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FISCAL IMPACT REPORT

SPONSOR Garratt/Pope/Herrera **ORIGINAL DATE** 02/16/21
LAST UPDATED 03/02/21 **HB** 221/aHSEIC
SHORT TITLE K-2nd Grade Assessment Changes **SB** _____
ANALYST Liu

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$0.0 - \$556.6	\$0.0 - \$1,113.2	\$0.0 - \$3,339.7	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB353

SOURCES OF INFORMATION

LFC Files

Legislative Education Study Committee (LESC) Files

Responses Received From

Early Childhood Education and Care Department (ECECD)

Public Education Department (PED)

SUMMARY

Synopsis of HSEIC Amendment

The House State Government, Elections and Indian Affairs Committee amendment to House Bill 221 removes the effective date of the bill and phases in the development and use of the K-2 observational assessment between FY22 and FY25.

Synopsis of Original Bill

House Bill 221 amends the Public School Code, adding daily instruction in vocabulary, fluency, and writing to all kindergarten through third grade classes. Additionally, the bill expands screening and monitoring for progress in reading and language arts skills to second grade using an observational assessment developed or purchased by PED that includes developmental milestones, essential skills, social-emotional skills, and academic standards. Provisions of this bill would apply to FY22 and subsequent years.

FISCAL IMPLICATIONS

The bill does not make an appropriation. However, changes to K-2 assessments will create new costs for development, data system operation, and training for personnel. PED currently spends \$1 million annually on the current K-2 assessment, Istation, which assesses students in kindergarten through second grade in reading and mathematics. Costs to support PED's previous teacher evaluation system, NMTech, averaged about \$2 million each year – which included trainings to calibrate all educator observations to a standard rubric.

For FY21, PED's budget includes \$7.2 million for third through 12th grade standards-based assessments. Assuming each grade level assessment costs an average of \$556.6 thousand, the potential costs for a new K-2 assessment could be up to \$1.7 million. Given the statewide familiarity, longitudinal data collection, and academic measurement functionality of the Istation test, PED would likely develop or purchase a new observational tool to supplement, rather than replace, the current assessment. If so, the state would not generate any savings from replacing Istation and would incur additional recurring costs from a new observation tool.

SIGNIFICANT ISSUES

According to PED, the bill seeks to add vocabulary, fluency, and writing to those requirements. Doing so aligns with the department's statewide literacy framework and its recommendations for literacy instruction. The changes are also aligned with the department's structured literacy initiative, which includes professional development for teachers in the science of reading and the implementation of dyslexia screening for all first grade students.

ECECD notes research and best practice in early childhood education emphasizes the importance of carefully observing and assessing children within the context of their daily activities and using those observations for curriculum planning and the ongoing monitoring of each child's growth, development, and learning. These criteria-based observations are the best way to plan developmentally appropriate curriculum that acknowledges each child's culture, language, and ability.

In New Mexico prekindergarten, teachers gather information through the observation and authentic assessment of children based on these essential outcomes and indicators for growth and learning. The following are categories of the assessment:

- Listening, language, reading, and writing;
- Science;
- Counting, shapes, sorting, and measuring;
- Coordination, hygiene, health, and well-being;
- Art, music, and movement;
- Independence, problem-solving, thinking, and perseverance; and
- Appropriate behavior, social skills, and being a part of a group.

Observation-based tools and approaches provide the opportunity to assess children in settings that are familiar and non-threatening and allow children of different abilities, languages and backgrounds to explore their environment and demonstrate their skills. This will allow the teacher to support the child's learning, identify any developmental concerns early, and participate in program evaluation and accountability measurements.

However, educators and researchers must receive extensive professional development and coaching to develop observation skills that mitigate observation and implicit biases. A reliability rater training protocol would need to be developed similar to the principal training for teacher evaluations to ensure consistency and reliability for teacher observation.

PERFORMANCE IMPLICATIONS

ECECD notes changing assessments can disrupt the continuity of data for children. Changing the system will mean a new benchmark and new historical data for current students. The agency notes the state should consider adding training on observing bilingual classrooms and using data to make decisions on appropriate interventions and identification for special education programming.

Standard observational assessments can help equalize opportunities for nonacademic interventions across the state and provide educators data for addressing student needs earlier. Early interventions can reduce the need for differentiated instruction or accommodations in later grade levels, which could improve working conditions and instructional capacity for all educators in the long term. Data on student outcomes can also help schools and the state prioritize and target resources to areas with the highest need.

ADMINISTRATIVE IMPLICATIONS

PED notes the observational assessment in the bill more closely resembles the early childhood observation tool currently used to assess the progress of students in prekindergarten. Implementing a similar assessment would require a substantial financial and human resource investment. While the framework for such an assessment exists, development of age and developmentally appropriate indicators and observational tools would require additional work. All kindergarten through second grade teachers would need professional development in order to implement the change, and the department would likely need to create new data gathering and storage tools to collect data from school districts and charter schools. Lastly, coordinating statewide implementation would require at least one additional PED staff member.

RELATIONSHIP

This bill relates to Senate Bill 353, which requires students to receive a comprehensive eye examination and vision screening prior to fourth grade.

OTHER SUBSTANTIVE ISSUES

Under the federal Every Student Succeeds Act (ESSA), states must continue annual statewide tests in reading/language arts and mathematics to all students in grades 3-8 and once in high school, as well as in science at least once in each of grades 3-5, 6-9, and 10-12 to continue receiving federal funds. State assessments must align with the full breadth and depth of state academic content standards and measure student achievement based on challenging college- and career-ready state academic achievement standards or based on alternate academic achievement standards. The law does not require states to provide assessments of students prior to third grade.

Provisions as outlined in Title I, parts A and B, of ESSA aim to clarify new flexibilities for states and districts to ensure that state assessments continue to be fair, relevant, and high-quality,

provide more useful and timely feedback to educators, parents, and students, and serve as models for adoption by other states. These new flexibilities offer states the option to use a variety of new assessment models, including performance tasks and simulations, competency-based assessments, computer-adaptive assessments, and multiple assessments (e.g., curriculum-embedded, interim, or through-course tests) administered throughout the year. ESSA encourages innovative approaches to assessment that reduce duplicative testing and ensure that assessment results provide transparent, consistent information about student achievement.

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