

**LEGISLATIVE EDUCATION STUDY COMMITTEE  
BILL ANALYSIS**

**Bill Number:** HJM 3aa

**52nd Legislature, 1st Session, 2015**

**Tracking Number:** .198248.1

**Short Title:** Standardized Test Contract Fund Reports

**Sponsor(s):** Representative Bill McCamley

**Analyst:** Carlos Contreras

**Date:** March 19, 2015

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**AS AMENDED**

**The House Appropriations and Finance Committee amendments:**

- **strike the House Education Committee amendment; and**
- **insert after the word “materials” on page 2, line 23 the phrase “used to *assess* students statewide on the Common Core State Standards” (emphasis added), correcting an apparent error in the House Education Committee (HEC) amendment.**

**The HEC amendment adds language that the report to the Legislative Education Study Committee on funds spent and procurement process include standardized testing materials “used to access students statewide on the Common Core State Standards.”**

**Original Bill Summary:**

HJM 3 requests the Public Education Department (PED) to report to the Legislative Education Study Committee (LESC) on the funds spent on contracts for standardized tests by November 1, 2015, including documentation on the procurement process including the bidding process and the selection of vendors chosen.

**Fiscal Impact:**

HJM 3 does not contain an appropriation.

**Substantive Issues:**

Beginning in March 2015, the Partnership for Assessment of Readiness for College and Careers (PARCC) assessment will replace the standards-based assessment. Pearson, a private company that provides the necessary services and web-based technology to administer the PARCC assessment, is to bill PED directly for the statewide assessment costs related to PARCC.

An LESL staff analysis of appropriations to the State Equalization Guarantee (SEG) for school district and charter school assessments costs since FY 01 indicates \$7,030,200 remains in the funding formula base for these costs (see **Attachment**).

During the December 2014 interim meeting of the Legislative Education Study Committee (LESC), PED staff reported that the department's FY 16 Public School Support request included a \$6.0 million credit or transfer from the SEG to the PED operating budget to pay the statewide costs for the PARCC assessment. The CS/HB 2 & 4a, the *General Appropriation Act of 2015*, includes a \$6.0 million categorical appropriation for "standards-based assessments"; however, the appropriation bill also reflects a reduction of \$6.0 million from the SEG for PARCC school year 2015-2016 assessments, as well as an additional \$309,400 SEG reduction for college- and career-readiness, for a total SEG reduction of \$6,309,400. If the appropriation bill remains unchanged, a balance of \$720,800 remains in the SEG base for school district and charter school assessment costs, as follows:

$$\$7,030,200 \text{ minus } \$6,309,400 = \$720,800$$

It should be noted that school districts and charter schools will nonetheless remain responsible for administering contracts and payments for short-cycle and interim assessments (see "**Background**," below).

### **Background:**

According to a memorandum from PED dated August 18, 2014, and a PED staff report before the LESL during the December 2014 interim meeting, changes in assessment funding can be explained as follows:

- beginning in school year 2014-2015:
  - funds to pay for approved short-cycle assessments are to be allocated to school districts and charter schools through the SEG;
  - funds to pay for the PARCC assessment are to be credited from the SEG to PED's operating budget;
  - school districts and charter schools are to become responsible for establishing contracts with their chosen vendor and will pay for the tests they order; and
  - PED is to become responsible for the contract with the PARCC vendor as well as payments; and
- before school year 2014-2015:
  - school districts and charter schools were reimbursed for the costs of short-cycle assessments at a price specified by PED;
  - funds to pay for the standards-based assessment were distributed to the school districts and charter schools through the SEG; and
  - school districts and charter schools were the ones responsible for establishing contracts with standards-based assessment and short-cycle assessment vendors.

### **Committee Referrals:**

HEC/HAFC

### **Related Bills:**

\*SB 457 *Audit Resources for Student Assessments*  
SJM 9 *Standardized Test Contract Reporting* (Identical)

<b>Initiative</b>	<b>Legislature</b>	<b>Fiscal Year</b>	<b>Appropriation</b>	<b>Notes</b>	
Testing	2000	2001	\$1,000.0	<b>Funding formula:</b> grades 3, 5, 7, 9	
		2001	\$600.0	<b>Funding formula:</b> grades 1 & 2	
		2003	\$2,000.0	<b>Funding formula:</b> CRT Administration (in funding formula)	
		2004	\$1,800.0	<b>Funding formula:</b> CRT Administration (in funding formula)	
		2005	\$2,000.0	<b>Funding formula:</b> CRT Administration (in funding formula)	
		2008	\$464.8	<b>Funding Formula:</b> Assessment (school district costs for printing, scoring, and reporting)	
		2009	\$1,055.5	<b>Funding Formula:</b> Assessment & Test Development (School district costs)	
		2011	(\$3,463.5)	<b>Funding Formula:</b> Suspend Certain State-required assessments for 1 year (FY 12)	
		2013	\$309.4	<b>Funding Formula:</b> College and Career Readiness (AP, ACT, SAT, PSAT, Explore, Plan)	
		2014	\$1,000.0	<b>Funding Formula:</b> Statewide Formative Assessments (Short Cycle Grades 4-10)	
		2014	\$264.0	<b>Funding Formula:</b> H4 Science Retest - New Mexico Standards Based Assessment (NMSBA)	
			<b>Total</b>	<b>\$7,030.2</b>	recurring in SEG