



**Colorado
Legislative
Council
Staff**

HB17-1062

**REVISED
FISCAL NOTE**

(replaces fiscal note dated January 27, 2017)

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0486

Date: February 9, 2017

Prime Sponsor(s): Rep. Buck
Sen. Merrifield; Marble

Bill Status: House Education
Fiscal Analyst: Josh Abram (303-866-3561)

BILL TOPIC: MAKING CERTAIN STATE ASSESSMENTS OPTIONAL

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue		
State Expenditures	(\$651,570)	(\$767,070)
General Fund	(655,063)	(770,563)
Centrally Appropriated Costs	3,493	3,493
FTE Position Change	0.2 FTE	0.2 FTE
Appropriation Required: (\$655,063) - Colorado Department of Education (FY 2017-18).		
Future Year Impacts: Ongoing expenditure decrease and increase.		

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

This fiscal note is being revised to correct a typographic error in the fiscal note dated January 27, 2017

Summary of Legislation

Under current law, public school students are required to take state assessments in math and English language arts in ninth grade and a pre-college aptitude test in tenth grade. Students are also required to take assessments in social studies one time each in the elementary, middle, and high school grades, on a three year schedule. This bill allows a local education provider (LEP) to choose whether to require students to take these state assessments.

State Expenditures

This bill both increases and decreases state expenditures, with a net savings of \$655,063 for FY 2017-18 and a net savings of \$770,563 for FY 2018-19. Detailed expenditures are displayed in Table 1 and described below.

Table 1. Net Expenditures Under HB 17-1062		
Cost Components	FY 2017-18	FY 2018-19
Personal Services	\$21,427	\$21,427
FTE	0.2	0.2
Reduced Test Administration	(1,159,990)	(1,159,990)
11th Grade Test Scoring	368,000	368,000
Technical Assistance and IT Contracting	115,500	0
Centrally Appropriated Costs*	3,493	3,493
TOTAL	(\$651,570)	(\$767,070)

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

Reduced State Expenditures

Reduced test administration. Using 2017 enrollment data, there are 62,772 9th grade students. It is unknown how many LEPs will choose not to administer the 9th grade assessment, but assuming 50 percent of students statewide are exempted (31,386 students), and a per combined test administration cost of \$30.44, state expenses decrease by \$955,390 in both FY 2017-18 and FY 2018-19 (31,386 less students X \$30.44 = \$955,390). If this percentage of students is different, the total savings amount will also vary.

Most of the cost of the state social studies assessment are fixed costs related to development, materials, accommodation, and reporting. These fixed costs will not decrease; however some reduction in scoring costs is expected. LEPs are on a 3 year cycle for administration of social studies tests, and it is unknown which LEPs will choose to stop administering the assessment, and in which year. The current expectation for FY 2017-18 is that 60,000 will take the assessment. Assuming that half of students do not take the test in 2017, at a scoring cost of \$6.82 per student, state expenses decrease by \$204,600 annually (30,000 students X \$6.82 = \$204,600). Should more LEPs choose to forgo social studies testing, this cost savings will be greater.

Increased State Expenditures

11th grade test scoring. In order to continue to meet federal requirements, a written assessment must be added to the remaining high school assessment in eleventh grade to replace that portion of the 9th grade assessment in English language arts that some LEPs will chose not to administer. Adding the written portion to the 11th grade assessment increases scoring costs by \$9.20 per student for an estimated 40,000 tests and a total increase in state expenditures of \$368,000 in both fiscal years.

Technical assistance and IT contracting. For FY 2017-18 only, the CDE requires \$10,000 for technical assistance and psychometric analysis to maintain the required representative sample of schools taking the social studies assessment, and comparability determinations for those LEPs remaining in the three year administration cycle.

Depending on the number of students who have 9th and 10th grade assessment results, and the representativeness of those students, growth results may or may not be available at the high school level. Under current law, growth is a required performance indicator for school and district accountability. Assuming CDE still needs to calculate and use growth measures, the department will have increased costs to contract technical assistance to determine appropriate growth calculations with available data. This one-time analyses is estimated at 15 days at \$1200 per day, for a total cost of \$18,000.

Accountability tracking. If the CDE is unable to calculate growth for accountability purposes, high school accountability will be based only on the 11th grade college readiness assessment, graduation rates, dropout rates, and matriculation rates, as achievement and growth results may not be available. Since some LEPs will choose to continue administering assessments and others will not, the CDE will need two tracks for school district performance frameworks. The department will have increased costs, including FTE, to create, monitor, and report a separate accountability track for LEPs with and without 9th grade testing. This increased state expenditure is estimated at \$87,500 in one-time costs to create the separate track, and an ongoing increase of \$19,200 and 0.2 FTE for monitoring and reporting.

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.

Cost Components	FY 2017-18	FY 2018-19
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$1,573	\$1,573
Supplemental Employee Retirement Payments	1,920	1,920
TOTAL	\$3,493	\$3,493

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.

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>

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.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2017-18, this bill decreases state appropriations to the Colorado Department of Education by at least \$655,063. Beginning with FY 2017-18, the department requires an increased allocation of 0.2 FTE.

State and Local Government Contacts

Education School Districts