

**LEGISLATIVE EDUCATION STUDY COMMITTEE  
BILL ANALYSIS**

**Bill Number:** SB 425a

**50th Legislature, 1st Session, 2011**

**Tracking Number:** .183505.1

**Short Title:** Payment of School Standards-based Tests

**Sponsor(s):** Senator Vernon D. Asbill

**Analyst:** Pamela Herman

**Date:** March 14, 2011

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**FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE**

**AS AMENDED**

**The Senate Finance Committee amends appropriate \$8,920,300 from the General Fund to the Public Education Department (PED) for FY 12 to pay the costs of standards-based assessments. Any unexpended or unencumbered balance remaining at the end of FY 12 shall revert to the General Fund.**

**Original Bill Summary:**

SB 425 amends the *Assessment and Accountability Act* to provide that the costs of developing, administering, scoring, and evaluating standards-based assessments shall be borne by the PED.

**Revised Fiscal Impact:**

**SB 425a appropriates \$8,920,300 from the General Fund to PED for FY 12.**

**Original Fiscal Impact:**

SB 425 does not contain an appropriation.

**Fiscal Issues:**

- PED estimates that the new costs to the department to implement SB 425 if it is enacted would be approximately \$8.92 million.
- In its bill analysis for SB 425, PED states that it is positioned to manage recurring assessment costs for districts as well as its own costs, and that consolidating assessment costs at the state level would significantly reduce the statewide administrative burden on local districts to budget funding for assessments and to process invoices.
- PED adds that the administrative burden on test vendors would also be reduced. PED estimates that reduction will save the state an estimated \$75,000 per year.

- PED notes that \$8.92 million has been appropriated to school districts in the State Equalization Guarantee (SEG) distribution for recurring assessment costs (see “Background,” below). PED observes, however, that SEG funds allocated to districts are non-categorical, and may be used for any school district operating cost.
- During the recent period of reduced state revenues, the amount appropriated by the Legislature from the General Fund for public education has actually decreased by approximately \$200 million. While some of the lost funds were replaced by distributions of federal *American Recovery and Reinvestment Act* funds, those one-time funds will be exhausted by the end of school year 2010-2011. Reducing assessment costs is one area where districts seek to save funds without affecting students in the classroom.

### **Substantive Issues:**

- PED states that, during the current statewide budget crisis, school districts have requested that certain state assessments be suspended, and the resulting suspensions have resulted in the loss of test results that provided valuable guidance for students, parents, and teachers in both primary and secondary grade levels, including:
  - implementation of a 2008 law that provided for a system to measure the college- and career-readiness of every New Mexico eleventh grade student;
  - the state standards-based assessment in science in grades 3, 5, 6, and 8;
  - short-cycle diagnostic assessments in grades K-8, used by teachers to measure academic progress during the school year; and the Dynamic Indicators of Basic Early Literacy in grades K-3; and
  - potentially, the spring 2011 implementation of a new, more rigorous high school exit exam to measure student mastery of high school standards, replacing the current test that only measures skills and knowledge at about the eighth grade level.
- According to PED, redirecting the recurring cost of assessments to PED would remove potential conflicts between competing district priorities to support both useful assessments and instruction, and would protect important assessments from unanticipated impacts on district budgets.

### **Background:**

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

- State costs: From 1999 to 2009, the Legislature appropriated a total of approximately \$23.2 million to PED to develop assessments mandated by state statute and by the federal NCLB.
- School district costs: From 1999-2009, the Legislature appropriated a total of approximately \$8.92 million in recurring dollars to flow through the SEG in the Public School Funding Formula to provide for school district administrative costs. These appropriations include:

- \$7.4 million included in the base between 1999 and 2007;
- \$465,000 added to the base in the *General Appropriation Act of 2008*, which PED indicates would not be sufficient to cover the costs of administering the new high school assessments; and
- \$1.06 million added to the base in the *General Appropriation Act of 2009*.

**Related Bills:**

SB 360aa *Student Assessment Requirements Suspension*