

FISCAL NOTE

Requested by Legislative Council
01/18/2005

Bill/Resolution No.: HB 1489

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$259,000	\$0	\$148,000	\$0
Appropriations	\$0	\$0	\$259,000	\$0	\$148,000	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

HB 1489 requires the State Superintendent, upon the release of state assessment results, to report the achievement of each student's individual test scores in terms of grade-level equivalency based on the state standards. Additionally, the report must allow for the comparison of a student's progress to that of other students in the student's classroom, at the same grade level in the student's school and school district, at the same grade level in contiguous school districts, and at the same grade level in noncontiguous school districts of similar size.

In the preparation of this fiscal note, the Department of Public Instruction consulted with the project staff at CTB/McGraw-Hill, the state's current assessment contractor. This fiscal note presents cost estimates based on anticipated project activities that involve elements of research, technology, development, distribution, and quality control.

CTB/McGraw-Hill cost estimates include \$155,000 for year one scaling and reporting activities; scaling and reporting costs for subsequent years will approximate \$54,000 annually. The Department anticipates an additional \$30,000 for year one field validation, training, and technical advisory support during the first year; review costs for subsequent years will approximate \$20,000 annually.

These expenditures support the following activities: the establishment of a contiguous vertical scale scoring system for grades 3-8 inclusive (any grade 11 reporting, because it is non-contiguous, is not included); the coding of system software to allow for the additional reports; the design, testing, production, and validation of new assessment reports; the printing and distribution of an additional page to the final parent/student report to allow for the inclusion of the new report items; the conduct of an independent quality assurance check by an outside evaluation firm to confirm all elements of the reporting system; and the contracting with psychometric specialists to ensure the proper method for determining a vertical scale. In addition, the Department will require a separate field-based review of the assessment reports to ensure the proper placement and presentation of report items and the preparation of sufficient instructional aids to support the interpretation of the reports.

It must be noted that this fiscal note assumes only the reporting of grade-level equivalence in terms of the state

standards for contiguous grades, i.e., grades 3-8. This fiscal note does not include the extrapolation of this vertical scale for non-contiguous grades tested, i.e., grade 11. CTB/McGraw-Hill has reported to the Department that current test design methods recommend that vertical scaling be conducted only on contiguous grading. To establish a vertical scale for grade 11 would require a probable one-time administration of the state assessment at grades 9 and 10 in order to ensure a valid and reliable determination. To administer the state assessment at grades 9 and 10 would minimally increase the fiscal impact of HB 1489 by an additional \$1.2 million dollars. This would result in an amended fiscal note exceeding \$1.45 million for the 2005-07 biennium. Project costs for subsequent years would reflect the current fiscal note.

Because of the expansive impact of requiring a baseline administration of the state assessment for grades 9 and 10, the Department of Public Instruction has not incorporated this cost into this fiscal note. This results in grade-level equivalency for only grades 3-8. Grade 11 equivalency is not provided for in this fiscal note. If it is the expectation of the legislative assembly to do so, then an amended fiscal note will be required.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

N/A

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

HB 1489 requires the projected expenditure of \$259,000 during the 2005-07 biennium and \$148,000 during the 2007-09 biennium.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

HB 1489 requires a projected state appropriation of \$259,000 during the 2005-07 biennium and \$148,000 during the 2007-09 biennium.

The Department is available to answer any questions regarding this fiscal note.

Name: Greg Gallagher
Phone Number: 328-1838

Agency: Public Instruction
Date Prepared: 01/31/2005