

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 381** HLS 14RS 1141
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.: **w/ PROP HSE COMM AMD**
 Sub. Bill For.:

Date: April 2, 2014	8:04 AM	Author: GEYMANN
Dept./Agy.: Education		Analyst: Jodi Mauroner
Subject: Standards and assessments review		

STUDENT/STANDARDS OR INCREASE GF EX See Note Page 1 of 2
 Creates the Student Standards Commission to develop state standards for required subjects for public school students

This proposed legislation repeals the implementation of the national standards and assessments which was to be implemented in the 2014-2015 school year and creates the Students Standards Commission for the purpose of developing and adopting state standards for students in public elementary and secondary schools. The commission shall be composed of 30 members who shall serve without compensation, however legislative members may receive per diem or reimbursement for travel and expenses. The president of the State Board of Elementary and Secondary Education (BESE) shall convene the first meeting of the task force no later than August 30, 2014, and BESE shall provide administrative and support staff to the commission. The standards adopted by the commission shall be implemented by BESE through rules promulgated in accordance with the Administrative Procedures Act after they have been approved by the legislature. Standards shall be submitted to the legislature by March 1 of any given year. The bill provides for the continued use of the 2013-2014 assessment until approval and implementation of any new standards.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						
REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There may be a state general fund cost as low as \$3M in FY 14-15 to continue using the 2013-2014 assessment, and as high as \$7.5M annually for FY 15-16 through FY 18-19 to develop alternative assessments and for a new contract to administer the assessment program. However, it may not represent an increase in the budget to the extent those funds are already available in the budget. The Legislative Fiscal Office has been unable to determine whether the projected costs represent an actual increase or whether some level of funding is already included in the operating budget. The department has been engaged in LEAP testing since the Spring of 1999 and the Executive Budget does not reflect a reduction in operating expenses related to the transition to the PARCC contract.

For FY 14-15 through FY 18-19 there will be an indeterminable increase in state general fund expenditures for costs associated with the development of new standards and new assessments aligned with those standards. The actual increase in cost will ultimately be determined by the extent to which the standards and assessments are changed, the impact to local school boards and higher education, and the actual implementation date.

In 2010, the Board of Elementary and Secondary Education adopted the Common Core State Standards (CCSS) which establish a single set of student standards in English and math for states that choose to participate. PARCC and SBAC assessments are computer based assessments fully aligned to the CCSS. Beginning with the 2014-2015 school year the Department of Education (DOE) will utilize PARCC assessments in lieu of the iLEAP tests for English language arts (ELA) and math. DOE will continue to use iLEAP and LEAP assessments for science and social studies. In anticipation of fully implementing the PARCC assessment, the DOE has been scaling back on normal ELA/math item development activities. This includes a transition in contract services from the current service based contract to a fixed cost contract with PARCC. The service based contract provides for a portion of some services (i.e. scoring) and shared services with the DOE for others (i.e. item development and forms construction). The PARCC contract will be all inclusive for grade 3-8 assessments.

An explanation of the components of the overall cost projection are detailed on Page 2.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate	<u>Dual Referral Rules</u>	House
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}	<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	<input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {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
Evan Brasseaux
Staff Director

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CONTINUED EXPLANATION from page one:

Continuing the 13-14 Assessment

(FY 14-15 \$3.0 M, FY 15-16 and thereafter \$4.4 M annually)

The ELA/math assessments currently being utilized for the 2013-2014 school year are not fully aligned with CCSS and were intended to be used for one year only. Full alignment of the assessment with the new standards will require additional item development and test forms. Based on historical expenditures, a total of \$3 M is projected including the development of new items (\$1.3M), printing and shipping field test materials (\$365K), scoring and validating responses (\$533K), review and modifications (\$288K), and additional forms (\$500k). An additional \$1.4 M item development cost for the high school End of Course (EOC) assessments is projected for FY 15-16 and thereafter. The EOC are still in the normal item development cycle and the tests are substantially aligned with CCSS. These costs will be incurred until new standards and aligned assessments are adopted. It is not clear whether these costs represent actual increased costs for the DOE as the department is already engaged in these activities.

