

**Schedule 13**  
**Funding Request for the 2014-15 Budget Cycle**

Department: EDUCATION  
 Request Title: State Assessments  
 Priority Number: R-4

Dept. Approval by: 958 B 95 10/22/13 Date  
 OSPB Approval by: Grant H. Nelson 10/29/13 Date

- Decision Item FY 2014-15
- Base Reduction Item FY 2014-15
- Supplemental FY 2013-14
- Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
<b>Total of All Line Items</b>	<b>Total</b>	34,044,390	-	32,095,373	3,845,283	3,769,683
	FTE	11.8	-	11.8	-	-
	GF	-	-	-	75,600	-
	GFE	-	-	-	-	-
	CF	26,448,378	-	24,462,460	3,769,683	3,769,683
	RF	-	-	-	-	-
	FF	7,596,012	-	7,632,913	-	-
<b>(1) Management and Administration, (C) Assessments and Data Analyses, Colorado Student Assessment Program</b>	<b>Total</b>	34,044,390	-	32,095,373	3,845,283	3,769,683
	FTE	11.8	-	11.8	-	-
	GF	-	-	-	75,600	-
	GFE	-	-	-	-	-
	CF	26,448,378	-	24,462,460	3,769,683	3,769,683
	RF	-	-	-	-	-
	FF	7,596,012	-	7,632,913	-	-

Letternote Text Revision Required? Yes:  No:  If yes, describe the Letternote Text Revision:

Cash or Federal Fund Name and COFRS Fund Number: State Education Fund (Fund 440)

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT? Yes:  No:  Not Required:

Schedule 13s from Affected Departments:

Other Information:

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### ***Cost and FTE***

- The Department requests \$3.8 million total funds for increased costs associated with administering the State's new education assessment tests in FY 2014-15 and beyond.

### ***Current Program***

- Student education growth and achievement is measured by administering standardized tests on specific education content areas. Currently, Colorado is transitioning from the prior assessment tests used under the Transitional Colorado Assessment Program (TCAP) to new assessment tests that were developed to align with the new Colorado Academic Standards implemented during the 2013-14 school year. The new assessment tests were designed by the Partnership for Assessment of Readiness for College and Careers (PARCC), a consortium of states that partnered together to develop common academic standards and assessment tests.

### ***Problem or Opportunity***

- The PARCC assessments will require that an additional grade (11<sup>th</sup> grade) be tested that was not previously tested under the TCAP program.
- For the most part, the PARCC assessment will be administered online. However, a paper-based exam (which is more expensive than the online version) has also been developed for those schools or districts that may not be able to administer an online test.
- The number of Colorado K-12 students is expected to increase by 1.3 percent in FY 2014-15, adding to the costs of administering standardized tests.

### ***Consequences of Problem***

- Adding the 11<sup>th</sup> grade testing and the option for a paper-based test is expected to cost \$3.4 million.
- The growth in the number of students taking the American College Testing (ACT) and English Language Proficiency test (ACCESS) will cost \$329,400.
- Lastly, the Department also requests \$75,600 in one-time funding to align the Colorado Growth Model and the Department's accountability systems with the new assessments.

### ***Proposed Solution***

- Providing a \$3.8 million appropriation increase will ensure the Department has the resources necessary to administering and evaluating the new PARCC assessments as required by State law.
- The PARCC assessments will allow the State to measure student academic progress under the new Colorado Academic Standards.

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*State of Colorado*  
*Department of Education*  
*FY 2014-15 Funding Request*  
*November 1, 2013*

*John W. Hickenlooper*  
Governor

*Robert K. Hammond*  
Commissioner

***Department Priority: R-4***  
***Request Detail: State Assessments***

<b>Summary of Incremental Funding Change for FY 2014-15</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>State Education Fund</b>
Colorado Student Assessment Program	\$3,845,283	\$75,600	\$3,769,683

***Request Summary:***

The Department requests an increase of \$3,845,283 total funds in FY 2014-15 to administer the State's new education assessment tests in FY 2014-15. Of this amount, \$75,600 is from the General Fund and \$3,769,683 is from the State Education Fund. Only the \$3,769,863 from the State Education Fund is an ongoing expense in subsequent fiscal years.

