

FISCAL NOTE

Requested by Legislative Council
02/20/2003

Amendment to: SB 2065

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.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$3,690,000	\$0	\$6,935,000	\$0	\$7,300,000
Expenditures	\$1,200,000	\$3,250,000	\$0	\$8,115,000	\$0	\$9,100,000
Appropriations	\$1,200,000	\$0	\$1,200,000	\$0	\$1,800,000	\$0

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 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.*

Reengrossed SB 2065 requires the state to develop and implement state assessments in reading/English language arts, mathematics, and science in identified grades as established by a specified schedule. The fiscal impact from Reengrossed SB 2065 falls entirely on the state. School districts are responsible for the administration of the state assessments within their proscribed instructional periods; therefore, there are no additional costs that impact local schools.

Costs associated with the development and implementation of the state assessments include: the development of state content standards, the development of state achievement standards, the alignment of state content standards with test items; the development of future test items, the administration of the actual assessments to students; the scoring of student tests; the establishment of achievement cut scores related to the state achievement standards; the printing and dissemination of reports to students, schools, districts, and the state; the development of school and district Report Cards and Profiles; the use of student data analysis and reporting applications, and associated professional development and technical assistance to schools. A state advisory committee has concurred with the Department of Public Instruction's identification of these development and administration activities. The cost estimates for these identified activities are included within this fiscal note.

Reengrossed SB 2065 identifies an implementation schedule for various assessments. This schedule requires the state to fund certain development activities prior to the eventual administration activities. Additionally, all standards and assessments must be maintained in order to assure the validity and reliability of the assessment instruments. All development, administration, and maintenance costs are included within this fiscal note.

A detailed accounting of each activity is provided in Section 3B of this fiscal note.

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.*

The Department of Public Instruction has included within its 2003-05 operational budget all general funds required to administer the state assessment program. The department has proposed a maintenance budget of \$1.2 million for the 2003-05 biennium. There are no proposed increases in general funds for the state assessment program above the 2001-03 biennium. The state must maintain its appropriation of \$1.2 million in general funds during the 2003-05 biennium in order to meet its maintenance-of-effort commitment with the U.S. Department of Education. This maintenance-of-effort commitment covers the costs of administering the state reading/English language arts, and mathematics assessments in Grades 4, 8, and 12.

The Department of Public Instruction has also included within its operational budget (SB 2013) an authority request to cover \$6,935,000 in allocated federal funds that are earmarked for the state assessment program. These federal funds, supported through Title VI of the Elementary and Secondary Education Act, cover any new development and implementation costs associated with the extension of the state's assessment program as identified within SB 2065.

There is no appropriation attached to this bill.

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.*

Listed below is an outline of the projected costs associated with the state assessment program. These activities are identified in the narrative section above.

ACTIVITY: 2002-03/2003-04/2004-05/2005-06/2006-07

Standards Development: 350,000/275,000/50,000/50,000/350,000

Assessment Development: 800,000/2,480,000/3,310,000/4,150,000/3,950,000

State Accountability Initiatives: 1,500,000/1,050,000/950,000/300,000/300,000

TOTAL: 2,650,000/3,805,000/4,310,000/4,500,000/4,600,000

These projections may vary depending on the final determination of contract negotiations, unanticipated costs or savings, schedule delays or postponements, or other associated project activities.

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.*

As identified within the Revenue section above (3A), there is no appropriation for general funds attached to this bill.

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Agency: Public Instruction
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