



FINAL
FISCAL NOTE

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

Drafting Number: LLS 17-0502

Date: July 12, 2017

Prime Sponsor(s): Rep. Leonard

Bill Status: Postponed Indefinitely

Sen. Neville T.

Fiscal Analyst: Josh Abram (303-866-3561)

BILL TOPIC: REPEAL ASSESSMENTS IN 9TH GRADE & SOCIAL STUDIES

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue		
State Expenditures	<u>(\$3,857,850)</u>	<u>(\$3,857,850)</u>
General Fund	(3,623,785)	(3,623,785)
Federal Funds	(234,065)	(234,065)
Appropriation Required:	(\$3,857,850) - Colorado Department of Education (FY 2017-18).	
Future Year Impacts:	Ongoing expenditure decrease.	

NOTE: This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

Under current law, the Colorado Department of Education (CDE) administers state assessments in English language arts and mathematics to students in grades 3 through 9 and administers state assessments in social studies to students once in elementary school, once in middle school, and once in high school. This bill repeals administration of the ninth-grade English language arts and mathematics state assessments, and all state social studies assessments.

State Expenditures

This bill both increases and decreases state expenditures, with a net savings of about \$3.9 million for both FY 2017-18 and FY 2018-19. Detailed expenditures are displayed in Table 1 and described below.

Table 1. Expenditures Under House Bill 17-1117		
Cost Components	FY 2017-18	FY 2018-19
Reduced Testing 9th Grade	(\$1,910,780)	(\$1,910,780)
Reduced Testing Social Studies	(\$2,315,070)	(\$2,315,070)
11th Grade Test Scoring	368,000	368,000
TOTAL	<u>(\$3,857,850)</u>	<u>(\$3,857,850)</u>

Reduced State Expenditures

Reduced testing 9th grade. Using 2017 enrollment data, there are 62,772 9th grade students. Eliminating two tests for 9th grade students will result in a cost savings to the state. Currently, the state pays about \$30.44 per student to administer these tests. Therefore, state savings are about \$1.9 million. Based on current funding levels, this amount is made up of about \$1.7 million General Fund, and about \$234,000 federal funds.

Reduced testing social studies. Most of the cost of the state social studies assessment are fixed costs related to development, materials, accommodation, and reporting. The state science and social studies test share some common fixed costs. As such, the total cost for eliminating the social studies assessment cannot be calculated on a simple cost-per-student basis. These fixed costs will not decrease in the next two fiscal years; however a reduction in state expenses for printing and scoring is expected. This amount is estimated at about \$2.3 million annually.

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 the bill removes. Adding the written portion to the 11th grade assessment increases scoring costs by \$9.20 per student for an estimated 40,000 tests, for a total increase in state expenditures of \$368,000 in both fiscal years.

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. In conducting their study, APA discovered that direct costs range dramatically between districts and represent different resource starting points and capacity. 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.

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>

Effective Date

The bill was postponed indefinitely by the House Education Committee on February 13, 2017.

State Appropriations

For FY 2017-18, the bill reduces state appropriations by \$3,857,850. Of this amount, reduced appropriations are \$3,623,785 General Fund and \$234,065 Federal funds.

State and Local Government Contacts

Education