***Problem or Opportunity:***

Over the past several years, Colorado has embarked on an ambitious effort to improve the quality of education for all K-12 students. The results of these efforts have been the creation of the Colorado Academic Standards with an aligning assessment test in order to set high academic standards so students graduate from high school ready for college and careers. The new Colorado Academic Standards are being implemented in 10 content areas by all schools in the 2013-14 school year. The State's new assessment tests will measure academic progress for four of those content areas – English language arts, mathematics, science, and social studies.

The new assessments, which may be administered online, are designed to provide valuable information about student proficiency, student growth, achievement and growth gaps between students, school performance, district performance, and overall performance of the education system as a whole. Data from the assessment system provide the basis for the State's school and district accountability system and are used to inform improvement planning efforts at the classroom, school, district, and State level. The assessments are a critical and vital part of the State's education and continuous improvement system.

The State's new science and social studies assessments will be administered in the spring of 2014 for elementary and middle schools and the fall of 2014 for high schools. The new English language arts and mathematics assessments will be administered in the spring of 2015 and are currently being designed by the Partnership for Assessment of Readiness for College and Careers (PARCC), a consortium of states that is developing a common set of assessments for shared use across member states. The Department joined

PARCC in June of 2012, pursuant to section 22-7-1006, C.R.S., and has been an active participant and decision maker in the design of the new assessments.

In June of 2013, PARCC released cost estimates for test administration in the 2014-15 school year. The estimates from PARCC are \$3,440,245 more than the costs to administer Colorado's current assessment, the Transitional Colorado Assessment Program (TCAP). This cost differential is due to the PARCC assessments including an additional grade (11<sup>th</sup> grade) beyond TCAP (which concluded in 10<sup>th</sup> grade) and to the anticipated costs of needing to have paper-based options (which are more costly than the online version) for some schools/districts that may not be able to offer the online version. Of note, with the extra grade removed and paper-based options excluded, the costs of the PARCC exams are very similar to the State's prior TCAP administration costs.

This request provides funding for additional costs associated with administering the new PARCC assessments. The request also includes \$189,000 to accommodate the anticipated per pupil cost increases and student enrollment increases for ACT testing and \$140,438 for the increase in the number of students taking the State's English Language Proficiency test (ACCESS).

In light of the new assessments developed by PARCC, key components of the State's student growth model and school and district accountability systems must be revised and updated to ensure these systems incorporate the new assessment data and provide meaningful and valid data. This requires contracting with experts in measurement and accountability systems to revise the accountability frameworks, and reprogramming of the Department's growth model and performance frameworks.

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***Proposed Solution:***

The Department's request will provide the funding necessary in FY 2014-15 and beyond to fully implement the PARCC assessments. These assessments are aligned with the Colorado Academic Standards. The PARCC assessment data is one of the most critical pieces in evaluating the effectiveness of Colorado's education reform efforts, including educator effectiveness and turnaround improvement programs. Moreover, the PARCC assessments will provide a national comparison that will allow the Department to measure how Colorado students stand nationally and globally.

If the request is not approved, it will be necessary for the Department to continue to use the TCAP exam for a longer period of time. Since the TCAP is not properly aligned to the new Colorado Academic Standards, the TCAP results will not provide valid measures of student performance. Due to the lack of alignment, it may also jeopardize district implementation of the Colorado Academic Standards, forcing them to revert to old curriculum and resources aligned to the State's old standards and resulting in significant financial impact to districts that have purchased and/or developed curriculum aligned to the new standards.

