

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5587 P S SB	<b>Title:</b> Student assessments	<b>Agency:</b> 350-Supt of Public Instruction
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
<b>Account</b>					
General Fund-State 001-1	0	(26,606,504)	(26,606,504)	(53,688,336)	(54,219,828)
<b>Total \$</b>	0	(26,606,504)	(26,606,504)	(53,688,336)	(54,219,828)

### 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:

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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.

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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).

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Capital budget impact, complete Part IV.

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Requires new rule making, complete Part V.

Legislative Contact: Susan Mielke	Phone: (360)786-7422	Date: 02/11/2013
Agency Preparation: JoLynn Berge	Phone: 360 725-6292	Date: 02/13/2013
Agency Approval: JoLynn Berge	Phone: 360 725-6292	Date: 02/13/2013
OFM Review: Paula Moore	Phone: (360) 902-0540	Date: 02/13/2013

Request # PSSB5587sp-2

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

Section 2(3) – removes reference to four total retest opportunities {assumed to match a nominal student’s matriculation through high school} and replaces it with at least two opportunities per year {assumed to be regardless of how long student takes to matriculate up to “aging out” at 21}. Also referenced in Section 2(7)(a) and 2(7)(b).

Section 2(4) – changes graduation requirements for Class of 2017 to the new consortium English language arts (ELA) and mathematics assessment (plus the retention of science).

Section 2(10)(b)(i) – charges SBE to set new {comparable} scores on SAT/ACT by 2014-2015 school year to act in place of the new statewide assessments for meeting standard per RCW 28A.655.071.

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 2013-2014 school year.

Section 3(3)(a) – for the Class of 2015, the mathematics graduation requirement is the same – both Year 1 and Year 2 EOCs or the equivalent retest format – no reference made about CAA options; language on the other graduation requirements not present {assume still required for reading, writing and science}.

Section 3(3)(b) new – for the Class of 2016, the mathematics graduation requirements are both Year 1 and Year 2 EOCs, or the comprehensive Math assessment provided by the consortium, or CAA options; language on the other graduation requirements not present {assume still required for reading, writing and science}.

Section 3(4) – drops phrase ‘sequence of’.

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(1) {partial} and {old} Sections 5(2) & 5(3) – eliminates all language referencing the Superintendent’s provisional adoption of the Common Core State Standards for WA and associated actions required for the formal adoption.

Section 5(2) {new} – directs Superintendent to work with SBE to establish new assessments from the consortium by 2014-2015 school year {assume that applies to the setting of new cut-scores} and establishes the Class of 2017 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. Language in the section is silent on

science, but referenced earlier in section 2(4).

## **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.*

Four major fiscal impacts:

- 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 2013-14 school year (impact specific to Year 2 EOC, as Year 1 impact included in transition to consortium program). The resulting impact is a cost reduction as shown on Line 9 of the attached spreadsheet.
- 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 impact is on Line 10 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.

### 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		(26,060,504)	(26,060,504)	(53,688,336)	(54,219,828)
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-					
<b>Total:</b>	\$0	\$(26,060,504)	\$(26,060,504)	\$(53,688,336)	\$(54,219,828)

### 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.*

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Fiscal Projections - PSSB 5587 - Possible Assessment Modifications					2/12/2013
		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		\$0	\$0	\$569,445	\$578,874
Eliminate Math EOC		N/A	(\$1,051,950)	(\$1,083,509)	(\$1,116,014)
Total		\$0	(\$26,606,504)	(\$26,578,422)	(\$27,109,914)

NOTES:

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- 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

Notes

Projected SBAC costs (\$20 for both ELA & Math across 7 grades) minus current testing estimates (\$30 per test for 7 grades of R & 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

Fiscal impact realized from Year 2 as Year 1 impact assumed in CCSS transition; estimate from DRC quote on Year 2 Math (October 2011); Note 2 - FY16