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Fiscal Note

Drafting Number: LLS 21-0475 **Date:** February 22, 2021
Prime Sponsors: Rep. Sirota; McLachlan **Bill Status:** House Education
 Sen. Zenzinger; Coram **Fiscal Analyst:** Josh Abram | 303-866-3561
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Bill Topic: **SUSPEND STATE ASSESSMENTS IN 2020-21 SCHOOL YEAR**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure (<i>conditional</i>)	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> School District

The bill pauses K-12 state assessments and accountability measures for the 2020-21 school year. Conditional upon federal approval, the bill reduces state and local expenditures in the current FY 2020-21 only.

Appropriation Summary: In the current FY 2020-21, the bill reduces appropriations to the Colorado Department of Education by up to \$3.0 million.

Fiscal Note Status: The fiscal note reflects the introduced bill. The cost savings estimated are preliminary and the fiscal note will be updated as additional information becomes available.

Table 1
State Fiscal Impacts Under HB 21-1125

		Current Year FY 2020-21	Budget Year FY 2021-22	Out Year FY 2022-23
Revenue		-	-	-
Expenditures	State Education Fund	(up to \$3.0 million)	-	-
Transfers		-	-	-
TABOR Refund		-	-	-

Summary of Legislation

Subject to an approved waiver of federal law, the bill requires that the Colorado Department of Education (CDE) suspend the administration of state assessments in English language arts, mathematics, science, and social studies for the 2020-21 academic school year. For the 2020-21 school year, teacher and principal evaluations must not include the use of student academic growth measures or other student performance measures.

The bill requires that schools and districts implement the school improvement plan type that was assigned in the preceding school year. When determining the number of school years that a school or school district is on performance watch, CDE must exclude the 2019-20 and 2020-21 school years, and count the 2021-22 school year as if it were consecutive to the 2018-19 school year.

State Expenditures

Preliminarily, the bill reduces state expenditures by up to \$3.0 million in the current FY 2020-21, conditional upon federal approval. Assuming the federal waiver is approved and state assessments are suspended, work stoppage and adjustment orders will be provided to assessment vendors. The main assessment contract with Pearson will require reconciliation based on the deliverables and services the vendor has provided up to the time of cancellation.

Based on the payment schedule, the suspension of assessments by March 31 is estimated to reduce costs in the current fiscal year by about \$3.0 million. Actual cost savings will not be known until the timing is finalized and the department has negotiated the change with the vendor. The additional workload for federal program staff to request a waiver, and for information technology changes to allow a pause in assessments and accountability do not require any change to state appropriations.

School District

The direct costs incurred by schools to administer state assessments are paid for by the state. Schools and districts have a marginal cost to administer CMAS, including the logistics of administration, proctors, test security, and data tracking. This workload and cost is suspended for the 2020-21 school year; local education providers will likely shift those resources into instructional time.

State Appropriations

For the current FY 2020-21, the bill requires a reduction in appropriations to the Colorado Department of Education from the State Education Fund of \$3.0 million. This appropriation amount is preliminary and may change if additional information is known.

Effective Date

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

State and Local Government Contacts

Education

School Districts