

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR HEC DATE TYPED 03/13/05 HB CS/136/aHEC/aSFL#1/aSFL#2

SHORT TITLE Placement Tests in Public Colleges SB _____

ANALYST Williams/Chabot

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	None		See text	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files
 Commission on Higher Education (CHE)
 Department of Finance and Administration (DFA)
 Public Education Department (PED)
 NM Association of Community Colleges (NMACC)

SUMMARY

Synopsis of Senate Floor Amendment #2

Senate Floor Amendment #2 requires a local school board to ensure each high school student is “reasonably informed” about the requirements for receiving a high school diploma. Further, the amendment requires school districts to use the eleventh grade standards-based academic performance test required by Section 22-2C-4 NMSA 1978 as the state graduation examination beginning in 2009-2010.

The language mirrors that of Senate Bill 647. In that analysis, students not passing the test shall receive a certificate indicating the credit earned and the grade completed. If the students passes the 11th grade test within five years of leaving school, the student may receive a high school diploma. Minor editing to align the statute with PED are also included.

DFA indicates “a growing number of states require students to pass exit examinations in order to receive high school diplomas. As of 2004, twenty states had mandatory exit exams in place with another five phasing in such exams by 2009.” In addition, in the next several years, the federal No Child Left Behind may require mandatory testing in 10th and 11th grades. However, exit exams can have negative impacts on student motivation and persistence if they fail possibly leading

to increase dropouts. Proponents show that exit exams aligned to curriculum and state standards with remedial assistance when needed can lead systematic improvement in student achievement.

The language may address PED's concern that courts generally have held that three to five years' notice is required to meet due process requirements for changing graduation requirements by implementing the change in 2009-2010.

PED has expressed concerns the bill could have an adverse impact of high school graduation rates as happened when the passing score for the High School Competency Examination was raised by 25 points in 2000-2001.

Synopsis of Senate Floor Amendment #1

The amendment changes the designation of "development coursework" to "college preparatory coursework". All statutory language relating to "English" is changed to "language arts".

The amendment further changes the conditions for taking standardized post-secondary placement tests during grade eleven. The proposal for a high school student intending to pursue post-secondary education or training as reflected in the student's next-step plan to take a commission on higher education-adopted standardized post-secondary placement test during the eleventh grade administered by a two-year or four-year educational institution. As well, the authorization for two- and four-year public, post-secondary institutions to provide test results to a student's school is removed. Instead, new language authorizes the results of the eleventh grade statewide standards-based academic performance test in language arts and mathematics to be used as indicators and the results to be utilized to prepare an individual program of student for the twelfth grade consistent with Section 22-13-1.1 NMSA 1978. Further, language authorizing student to take or retake tests to determine course placement is removed.

The eleventh grade statewide standards-based test is to be developed by the public education department with input and assistance from two-year and four-year educational institutions. The amendment directs the test to be aligned with the statewide standards-based academic performance tests administered according to the statewide assessment and accountability system and with the entrance examinations of the state's two- and four-year educational institutions.

Further, the prerequisite for additional coursework to be taken prior to entry into freshman-level post-secondary English or mathematics courses is removed from the bill.

Synopsis of House Education Committee Amendment

The amendment changes the focus from "developmental" to "additional" coursework, when additional practice is needed in English or mathematics based on the test score. Further, only additional coursework is authorized to address the student need.

Synopsis of HEC Substitute

The bill would require the development or adoption of standardized placement tests for English and mathematics by the CHE for all public post-secondary educational institutions for course placement for entering freshmen. The tests are to be developed or adopted in consultation with academic officers at these institutions. The tests are voluntary in that the testing requirement can

be waived by direction of the parent. These placement tests are to be included in the standardized tests representing the alignment of high school curricula and post-secondary tests.

When a student indicates the intention to seek post-secondary studies in the next-step plan, then the student must take the standardized placement tests in the eleventh grade. Tests may be re-taken by students. The test will be administered by the post-secondary institution. Results will be sent to the student's school before the end of eleventh grade.

If testing indicates the need for development coursework, the high school is directed to provide additional coursework or its equivalent. Further, the high school must provide a written notice to the student and his/her parent which explains the necessity of the coursework.

Significant Issues

NMACC notes there is an effort currently underway to align entry-level college course requirements for English and math with exit course requirements from high school.

NMACC notes "assessing college and work readiness... (before and in high school) is an important objective for New Mexico as too many graduating students need remediation in college."

PERFORMANCE IMPLICATIONS

The testing requirement may lead to better performance in student proficiency on criterion-reference tests.

PED has a plan for the 11th grade assessment to replace the High School Competency Exam as the state's exit exam in Spring 2008.

FISCAL IMPLICATIONS

The bill does not contain an appropriation, but agencies have noted potential for significant administrative costs for implementation.

PED notes it does not currently have any state-mandated end-of-course tests.

ADMINISTRATIVE IMPLICATIONS

In the analysis for Senate Bill 647, it was noted some administrative expenses may result from the testing requirement. PED assesses these costs will be substantial particularly if students are allowed multiple retests until they pass. Costs are estimated at \$60-80 per student and 55 percent of students statistically will score below proficiency in at least one area and will need to retest. The department estimated 18,000 extra tests may be required at an additional cost of \$1.3 million plus additional costs for test administration. PED estimated its costs for contract administration at \$70 thousand. Without funding for this new requirement, districts will have to shift funding from other educational priorities.

CHE notes significant time and financial resources required to develop the tests in collaboration with PED, school districts and organizations experienced with standardized tests and statistical requirements.

PED estimates the need for three curriculum specialists and one assessment specialist (all Educational Administration positions funded at \$25.06 per hour plus benefits) to spend approximately 40 hours each participating in the process of developing a request for proposals and reviewing bids. Total cost for PED administration under this scenario would be \$5.2 thousand.

Further, PED notes the typical process for establishing the alignment of a test to state standards or to another test is to commission an independent study, typically at a cost of \$50 thousand. Full implementation of state-mandated end-of-course tests would eventually involve at least 10 tests (four or five in mathematics, one in English, one in writing and at least three in science). The estimated non-recurring cost under this scenario would be \$500 thousand in FY07.

OTHER SUBSTANTIVE ISSUES

PED indicates commercially available, pre-existing placement tests have not been well received in independent studies of alignment to content standards. To comply with the federal requirements of the No Child Left Behind Act of 2001, virtually all states have contracted with testing companies to develop customized, standards-based achievement tests; development of these tests typically requires two years.

NMACC notes all New Mexico public, post-secondary educational institutions currently use standardized placement tests for determining course placement in college-level English and math. These tests are generally the ACT and SAT at research universities and some regional universities, and COMPASS and ACCUPLACER at some regional universities and community colleges. Some institutions supplement and validate placement results from their main placement instruments with some of these exams, TABE and some custom products.

NMACC notes the availability of a commercial product, the EPAS program... Explore at the 8th grade, PLAN at the 10th grade, ACT at the 11th/12th grade. As such, college placement instruments would only be needed primarily to access course placement for adults entering college.

NMACC indicates it is not clear if one placement instrument would be required under the bill. If more than one, then alignment to concordance tables to relate scores would be required. According to NMACC, "whether this legislation is adopted or not, such a process for the placement tests being used is recommended."

POSSIBLE QUESTIONS

1. If only the 11th grade test is used to determine graduation, will it be a disincentive to 12th grade students?

AW/yr:lg