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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/6/06

SPONSOR Nava LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Education Related Testing Service Contracts SB 110

ANALYST Aguilar

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	NONE		
	See Fiscal Implications		

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates House Bill 208

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Education Department (PED)

General Services Department (GSD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 110 adds to the Procurement Code authorization for professional services contracts to develop and implement standardized tests for students in kindergarten through 12<sup>th</sup> grade and for teacher tests required to obtain professional licensure to be for periods of up to 12 years.

### FISCAL IMPLICATIONS

Developing assessments is a costly process. The current test which assesses New Mexico public school students in grades 3-9 cost \$17,683,453.00 in Federal funding (contract period 2003-2007) as well as an additional \$2,587,430.00 out of the general fund (contract period 2002-2006). This cost is for development only, and does not include costs to school districts to administer the assessment. Reducing the number of times the Public Education Department is required to contract for new test development will significantly reduce assessment costs that the Public Education Department incurs over the next several years.

## **SIGNIFICANT ISSUES**

At present, contracts for Educational Assessment have to be renewed every four years in keeping with the Procurement Code. Generally, once a contract has been awarded, it takes a contractor a year to develop the assessment and another year to field-test the tool. This allows for only two years of data to be obtained by the contractor from that particular assessment tool. At this point, the contract would have to be bid again and the process starts over. This causes the assessment of student growth for the public education system very difficult as only two years of data are achieved from each contract. Also, comparing various assessments (done by different contractors) can be extremely problematic. No Child Left Behind requires that public schools ensure that all children are proficient in math and reading by the year 2014. Each time the Public Education Department institutes a new testing vehicle the baselines have to be reset. Essentially, this nullifies the previous assessment tool and the data acquired from it.

Teacher assessments, while not subject to the proficiency deadlines of No Child Left Behind, suffer the same consequences of comparability between tests developed by different (and often competing) vendors.

The department is currently in the second year of using SBA's and continuity of assessment is vital to providing year to year stability in assessment tools.

## **PERFORMANCE IMPLICATIONS**

SB-110 relates to the PED performance measure of percent of SBA's required by the *No Child Left Behind Act* and New Mexico state statute that are developed and ready for distribution to school districts.

PA/mt