

Analysis

Department of Education

Student Assessment System Report and Special Purpose Appropriation Request

Analyst: Doug Wilson

Request: Acknowledge receipt of a report on student assessment system and request allocation of the \$4.6 million special purpose appropriation to the Emergency Board for costs related to the student assessment system.

Recommendation: Acknowledge receipt of the report; and allocate \$4.4 million of the special purpose appropriation with instructions to the Department of Administrative Services to unschedule the funds until final negotiations with the provider are complete.

Analysis: HB 5008 (2013) included a \$4.6 million General Fund special purpose appropriation (SPA) to the Emergency Board related to assessments and other resources aligned to common core standards including those assessments required under the federal Elementary and Secondary Education Act, or ESEA. This \$4.6 million represented the difference between the total funds resources included in the Department of Education's (ODE) primary budget bill (SB 5518) for assessments and the best estimate at the time of the associated assessment costs for the biennium. The agency was also instructed to report on what assessments it planned to implement and the current cost estimate for each component of the assessment when it requested the allocation of the SPA.

Student assessments are required by federal and state law. Since the early 2000s, schools have used the Oregon Assessment of Knowledge and Skills, or OAKS, an assessment system tied to the Oregon based standards. With the adoption of common core standards, the federal government provided resources for the development of assessment tools aligned to these newer standards. Oregon was one of the early participating states in the Smarter Balanced consortium, one of two consortia funded by the federal government. The Deputy Superintendent for Public Instruction brought together a group of stakeholders to recommend which one of a variety of assessment options to use, and the State Board of Education adopted their recommendation of Smarter Balanced in May 2013. Starting in the 2014-15 school year, the new Smarter Balanced will be used for assessing math and English language skills (grades 3-8 and 11) while OAKS will still be used for social sciences and science skills (grades 5, 8, and 11). The English Language Proficiency Assessment, or ELPA, will continue for grades K-12 for assessing English Language Learners.

Another budget note from HB 5008 restricts ODE from purchasing the interim item bank and related assessments from Smarter Balanced, and instead to "provide each district with available funds to administer a locally selected and established interim growth assessment system for students in grades K through 9 that is capable of informing instruction and measuring student academic performance against a stable scale irrespective of grade level." ODE plans to distribute \$1.3 million of the total funds available for assessments to districts for this purpose based on the number of students. The result is that ODE will "purchase" the summative components of the Smarter Balanced package, and allow districts to purchase the formative/interim components on their own or use the funds for their own efforts in this area.

Since the end of the 2013 legislative session, ODE staff has received further information from Smarter Balanced providers and refined their estimates of the total cost. The table below summarizes the costs between the two school years in the 2013-15 biennium, as well as the available resources. The latest cost estimate is \$200,000 less than the amount used at the end of the 2013 session, in part due to new assumptions relating to the number of students taking the assessment. Smarter Balanced assessment costs include the membership fees with the Smarter Balanced organization for the bank of questions, scaling of the scoring, and the documenting that the assessment tools meet federal standards. The second major cost is the contract with the organization that will actually administer and score the test. ODE is working with the same organization that currently administers the OAKS assessment.

2013-14 Assessment Costs	<u><i>Millions of \$\$</i></u>	
OAKS, ELPA, & Writing Summative Assessment Testing	4.5	
Scoring of Writing Assessment	0.5	
Other ODE costs including staff, help desk, and Kindergarten Assessment	2.0	
Total 2013-14 Assessment		7.0
2014-15 Assessment Costs		
Smarter Balanced Membership Fees for Summative Assessment	1.7	
Smarter Balance, OAKS, and ELPA Summative Assessment Admin	8.4	
Funding for Formative/Interim Assessments Distributed to Districts	1.3	
Other ODE costs including staff, help desk, and Kindergarten Assessment	<u>2.0</u>	
Total 2014-15 Assessment Costs		<u>13.4</u>
Total Estimated 2013-15 Biennial Costs for Assessments		20.4
Resources		
Existing Resources Included in ODE Primary Budget Bill (SB 5518) -- General Fund	5.0	
Existing Resources -- Federal Funds	11.0	
Special Purpose Appropriation in HB 5008 (General Fund)	<u>4.6</u>	
Total Resources for 2013-15		<u>20.6</u>
Estimated 2013-15 Balance		0.2

A number of outstanding issues remain relating to these assessments including:

- Final negotiations on the cost of administering the Smarter Balanced assessment are still underway so the final costs have yet to be determined. It is not expected that the final amounts will differ significantly from the numbers outlined above.
- Districts will still need to purchase or arrange for the formative and interim assessments that funding was planned for in the 2013-15 budget. The \$1.3 million allocated and distributed in the numbers above represents just under \$5 per student, which is based on the cost of the Smarter Balanced cost. Some districts already have these assessments in place while many others will need to purchase them. Districts may consider entering into some form of purchasing pools with other districts for a better price.
- The Smarter Balanced costs are only for the second year of the 2013-15 biennium. At this time, ODE estimates the 2015-17 assessment costs will be over \$26 million and it is expected that the federal funding will likely remain at the \$11 million amount. This likely means the additional \$6 million will need to be General Fund in 2015-17.

The Legislative Fiscal Office (LFO) recommends acknowledging receipt of the report. Given the new estimate of the assessments costs, LFO recommends \$4.4 million of the special purpose appropriation be allocated to ODE; and that the Department of Administrative Services be instructed to unschedule these funds until final negotiations have been completed.