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## FISCAL IMPACT REPORT

ORIGINAL DATE 03/03/13

SPONSOR Lopez/Miera LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Study Standardized Test Costs & Effectiveness SB 580

ANALYST Gudgel

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$200.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$200.0			Recurring	UNM Operating Budget

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Education Department (PED)  
Higher Education Department (HED)  
University of New Mexico (UNM)

### SUMMARY

#### Synopsis of Bill

Senate Bill 580 appropriates \$200 thousand to the University of New Mexico Board of Regents for expenditure in FY14 to study the number and kinds of assessments currently required or proposed by school districts, charter schools, the Public Education Department (PED), the federal government or any other entity. The study is to include the per-student cost of assessments, the amount and percentage of instructional time dedicated to preparing students to take assessments and the amount and percentage of time spend by students taking assessments,

and the ways that assessment data are used to improve instruction and reduce the achievement gap that exists among students.

### **FISCAL IMPLICATIONS**

The appropriation of \$200 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY14 shall revert to the general fund.

### **SIGNIFICANT ISSUES**

Concerns persist that current assessments are costly, consume too much instructional time, and are not effectively meeting the needs of accountability or instruction. Required assessments cost the state approximately \$10.9 million annually. The UNM's analysis notes estimated assessment activities across the U.S. costs in excess of \$800 million annually and that states' portion of the costs of testing has risen dramatically despite some support from federal funds. See the Stanford Center for Opportunity Policy in Education report entitled, *The Costs of New Higher Quality Assessments: A Comprehensive Analysis of the Potential Costs For Future State Assessments*. The authors of this report argue while many states spend significant amounts of money on their assessments systems; too few have accurate methods to objectively estimate the appropriate costs of their assessment systems. Additionally, concerns about the amount of instructional time used for testing and the time needed for professional development and other activities that teachers and principal use for interpreting test results and planning for instruction persist.

A study of this nature could provide valuable feedback to state policymakers and state educators and recommendations for consideration by congress as reauthorization of the federal Elementary and Secondary Education Act is contemplated.

### **PERFORMANCE IMPLICATIONS**

A study aimed at helping New Mexico ensure that its assessment systems are as effective and efficient as possible can help the state save money, teachers and students save time, and increase the chances for improving student success and closing the achievement gap.

### **ADMINISTRATIVE IMPLICATIONS**

The University of New Mexico's analysis notes the UNM is prepared to coordinate the study and work with participating stage agencies including the LESC, LFC, PED, HED, school districts, professional associations, and national organizations including the National Governor's Association and the National Conference of State Legislatures.

### **OTHER SUBSTANTIVE ISSUES**

The PED analysis notes removal of any assessments required by the federal Elementary and Secondary Education Act will risk withholding of more than one hundred million dollars in annual Title I funding to New Mexico school districts. The Department notes assessments mandated by federal law must meet rigorous requirements for validity, reliability, and accessibility and fairness that significantly increase costs. The Department has implemented numerous cost-saving measures that do not compromise the technical quality of assessments.

National experts have analyzed the SBA and reported that little more can be redesigned to further reduce costs. Item sharing agreements with other states have substantially reduced NMAPA development costs. New Mexico's four-year membership in the WIDA Consortium is cost efficient through sharing development costs among 26 states. The PED also notes the Department is negotiating new contracts for numerous assessments over the next few years that might affect the conclusions and recommendations from a study of 2014 assessment costs.

RSG/svb:blm