

Individual State Agency Fiscal Note

Bill Number: 5587 E S SB	Title: Student assessments	Agency: 350-Supt of Public Instruction
---------------------------------	-----------------------------------	---

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
Account					
General Fund-State 001-1	0	(17,129,554)	(17,129,554)	(49,573,716)	(50,099,766)
Total \$	0	(17,129,554)	(17,129,554)	(49,573,716)	(50,099,766)

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Barbara McLain	Phone: 360-786-7383	Date: 03/11/2013
Agency Preparation: Lori Anthonson	Phone: (360) 725-6420	Date: 03/27/2013
Agency Approval: JoLynn Berge	Phone: 360 725-6292	Date: 03/27/2013
OFM Review: Paula Moore	Phone: (360) 902-0540	Date: 03/29/2013

Request # ESSB 5587-3

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1 (New) – Transitions state program to new consortium-based assessment system come 2014-2015. Both the current tenth grade assessments and the consortia-developed assessments may be used for high school graduation purposes by the graduating classes of 2016 and 2017. Establishes the class of 2018 must meet state standards on the consortia-developed assessments for graduation purposes.

Section 2(2) – removes age reference when a student is likely to earn the Certificate of Academic Achievement.

Section 2(3) – sets the certificate of academic achievement requirements around assessment for the Class of 2015 to be reading, writing and mathematics while establishing requirements for the Class of 2018 and beyond to be the consortium-based ELA and math tests; language links requirements for the Class 2016 and 2017 to RCW 28A.655.066.

Removes reference to four total retest and replaces it with at least two opportunities per.

Section 2(10)(b)(ii) – replaces reference to the reading and writing assessment with the consortium's ELA assessment in connection with comparable AP exam scores.

Section 3(1)(c) – eliminates use of the mathematics end-of-course (EOC) assessments from the statewide assessment program after the 2014-2015 school year.

Section 3(3) – for the Class of 2015, the mathematics graduation requirement with regard to math is both Year 1 and Year 2 EOCs or the equivalent retest format, or an approved alternative

Section 3(4) (New) – sets stage for establishing certificate of academic achievement requirements for the Class of 2016.

Section 3(4)(a) (New) – For mathematics, the Class of 2016 and 2017 can use both Year 1 and Year 2 EOCs, the consortium-based comprehensive test, an applicable retake, or an appropriate alternative.

Section 3(4)(b) (New) – For English language arts, the Class of 2016 and 2017 can use either the combination of the reading and writing tests, the consortium-based ELA test, an applicable retake, or an appropriate alternative.

Section 4(3)(a) – references change to the reading and writing assessment to the consortium's ELA assessment starting in the 2014-2015 school year.

Section 5(2) (new) – directs Superintendent to work with SBE to establish new assessments from the consortium by 2014-2015 school and establishes the Class of 2018 graduation requirements as the consortium's ELA and Math assessments or approved alternatives; stipulates that the graduation requirement assessments must be comprehensive, not end-of-course.

Section 6(1) (new) - At the beginning of each school year, requires school districts to notify parents or guardians of enrolled students from eighth through twelfth grade with information about each student assessment that is required by the state, the minimum state-level graduation requirements, and any additional school district graduation requirements. Information to be disclosed includes: when the assessments will be administered, which assessment will be required for graduation and what options students have to meet graduation requirements if they do not pass a given assessment, whether the results will be used for program placement or grade-level advancement, when results will be released to parents, and whether the assessment is required by the school district, state or federal government, or more than one of

these entities.

Section 6(2) - OSPI shall provide information to school districts to enable the districts to provide information to parents and guardians in accordance with section 6(1).

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

N/A

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Major fiscal impacts to assessments:

Section 1 - transition of existing assessment system to consortium-based assessments in English language arts (ELA) and Mathematics: change-over of the relevant portions of the statewide assessment to a consortium-developed Common Core assessment system. This eliminates the separate Reading tests in grades 3-8 and high school and the separate Writing tests in grades 4, 7 and high school for a combined English language arts (ELA) assessment for grades 3-8 and 11. This replaces current Mathematics tests with a comprehensive Math assessment. The resulting fiscal impact is a cost reduction as shown in attached table (Lines 5-7).

Section 2(3) - Twice annual testing rather than four retests total - cost for a second test (retest) opportunity per year with assumed non-passage rates of 30% for ELA and 40% for Math (for 11th graders only). The resulting impact is a cost increase shown on Line 8 of the attached spreadsheet. OSPI assumes that retakes are still occurring in August, and that this is in addition to the amounts that are currently in maintenance level for summer retakes of \$1.2 million per year.

Section 3(1)(c) - elimination of end-of-course (EOCs) in Math after 2014-15 school year (impact specific to Year 2 EOC, as Year 1 impact included in transition to consortium program). The resulting impacts are as shown on Line 9 of the attached spreadsheet. Additionally the costs of continuing to offer the current 10th grade 2nd math EOC and the 10th grade reading and writing assessments through FY14-15 are shown on lines 15-17.