The Department also requests \$75,600 in one-time funding to refine the State's growth model and accountability system to ensure the integrity of the State's accountability system over time. The funding will enable the State to conduct required analyses around the assessment transitions; including between the PARCC assessment and TCAP assessment to determine if there is sufficient comparability that can be established to enable growth data to be calculated across the two assessments. These analyses in turn allow for the State to provide accurate data and accountability determinations which are critical given that some schools and districts will be entering the final year of the five-year clock allotted for schools/districts in the priority improvement or turnaround categories.

Lastly, the Department's request will provide the necessary funding to fully administer the ACT and ACCESS (English proficiency) exams to all applicable students. The ACT assessment is required by statute and it provides the best measure of Colorado students' preparation and readiness for college as they conclude the eleventh grade. While the ACCESS exam is not required by statute, it is essential to provide information to identify the language supports and services that must be provided to help English language learners succeed in the classroom. It is an important tool that helps teachers across the State inform and adapt their instruction to the needs of these students.

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***Anticipated Outcomes:***

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The ultimate outcome of this request is implementation of a robust assessment system that enables the State to measure and monitor students' progress toward college and career readiness.

The outcome of the PARCC portion of this request will be the full implementation of the PARCC English language arts and mathematics assessments, which are aligned with the Colorado Academic Standards. The new assessments will provide annual student assessment results. Due to the more rigorous nature of the PARCC exams, the Department expects the initial assessment results to be lower than those on the comparable TCAP assessments. The initial results will provide a baseline for the State and will be used to establish improvement goals for students, schools, districts, and the State. The State will also be able to compare Colorado students' performance across other states using the PARCC assessments.

A key outcome of the revisions to the growth model and accountability system, which are necessitated by the new assessments, is the continuity of the State's accountability system. Accountability is a primary driver of improving student, school, district, and statewide performance. The Department will measure success of this work by its ability to provide schools and districts with their preliminary school/district performance frameworks incorporating the new assessment data in December of 2015. The alignment of the growth model and accountability systems will provide the best information and measures about the progress the Department and the State are making in meeting the Colorado Academic Standards and preparing all students for college and career.

Outcomes for the funding request for ACT and ACCESS are successful administration to all applicable students of both exams in 2014-15.

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***Assumptions and Calculations:***

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The Department's request is divided into two main parts: (1) One-time costs of \$75,600 for technical assistance to revise the State's growth and accountability models; and (2) the on-going costs of \$3,769,683 for administering assessment tests. Following are the assumptions and calculations for those two costs components.

**Technical Assistance**

In order to provide more timely results to districts, and ensure the validity of the data, the Department will contract with external experts in assessment measurement, growth metrics and accountability to determine impacts the transition to the PARCC assessments have had to analyze the initial data from the PARCC assessments. The experts will help the Department work with other states using the same assessment tools to ensure that the most accurate methodologies are being used in our accountability and growth models. Assistance in anticipating the impacts will be needed prior to receiving the PARCC results. Once the

PARCC results are received, additional assistance will be needed in analyzing the data, running the growth model, and determining the validity of the results. The costs for the contractor are estimated in Table 1 below.

<b>Table 1: Technical Assistance Contract to Refine Growth and Accountability Models</b>			
<b>Testing Year</b>	<b>Contract Hours</b>	<b>Contract Rate</b>	<b>Total Est. Cost</b>
2014-15	360 hours	\$210/hour	\$75,600

**Administering Assessment Tests**

The following tables show the assumptions and calculations associated with administering the new PARCC assessment tests, ACT exams, and ACCESS exams. Table 2 summarizes the costs for all three tests and compares the FY 2013-14 appropriations for these tests with the projected FY 2014-15. Tables 2a through 2c provide additional assumption details for each test assessment.

