

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **HB 542** HLS 15RS 387
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 24, 2015	6:25 AM	Author: SCHRODER
Dept./Agy.: Education		Analyst: Jodi Mauroner
Subject: Student Assessments		

STUDENT/ASSESSMENT EG SEE FISC NOTE GF EX Page 1 of 1

Provides relative to required state assessments including prohibiting implementation of Partnership for Assessment of Readiness for College and Careers (PARCC) and similar assessments

Proposed legislation prohibits the Dept. of Education (DOE) from contracting with the Partnership for Assessment of Readiness for College and Careers (PARCC) for assessments administered during the 2015-2016 school year. Requires the DOE to contract with another vendor in accordance with the Louisiana procurement Code for assessments to be used in grades three through ten in English language arts and math for the 2015-2016 school year. Not more than forty-nine and nine-tenths percent of the questions shall be based on the PARCC process or processes conducted by a federally funded consortium of states. Effective if and when the Acts originating as House Bill 373 and Senate Bill 43 of 2015 are enacted into law. **Note:** HB 373 provides for a review process for the state content standards for English language art and math and further provides for BESE to promulgate the recommended standards in accordance with the Administrative Procedures Act (APA) prior to implementation in 2016. SB 43 requires BESE to promulgate rules for guidelines, requirements, and action prescribed by the board in accordance with the APA and further precludes the use of severability by a legislative committee or governor for state content standards which must be approved or rejected in globo.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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>	<u>\$0</u>
Annual Total						

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	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>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is an indeterminable impact to state general fund expenditures of the DOE due to the contracting restrictions in the proposed legislation. The current testing contracts total \$22M (\$11.4M SGF) and will expire June 30, 2015. The DOE is in the process of issuing an RFP for the purpose of awarding new testing contracts. However, since PARCC is not a vendor and does not administer assessments this restriction will have no impact on the RFP process. Furthermore, assessment items developed by a contractor are crafted to be aligned with the state's content standards, (i.e. Common Core State Standards in English language arts and math), which are not impacted by this legislation.

To the extent a vendor offering a PARCC based assessment submits a lower cost bid, the DOE could potentially be required to award the contract to a vendor submitting a higher cost bid due to the restrictions. This would also be true if the structure of the RFP assumes a majority of the items will be acquired (from a third party source) rather than developed by the contractor and such acquisition of PARCC items were limited to 49.9%. However, if the RFP contemplates that a majority of the items would be developed by the contractor and subsidized with items acquired from a third party source, then the 49.9% restriction would not likely have a significant impact on the 2015-2016 assessments.

While it provides parameters for the assessment to be used in the 2015-2016 school year, the proposed legislation does not restrict the contract period to one year. As such it is possible for the DOE to award a contract for a period up to 12 years, as allowed by law. Under that contract, future assessment questions will continue to be developed and/or acquired to align with state content standards that are approved and adopted by BESE. In any event, it is not possible to project whether future contract costs would be more or less than current expenditures.

REVENUE EXPLANATION

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

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

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