

LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 522** HLS 22RS 924
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: April 11, 2022	8:28 AM	Author: JEFFERSON
Dept./Agy.: Education		
Subject: Assessments		Analyst: Tim Mathis

STUDENTS OR +\$784,381 GF EX See Note Page 1 of 1
Requires that an opportunity to take certain assessments be given to certain public school students

Proposed law requires the Career and Readiness Commission to make recommendations with respect to strategies to provide high school students with the opportunity to earn an ACT National Career Readiness Certificate and adds reporting requirements for the commission. Requires the Department of Education (LDE) to allocate funding to provide an opportunity for every high school student in grades 11 or 12 to take the assessments that lead to an ACT National Career Readiness Certificate. Such assessments shall include certain criteria.

Effective upon governor's signature.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$784,381	\$818,484	\$852,588	\$886,691	\$920,795	\$4,262,939
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	(\$784,381)	(\$818,484)	(\$852,588)	(\$886,691)	(\$920,795)	(\$4,262,939)
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	(\$784,381)	(\$818,484)	(\$852,588)	(\$886,691)	(\$920,795)	(\$4,262,939)
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	(\$784,381)	(\$818,484)	(\$852,588)	(\$886,691)	(\$920,795)	(\$4,262,939)

EXPENDITURE EXPLANATION

The proposed bill will result in an estimated \$784,381 SGF expenditures for the Department of Education (LDE) to provide an opportunity for every high school student in grades 11 or 12 to take the ACT WorkKeys assessment series that leads to an ACT National Career Readiness Certificate. Local costs will decrease by an equivalent amount as the state assumes the responsibility for the cost of all initial assessments.


Currently, the LDE only pays for the initial ACT WorkKeys assessments for 11th grade students enrolled on the career diploma pathway. Local school districts pay for all initial testers that are not on a career diploma pathway (in either 11th or 12 grades), and for students taking repeat tests. For illustrative purposes, in FY 19 the LDE paid for 18,990 assessments at a cost of \$180,405; local school districts paid for 110,736 assessments at a cost of \$1,051,992. Of those tests paid for by local districts, 68,207 were for initial tests and the remaining were for repeat tests.

To the extent the legislation requires the LDE to purchase assessments for *all* initial testers, regardless of a student’s graduation pathway, state costs will increase by an estimated \$784,381 in FY 23 (\$11/test x 68,207 tests previously paid for by local school districts). Local costs will decrease by an equal amount; however, districts are expected to continue to provide opportunities for students to retake the test. State costs will continue to grow in future years as the LDE contract provides for a \$0.50/test increase annually, potentially resulting in \$920,795 by FY 27.

Note: Cost projections are based on FY 19 tests; actual state costs are indeterminable and will depend on the number of students that choose to take the ACT WorkKeys assessment series.

REVENUE EXPLANATION

Currently, the LDE and local school districts have a memorandum of understanding in which districts pay the LDE for a portion of the ACT WorkKeys assessments. To the extent the legislation makes the provision of these assessments a responsibility of the LDE, the agency will experience a reduction in self-generated revenues received from districts.

Senate	Dual Referral Rules	House	
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	Evan Brasseaux Interim Deputy Fiscal Officer