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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/08/2007  
LAST UPDATED 3/13/2007 HB \_\_\_\_\_

SPONSOR Asbill

SHORT TITLE State Payment for Mandatory Assessments SB 501/aSEC/aHEC

ANALYST Aguilar

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		\$0.1			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to appropriations contained in the General Appropriations Act

#### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Education Department (PED)

Office of Educational Accountability (OEA)

#### SUMMARY

##### Synopsis of HEC Amendment

The House Education Committee amendment to Senate Bill 501 as amended makes technical changes to language referring to tests and assessments. The amendment also changes the grades to be assessed annually from grades three to nine to grades three to eight. This aligns the bill with state and No Child Left Behind Act assessment requirements.

The amendment adds language that prior to establishing a preliminary unit value the department shall determine the amount of money required to pay for the cost of district and school level academic assessments and transfer the amount to the department's operating budget.

The amendment contains a delayed repeal of July 1, 2010.

#### SIGNIFICANT ISSUES

Moving funds for paying the district and school level costs of testing to the department will reduce the unit value accordingly.

The SEG contains approximately \$7.4 million for assessment costs, while the 2006 cost of assessments was approximately \$6.6 million.

Synopsis of SEC Amendment

The Senate Education Committee Amendment to Senate Bill 502 removes students from the measure of adequately yearly progress and makes technical changes to language.

Synopsis of Original Bill

Senate Bill 501 provides that the department will pay the costs of required academic assessments, including development, administration and technical support.

**SIGNIFICANT ISSUES**

The federal No Child Left Behind (NCLB) Act measures adequate yearly progress for schools and school districts, not individual students. Striking the reference to “student” aligns the language in the bill with NCLB.

Technical changes to language updates and clarifies references to annual student assessments.

**TECHNICAL ISSUES**

Item 2 of the amendment refers to Page 2, lines 2 and 3, strikes and replaces language. To take the required action the reference should be to lines 1 and 2.

**FISCAL IMPLICATIONS**

From FY’00 through FY’07, the Legislature appropriated \$24.6 million for mandatory student assessment. Of that total, \$17.2 million was appropriated for nonrecurring test development costs, and \$7.4 million was appropriated for the recurring costs of test printing, shipping, scoring, and results reporting.

The state already pays for the cost of assessments as the distribution to schools through the funding formula contains \$7.4 million annually for these costs.

Both PED and OEA note the need for additional appropriations to cover the costs of the provisions contained in SB-501, however these costs could be covered by removing the \$7.4 million from the SEG distribution and including it in the PED base budget or creating a fund to draw from for these costs. It is important to note the amount necessary to pay for these costs may vary year-to-year as enrollment fluctuates or the cost of assessment instruments rises.

**SIGNIFICANT ISSUES**

PED notes that currently the costs of statewide student education assessments are shared by PED and the public school districts. This arrangement was implemented many years ago, placing responsibility on districts for ordering testing materials. Perhaps it was then believed that districts could more accurately estimate the number of test booklets needed than could PED. Though districts pay for testing materials, PED provides sufficient funding through the formula

to cover their costs.

PED pays the cost of ongoing test development. The 89 districts pay the costs of printing and shipping tests, scoring and printing reports on school and district results.

The cost-sharing arrangement has not resulted in accurate test booklet orders. Districts tend to order more tests than they need, presumably to prepare for unexpected circumstances. Though districts are refunded for returning unused tests, the vendor absorbs the cost and the tests are destroyed. Ultimately the state pays for unused tests.

A number of districts have requested that PED pay all costs for the assessments to reduce the administrative burden required to budget and manage assessment funds.

### **ADMINISTRATIVE IMPLICATIONS**

PED will incur some additional costs as a result of this bill, however the agency should be able to cover these costs within existing appropriations.

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