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FISCAL IMPACT REPORT

ORIGINAL DATE 02/26/13
LAST UPDATED 03/05/13 **HB** 513/HECS

SPONSOR HEC

SHORT TITLE Certain School Tests as School Competence **SB** _____

ANALYST Gudgel/Roberts

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Minimal				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 513 amends Section 22-13-1.1NMSA 1978 (Graduation Requirements) of the Public School Code to allow a student to demonstrate competence in math, reading and language arts, writing, science, and social studies, including a section on the U.S. and N.M. Constitutions, based on end of course (EOC) exams in those subjects or on ACT or SAT scores for the purpose of receiving a New Mexico diploma of excellence beginning with the current school year (2012-2013) and extended through school year 2013-2014.

Beginning in the 2014-2015 school year, a student will not receive a New Mexico diploma of excellence if the student has not passed an assessment, based on district-developed, department-approved end of course examination. The PED will provide specific minimum scoring requirements for the ACT and SAT no less than a year before requirements take effect and the department will also develop alternative methods for special education students to demonstrate competence.

The next generation assessment that is currently being developed by the Partnership for Assessment of Readiness for College and Careers (PARCC) would be added to the options for demonstrating competence to receive a diploma of excellence if the Legislature adopts the common core state standards (CCSS) and the PARCC assessment.

FISCAL IMPLICATIONS

The PED analysis indicates the department will need to develop alternative forms of existing end of course examinations. Costs associated with the development and review of new items, translation of new items and test forms into Spanish, item field testing, pass score setting, and studies to validate alignment with state and national content standards and accuracy of translations are estimated to be approximately \$375 thousand annually. The department indicates an appropriation is needed to cover these costs. However, it is not clear that the changes to this bill actually change the department's responsibility to develop end of course examinations. By rule, students are already able to use end of course examinations to show competence through portfolio alternate demonstration of competency.

Additionally, as part of the department's initiative to evaluate all teachers and school leaders for effectiveness, the department's rule allows for the use of state-developed end of course examinations for classroom teachers and courses that do not have appropriated standards based assessments (non-tested grades and subjects). *See* 6.69.8.9 NMAC. The department has not indicated exorbitant costs of developing these end of course examinations, that should be developed to meet stringent requirements for technical quality that ensure measurement validity and reliability and support accessibility and fairness that are necessary for making accurate decisions about student performance. Therefore, it is likely that this bill will have minimal additional fiscal impact on the department.

SIGNIFICANT ISSUES

Current law required high school students to demonstrate competence based on a standard-based assessment or a portfolio of standards-based indicators established by PED rule. The PED requires a student to meet the cut score for high school graduation assessment on the 11th grade standards-based assessment (SBA) or use a portfolio alternate demonstration of competency.

Section 6.19.7 NMAC establishes rules for meeting these requirements, including requirements for a portfolio. Pursuant to Section 6.19.7.10, if a student is unable to demonstrate competency on the 11th grade SBA, a student can demonstrate competency on any of the following:

- Results from post-secondary nationally-normed assessments;
- Results from workforce readiness assessments;
- Results from end-of-course examinations;
- School-based projects such as extended papers, themes, theses, or research projects;
- Performances or works of art that can be recorded in an electronic format; and
- Community-based projects such as internships, service learning, pre-apprenticeship, or after-school job performance.

Current department rule defines "end of course examination" as an exam administered to assess student content knowledge upon completion of a course. Section 6.19.7.7 NMAC.

House Bill 513 eliminates use of the 11th grade SBA, the New Mexico Alternate Performance Assessment (NMAPA), and alternative demonstration of competency portfolio as graduation requirements. The bill instead requires student to demonstrate competence on (school district-developed and department approved) end of course exams or with STA or ACT scores. Additionally, if the Legislature adopts the PARCC assessment and the common core content

standards, students will also be able to demonstrate competency on the PARCC assessment when implemented.

The PED reports the first wave of end of course exams consist of seven new assessments that are part of the state assessment program.

The PED analysis indicates the bill eliminates numerous options for students to show competence in the five required subject areas. Regulations currently allow students to use proficient scores on the SBA, the High School Graduation Assessment (SBA), NMAPA, Advanced Placement (AP) exams, SAT, PSAT, ACT, PLAN, COMPASS, Accuplacer, SAT Subject Tests, and end of course examinations to demonstrate competency in all five subjects. Removal of the SBA results in the loss of a valid and reliable assessment. The department's analysis indicates that this assessment is already paid for through federal funds; however, the state supplements federal dollars with general fund revenue through the state equalization guarantee distribution made to school districts and charter schools. Students will still be required to take the SBA in 11th grade for accountability requirements; therefore detailed diagnostic information will still be available.

The PED indicates the lack of availability of end of course examinations for a wide range of courses is a significant issue that must also be considered. Presently, the PED offers six (6) end of course examinations in the subjects of algebra II, biology, chemistry, integrated math III, English III, and U.S. history. End of course examinations are also currently intended as primary demonstrations of competency in social studies and writing and as alternative demonstrations of competency (ADCs) in mathematics, writing, and science. Each end of course examination may be taken twice as an ADC. Because of this limit on retakes, additional end of course examinations may need to be produced to allow students sufficient opportunities to demonstrate competency in each of the five required subjects. The department indicates end of course examinations should be developed to meet stringent requirements for technical quality that ensure measurement validity and reliability and support accessibility and fairness that are necessary for making accurate decisions about high school graduation. Currently, districts are responsible for production of new exams, and as of mid-February 2013, no districts have submitted end of course examinations for PED approval.

ADMINISTRATIVE IMPLICATIONS

PED indicates the bill will not increase their administrative burden.

ALTERNATIVES

The Legislature may want to consider including AP exams, PSAT, PLAN, COMPASS, and Accuplacer to address concerns of the PED and allow more opportunities to demonstrate competency.

RSG:MIR/blm