Colorado Legislative Council Staff Fiscal Note

STATE and LOCAL FISCAL IMPACT

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BILL TOPIC: FREQUENCY OF STATEWIDE SOCIAL STUDIES TESTING

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures		
General Fund	(up to \$540,000)	(up to \$540,000)
FTE Position Change		
Appropriation Required: None required for FY 2015-16. See State Appropriations section.		

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

Summary of Legislation

Under current law, the Colorado Department of Education (CDE) is required to administer an annual statewide assessment in social studies to students enrolled in a single specified elementary school grade, middle school grade, and high school grade.

Beginning in the 2015-2016 school year, this bill allows the CDE to instead administer the social studies assessment in a representative sample of public schools, so long as it administers the assessment in each public school at least once every three years. If the CDE chooses a three year assessment schedule, a school district or charter school may request to have the assessment administered in years when they would otherwise not be part of the representative sample. The CDE will administer the assessment in that school in the year following the request.

State Expenditures

This bill may reduce state expenditures by \$540,000 per year beginning with FY 2015-16. Any reduction in expenditures to the state will be dependant on CDE's decision to reduce the administration of social studies assessments. The bill allows, but does not require, the department to reduce testing. For this reason, any reductions in state expenditures will depend on decisions made following the effective date of this bill.

Creating and administering statewide assessments in social studies has both fixed and variable costs. For example, developing content for the tests and conducting the necessary psychometric evaluation of the test for validity and reliability are fixed costs which are unchanged by the amount of tests administered. Assuming that test delivery, test administration, scanning, scoring, and reporting costs are all reduced by the maximum amount allowed by the bill, General Fund expenditures will decrease by about \$0.5 million annually. This cost savings will be slightly less in years when districts choose to have CDE administer the social studies assessment even when their schools are not scheduled to participate in the three year assessment schedule.

Most of the cost savings for the state from reducing the number of social studies assessments is a result of eliminating the need for hand scoring. That expenditure savings is estimated at \$4.50 per test. Assuming the CDE assesses only one-third of students in each of the required grades, test administration is reduced by about 40,000 students per grade, or by 120,000 administrations for all grades. Therefore, the cost savings is about \$540,000 ($120,000 \times $4.50 = $540,000$)

This fiscal note assumes that any reductions in appropriations for the CDE will be adjusted in the annual budget setting process, depending on decisions made following the effective date of this bill.

School District Impact

Statewide assessments at the local level create 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 assessment use in Colorado and identified three categories of costs for school districts. These costs include one-time expenses to ensure a school district has the capacity to administer assessments, such as the cost to purchase needed technology if it is not already owned by the school district; on-going opportunity costs as a result of student and staff time spent administering and taking assessments that could have otherwise been spent on instruction or other functions; and on going direct costs incurred to prepare for and administer assessments, 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.

In years when a given school is not part of the assessment schedule, workload and administrative costs related to the assessment are reduced.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Education Higher Education Law

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