Contract Costs

(FY 15-16 and thereafter \$3.1M annually)

The DOE projects a \$3.1M increase for a new contract to administer ELA/math for FY 15-16 through FY 18-19. For FY 14-15 the ELA/math assessment can be administered along with science and social studies under the existing contract. However, that contract expires at the end of FY 15. There are two contracts for FY 15-16 and thereafter. PARCC will provide the English/math assessment. Pacific Metrics will provide the science/social studies and high school end of course testing. The Pacific Metrics contract cannot be amended to administer ELA/math assessment as those activities are outside the scope of the original RFP. The projected increase is based on current LEAP, iLEAP and EOC contracts, however contract amounts will depend upon the scope of work and the proposals received. The actual amount of the increase is indeterminable at this time.

Local school districts could benefit if online assessments are not required for the 2014-2015 school year and thereafter. The school districts' 2014 Technology Footprint Snapshot indicate that only about 53% school districts are identified as meeting the device standard established by the DOE (7:1); and 36% report an insufficient number of devices. Approximately 8%-11% report insufficient bandwidth and/or network capacity. Furthermore, PARCC's suggested device standards are 2:1 for the largest tested grade (up to three tested grades) and 1:1 in the largest tested grade for schools that have six tested grades. The DOE did not provide an explanation on why the standards differ. However, the department has anticipated some students will be required to take a paper and pencil tests and included those costs in the projected FY 14-15 budget, but assumes all assessments will be online for FY 15-16 and thereafter.

Student Standards Commission

(FY 14-15 and thereafter, potentially \$75,000 or more)

There will be an indeterminable increase in DOE expenditures associated with the Commission to develop, and adopt state standards and assessments to measure student achievement. While the DOE would utilize existing staff, expenditures could increase for costs related to meeting space, materials, and incidentals. Additionally, some participants are eligible for per diem and travel reimbursements. Based on costs associated with similar commissions, expenditures could increase by \$75,000. Furthermore, the commission may choose to engage state and national consultants and/or content experts to participate in the development of new content standards and assessments. In the past, similar consulting services have been provided for as little as a \$1,000 fee (plus travel reimbursements) to as much as \$30,000 or more. Previous commissions have also engaged faculty and staff of state universities to provide expert advice and research. Use of multiple consultants could result in significantly higher commission costs. Additionally, since the bill does not provide a date specific for when the commission must report it's findings, the work could take place over multiple fiscal years, although it is likely to be completed in FY 14-15. However, the bill requires that the standards adopted by the commission be approved by the Legislature which may return the standards with recommendations which could also extend the commission's activities into the next fiscal year.

New Standards and Assessments

(FY 16-17 or thereafter \$5.7M annually)

There will be an increase in expenditures to develop and implement assessments aligned with the new standards recommended by the commission and approved by the legislature. If the new standards differ substantially from existing standards new assessments would have to be developed. DOE estimates those costs to be as much as \$5.7M annually. The LFO is uncertain as to which fiscal year(s) will be impacted by this cost. It is possible that the commission would not present their recommendations to the legislature before March 2016 for implementation in the 2016-2017 school year or later.

There will be an indeterminable increase in expenditures for local school boards once new standards have been adopted. Local school systems will be required to align instructional materials and curricula to the standards, as well as provide teacher training and professional development. As a general rule, school systems already follow a replacement schedule for textbooks and other instructional materials. Furthermore, districts have been engaged in training for alignment with the Common Core State Standards. As such, the extent of the increase will depend upon how closely the new standards align with existing standards and the extent to which the local school boards are able to utilize existing instructional materials rather than replace all textbooks and related materials with those aligned to the new standards.

There will be an indeterminable increase in expenditures for institutions of higher education to realign their teacher preparation programs if new standards differ significantly from existing standards. Institutions have spent the past four years aligning teacher preparation curricula to the Common Core standards so that new teachers would be prepared to teach students to the new standards. Administrators and faculty have engaged in training, faculty have revised syllabi to reflect the integration of Common Core standards and some campuses have even upgraded data systems to facilitate the changes. Significant changes may require further revisions to align these programs with new standards.

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