<b>Table 2: Assessment Tests Administration Costs</b>			
<b>Exam</b>	<b>FY 2013-14 Appropriation</b>	<b>FY 2014-15 Estimate</b>	<b>Change/Increase Request</b>
PARCC English Lang./Math	\$13,413,825	\$16,854,070	\$3,440,245
ACT	\$1,957,000	\$2,146,000	\$189,000
ACCESS	\$881,919	\$1,022,357	\$140,438
<b>Total:</b>	<b>\$16,252,744</b>	<b>\$19,934,585</b>	<b>\$3,769,683</b>

PARCC Assessments: Table 2a below shows the cost assumptions for administering the PARCC assessment tests in FY 2014-15.

<b>Table 2a: PARCC Assessment Tests FY 2014-15 Costs</b>			
<b>Description</b>	<b>Paper/Pencil Tests <sup>/1</sup></b>	<b>Computer-Based Tests <sup>/2</sup></b>	<b>Totals</b>
Base Price per Test	\$34.70	\$30.23	
Estimated Number of Students taking each test (assumes 50 percent will take paper/pencil)	292,809	292,809	585,618
<b>Total Cost</b>	<b>\$10,160,472</b>	<b>\$8,851,616</b>	<b>\$19,012,088</b>
<i>State Costs</i>			<i>\$16,854,070</i>
<i>Federal Assessment Grant Funds</i>			<i>\$2,158,018</i>

<sup>/1</sup> PARCC estimates that the paper/pencil test will cost \$34.70 per student, including the \$0.65 fee charged by the consortium.

<sup>/2</sup> PARCC estimates computer-based tests will cost \$30.23 per student, including the \$0.65 fee charged by the consortium.



*ACT Exams:* Table 2b provides the changes in cost and student count estimates for the ACT exam from FY 2013-14 to FY 2014-15. These estimates are based on negotiations with the exam vendor.

<b>Table 2b: Summary of Costs Associated with ACT Contract</b>			
<b>Description</b>	<b>FY 2013-14 Appropriation</b>	<b>FY 2014-15 Estimate</b>	<b>Annual Change</b>
Estimated # of students taking ACT on statewide test date	58,000	62,000	4,000
Price per student (same as national rate)	<u>\$32.00</u>	<u>\$33.00</u>	<u>\$1.00</u>
<b>Subtotal: Statewide test date</b>	<b>\$1,856,000</b>	<b>\$2,046,000</b>	<b>\$190,000</b>
Estimated # of students receiving voucher to take ACT on alternate test date	2,000	2,000	0
Price per student for voucher	<u>\$35.00</u>	<u>\$35.00</u>	<u>\$0.00</u>
<b>Subtotal: Alternate test date</b>	<b>\$70,000</b>	<b>\$70,000</b>	<b>\$0</b>
<b>Subtotal Student testing services costs</b>	<b>\$1,926,000</b>	<b>\$2,116,000</b>	<b>\$190,000</b>
Test administration training workshops	\$4,000	\$4,000	\$0
College Readiness Standards reports (\$80/request)	0	0	0
Data sent on CDs to schools (\$125/CD)	27,000	26,000	(1,000)
<b>Subtotal: Other Costs</b>	<b>\$31,000</b>	<b>\$30,000</b>	<b>(\$1,000)</b>
<b>Total Costs – State Education Fund</b>	<b>\$1,957,000</b>	<b>\$2,146,000</b>	<b>\$189,000</b>

*ACCESS Exams:* Table 2c shows the Department’s estimated costs for the ACCESS/English Language Proficiency test based on information provided by the vendor.

<b>Table 2c: ACCESS/English Language Proficiency</b>			
<b>Testing Year</b>	<b>Base Price – Per Test Scored</b>	<b>Estimated Population Tested</b>	<b>Total Estimated Cost <sup>/1</sup></b>
School Year 2013-14	Not to exceed \$25	103,362	\$2,584,050
School Year 2014-15	Not to exceed \$25	117,967	\$2,949,175

<sup>/1</sup> Note: The State funding for the exams is \$881,919 in FY 2013-14 and \$1,022,357 in FY 2014-15. The remaining costs will be paid from federal assessment grant funds.