

**LEGISLATIVE EDUCATION STUDY COMMITTEE  
BILL ANALYSIS**

**Bill Number:** HB 111

**51st Legislature, 1st Session, 2013**

**Tracking Number:** .190927.2

**Short Title:** Education Dept. Pays for Standards Tests

**Sponsor(s):** Representatives Dennis J. Roch and Others

**Analyst:** Mark Murphy

**Date:** February 5, 2013

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**FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE**

**Bill Summary:**

HB 111 amends the *Assessment and Accountability Act* to provide that the costs of:

- developing, administering, scoring, and evaluating standards-based assessments; and
- reviewing, compiling, distributing, and publishing the results of these assessments be paid by the Public Education Department (PED).

Among its other provisions, the bill also defines “standards-based assessments” as any assessments administered to students as part of the:

- statewide assessment and accountability system;
- academic assessment program; or
- transition to and implementation of common core state standards, including any assessments used to measure students’ academic proficiency or to evaluate a school, school principal, head administrator, or teacher.

**Fiscal Impact:**

HB 111 does not contain an appropriation.

**Fiscal Issues:**

The PED bill analysis states that:

- the costs of manufacturing, distributing, and collecting standards-based assessments and reporting results as specified in HB 111 would be approximately \$10.8 million, including:
  - \$5.3 million for the Standards-Based Assessment (SBA) in grades 3 through 8;
  - \$2.3 million for the H2 SBA/High School Graduation Assessment;
  - \$1.5 million for the H3 SBA/High School Graduation Assessment;
  - \$643,272 for the H3 SBA/High School Graduation Assessment retest;
  - \$852,015 for the ACCESS for English Language Learners (ELLs) assessment;
  - \$145,800 for the New Mexico Alternate Performance Assessment (NMAPA); and

- \$58,184 for the New Mexico High School Competency Exam (NMHSCE) retest for students in pre-SBA/High School Graduation Assessment cohorts who exited from high school;
- districts currently cover the costs of printing, distributing, collecting, scoring end-of-course assessments, and reporting standards-based assessment results from revenue received through the State Equalization Guarantee (SEG);
- in order for PED to implement the provisions of this bill, these funds will need to be appropriated to PED to pay the costs of manufacturing, distributing, and collecting standards-based assessments and reporting standards-based assessment results;
- each year PED receives a \$4.5 million federal grant and \$250,000 in IDEA-B funds to pay all costs for developing standards-based assessments, providing professional development for administering the assessments and interpreting test scores to guide instruction and improvements in data analysis systems;
- US Department of Education guidance on State Assessment Grants prohibits spending on administration costs, including manufacture, distribution and collection of test materials, and scoring and reporting test results;
- IDEA-B funds pay for development and implementation costs for NMAPA;
- PED payment of all assessment costs will reduce the administrative burden on test vendors to separately invoice school districts, state-charter schools and state educational institutions for assessment administration costs, and it will reduce an administrative burden on school districts to manage assessment procurements; and
- PED should be able to implement the provisions of HB 111 within existing resources.

The Fiscal Impact Report (FIR) provided by the Legislative Finance Committee (LFC) states that:

- currently \$3.9 million is included in the SEG distribution to schools to cover the costs associated with required assessments; and
- districts currently cover the costs of printing, distributing, collecting, scoring end-of-year assessments, and reporting results from revenue received through the SEG.

### **Technical Issues:**

The PED analysis provides the following conflicting information:

- in order for PED to meet the provision of this bill, \$10,765.7 would need to be appropriated to PED to cover the costs of these assessments; and
- PED should be able to implement the provisions of HB 111 within existing resources.

### **Background:**

The costs associated with educational assessments are both recurring and nonrecurring. Recurring costs include school district administrative costs such as printing, distribution, scoring, and reporting. Nonrecurring costs, which PED generally pays, include initial test development and periodic updating of assessments.

- Recurring school district costs: Currently, the Legislature appropriates approximately \$5.4 million in recurring dollars to flow through the SEG distribution to provide for school district administrative costs. This current appropriation amount is the result of:

- \$8.9 million appropriated into the SEG base between 1999 and 2009; and
  - (\$3.5 million) reduced from the SEG base in order to suspend certain state-required assessments for one year in FY 12.
- Nonrecurring state costs: Since 1999, the Legislature has appropriated a total of approximately \$28.5 million to PED to develop assessments mandated by state statute and by the federal *No Child Left Behind Act*, including:
    - approximately \$24.2 million in nonrecurring funds through FY 10 to PED for test development;
    - \$1.8 million from the special appropriation for Governor’s educational reforms and initiatives to administer the 11<sup>th</sup> grade assessment to 10<sup>th</sup> graders in FY 12; and
    - \$2.5 million for statewide formative assessments for grades 4 to 10 in FY 13.

Currently, according to the PED website, New Mexico administers the following standards-based assessments:

- SBA in grades 3 through 8;
- H2 SBA/High School Graduation Assessment;
- H3 SBA/High School Graduation Assessment;
- ACCESS for ELLs assessment;
- NMAPA; and
- NMHSCE.

**Committee Referrals:**

HEC/HAFC

**Related Bills:**

HB 67 *Academic Content & Performance Standards*