates a two-phase pilot program to allow LEPs to administer and compare locally-selected tests as a possible alternative to the existing statewide tests;
- requires that LEPs annually distribute to parents an assessment calendar specifying the estimated hours of testing each day for specific classes or grades and identify if the test is required by federal or state law, among other required testing notifications;
- prohibits the CDE from assigning an accreditation rating to school districts or the state Charter School Institute for the 2015-16 school year; and
- prohibits a LEP from using student growth calculations from state testing during the 2014-15 school year when determining educator effectiveness.

The bill repeals the existing statute that governs state testing and recreates the statutory provisions that relate to testing in languages other than English, testing children with disabilities, exempting from testing the children that participate in nonpublic, home-based educational programs and nonpublic schools, disseminating and using test results, allowing nonpublic schools to administer the state tests, and appropriating moneys to fund the state tests.

The bill repeals references to the postsecondary and workforce planning, preparation, and readiness tests and clarifies that students' demonstration of postsecondary and workforce readiness is determined in part by scores on the state tests administered in high school.

## **Background**

Under existing law, the CDE is required to administer a statewide test in:

- ELA to students enrolled in grades 3 through 10;
- math to students enrolled in grades 3 through 8 plus 3 additional math tests in high school;
- science to students once in elementary school, once in middle school, and once in high school; and
- social studies to students once in elementary school, once in middle school, and once in high school.

## **State Expenditures**

***For FY 2015-16 and subsequent years, the bill results in a net decrease in state expenditures of about \$2.5 million.*** The bill both reduces state expenditures as a result of eliminating some state testing, and at the same time increases state expenditures to provide for a 10th grade college preparation exam, to modify information systems capable of tracking new local assessments, to reimburse LEPs for administering the written portion of a college entrance exam, and to allow LEPs to request paper and pencil test options. The net change in state expenditures is displayed in Table 1 and described below.

<b>Table 1. Net Expenditures Under HB 15-1323</b>		
<b>Cost Components</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>
Reduced testing	(\$4,988,258)	(\$4,988,258)
10th grade college prep exam	1,813,680	1,813,680
Paper and pencil test options	223,460	223,460
College entrance writing exam	432,000	432,000
Pilot program costs	100,000	100,000
Information management systems	50,000	50,000
<b>TOTAL</b>	<b>(\$2,369,118)</b>	<b>(\$2,369,118)</b>

**Statewide testing.** The bill reduces the number of tests given in K-12 schools by eliminating the social studies test altogether, and eliminating ELA tests and math tests in grades 11 and 12. Total savings will be partially offset by requiring districts to administer a 10th grade college entrance preparation exam. The college entrance preparation assessment is estimated to cost about \$1.8 million annually. Total cost savings from reduced tested is estimated at about \$5.0 million in both FY 2015-16 and FY 2016-17.

**Paper and pencil options.** The bill permits a LEP to request tests using paper and pencil administration. Currently, the CDE budget request for science and social studies tests assumes almost 100 percent of test administrations will be accomplished online. For ELA and math, the current request assumes one half the tests are administered online and one half using pencil and paper formats.

The bill is anticipated to increase the number of science test administrations requiring pencil and paper. The assumed number of ELA and math tests given in pencil and paper format are unchanged. Costs increase for pencil and paper administration as a result of printing costs, transportation costs, and scoring costs. Assuming that 20 percent of science tests will be requested in a pencil and paper format, state expenses increase by about \$223,460.

**College entrance written exam.** If requested by a student, LEPs must administer the written portion of the college entrance exam and the state must reimburse the cost. Assuming that 40 percent of eleventh grade students, or about 24,000 students, choose to take the written portion of the college entrance exam at a per test cost of about \$18, state expenditures increase by \$432,000 annually.

**Pilot program costs.** The CDE will have new expenses to assist the SBE to adopt rules for the new program, evaluate and select LEPs to participate in the pilot program, provide technical assistance to participating LEPs, and to review and analyze alternative assessment data with the data from existing statewide tests.

**Information management systems.** The bill permits a LEP to choose to administer additional tests in high school for which the state must pay the cost. The CDE will have increased costs to track and facilitate testing and data collection that exceeds the statewide minimum in some districts. Modifying information management systems is estimated to increase costs by \$50,000 in both FY 2015-16 and FY 2016-17.

## **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.<sup>1</sup> 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 per-student cost than larger districts.

This bill reduces the total number of statewide tests administered by the state in school districts. Therefore, schedule, workload and administrative costs related to statewide testing are also reduced at the school and district level.

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>

## **Effective Date**

The bill was signed into law by the Governor and took effect on May 20, 2015.

## **State Appropriations**

Consistent with this final fiscal note, for FY 2015-16 this bill reduces State Education Fund appropriations to the Colorado Department of Education by \$2,369,118.

## **State and Local Government Contacts**

Education

---

<sup>1</sup> 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>