Technical correction: Under the current assessment system test costs are \$30. This includes administrative costs. Under the new consortium-based system, the test cost will be \$20. This does not include administrative costs. Administrative costs eliminated in the calculation on Line 5 of the attached table are added back on Line 12.

ESSB 5587 changes:

Section 3(4)(a) - There is overlap (duplicated) testing with both EOCs and the consortium-offered comprehensive math assessment. The resulting cost impacts are as shown on Line 15 of the attached spreadsheet.

Section 3(4)(b) - retention of a reading and writing assessment for the Class of 2017 to access for graduation requirements will be in addition to the accountability test provided via the consortium assessment. Cost impact is shown

on Line 16 of the attached spreadsheet.

Non-Fiscal Impacts to assessments:

Sections 3(3)(a) & (b) - retention of CAA Options (specifically adjustments to COE counts). Under this bill we will be going from 5 tests to 3 tests. Based on the amounts that OSPI has projected for COE costs in maintenance level, no additional cost is assumed.

TOTAL FISCAL IMPACTS TO ASSESSMENTS: displayed in Line 18 of the attached spreadsheet. FY17, FY18 and FY19 are all assumed to be the same amount of savings based on information OSPI currently has available.

Section 6 fiscal impact:

OSPI would be required to provide school districts information necessary for districts to notify parents and guardians of the information required under the bill. In the first year OSPI staff would collect and assimilate the various pieces of information into a bulletin or memo and publish that information on our website and provide it to districts using existing means. Estimated staff costs would be approximately \$13,207 in SFY14. The information would be updated annually. All costs for Section 6 can be absorbed within existing resources.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts		(17,129,554)	(17,129,554)	(49,573,716)	(50,099,766)
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$(17,129,554)	\$(17,129,554)	\$(49,573,716)	\$(50,099,766)

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Request # ESSB 5587-3

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

Fiscal Projections - ESSB 5587 - Possible Assessment Modifications				
3/23/13				
Fiscal Note PSSB 5587	13-15 Biennium		15-17 Biennium	
	FY14	FY15	FY16	FY17
Smarter Balanced Summative Assessment	N/A	(\$30,112,054)	(\$30,619,917)	(\$31,126,960)
Smarter Balanced Interim/Formative Assessment	N/A	\$4,557,500	\$4,555,559	\$4,554,186
Adopt CCSS assessment system	N/A	(\$25,554,554)	(\$26,064,358)	(\$26,572,774)
Second Test (Retest) Opportunity Per Year			\$569,445	\$578,874
Elimination of 2nd Math EOC (after 2014-2015)	N/A	\$0	(\$1,083,509)	(\$1,116,014)
Savings Assumed in PSSB 5587		(\$25,554,554)	(\$26,578,422)	(\$27,109,914)
Technical Correction to Smarter Balance Savings				
Add back administrative costs eliminated in Line 5		\$2,025,000	\$2,054,589	\$2,060,031
Revised Savings PSSB 5587		(\$23,529,554)	(\$24,523,833)	(\$25,049,883)
Additional Changes in ESSB 5587				
Continue 1st Math EOC in 2014-15		\$2,400,000		
Continue R/W Assessment in 2014-15		\$4,000,000		
Changes Adopted in ESSB 5587		\$6,400,000		
Total fiscal impact of ESSB 5587	\$0	(\$17,129,554)	(\$24,523,833)	(\$25,049,883)
Maintenance level-State under current law		\$51,186,000	\$56,888,000	\$56,888,000
Restated Maintenance level-State based on ESSB 5587		\$34,056,446	\$32,364,167	\$31,838,117

Notes

Projected SBAC costs (\$20 for both ELA & Math across 7 grades) minus current testing estimates (\$30 per test for 7 grades of R & one M and 3 grades W); Note 1 - FY15

Projected SBAC costs (\$8 for both ELA & Math across 7 grades); Note 1 - FY15

Projected SBAC costs - \$10 per test; 30% failure ELA, 40% failure math; Note 1 - FY16

Have both EOC tests plus new math test in FY15; FY16 and beyond saving due to Year 2 EOC alone (Year 1 assumed in CCSS transition); Note 2 - FY16

State-funded administrative costs; Note 1 - FY16

\$30 per test

Keep costs associated with current R/W test for Class of '17 to take at Grade 10 (2 tests, \$25/test, 80,000 students); \$25 per test through re-use of a previous year's assessments for R/W

FY18 and FY19 assumed to be same as FY17 based on current information available

NOTES:

- 1
- 2
- Cost assumptions include an inflation adjustment based on IPD each successive year with first FY applied as indicated
- Cost assumptions include a 3% inflation adjustment (current contract norms) each successive year with first FY applied as indicated