

## Assessment ML 2015-17 - NQ

**Agency:** 350 Office of Superintendent of Public Instruction  
**Budget Period:** 2015-2017

Superintendent Dorn requests \$22,512,028 in additional funding to support maintenance level funding of the state assessment program. Additional funding is required due to changes to assumptions in previous budgeting estimates, and the new contracted service agreement amounts were higher than anticipated.

### Fiscal Detail

Operating Expenditures		FY 2016	FY 2017	Total
General Fund	001-01	\$10,814,034	\$11,697,994	\$22,512,028
<b>Total Cost</b>		<b>\$10,814,034</b>	<b>\$11,697,994</b>	<b>\$22,512,028</b>

Staffing	FY 2016	FY 2017	Annual Avg.
<b>Total FTEs Requested</b>	0	0	0

### Package Description (Includes the following sections)

#### **Background**

OSPI completed estimated saving assumptions in June of 2013. OSPI now has updates to those assumptions.

All states that are in the Smarter Balanced (SBAC) consortium still have to contract with outside vendors for test platform services. A college student pays for online courses and then must pay for a vendor (like Comcast) to provide the platform in which to view/take the online courses. SBAC is like the college providing the content and then the other vendor provides the technology to access the content. For Washington State specific tests, outside vendors provide the entire package, with some test items being used from SBAC.

#### **Current Situation**

OSPI provided estimates for the new contract (which begins in FY15) in June 2013. All of the bids came in much higher than anticipated, particularly for the costs of providing End-of Course tests.

The cost of continuing to provide paper and pencil tests is assumed to be covered by charges to districts who choose to still administer these tests. This is scheduled to start with the 2015 testing administration.

An error was made in the total administration cost, this correction is included in this decision package.

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Under the present set of requirements and mandates the agency is approximately \$22.5M under-budget for the FY15-17 biennium; \$20.2M under-budgeted for the subsequent FY17-19 biennium.

### **Proposed Solution**

- Request additional funding to fulfill all current assessment related requirements, supporting both state and federal accountability and graduation alternatives for high school students to earn a diploma.

### **Contact person**

- JoLynn Berge, Chief Financial Officer - 360.725.6292
- Robin Munson, Assistant Superintendent – Assessment & Student Information – 360.725.6336
- Michael Middleton, Director – Assessment Business Enterprises – 360.725.6434

### **Narrative Justification and Impact Statement** (Includes the following section)

#### **What specific performance outcomes does the agency expect?**

State and federal testing requirements will be met.

The agency is required to assess all students in grades 3-8 and 11, in the areas of English language arts and mathematics, and grades 5, 8 and high school in the area of science as part of state and federal requirements. Additionally, as part of the student's individual stakes in achieving performance outcomes that prepare one for post-high school, the agency also administers alternatives for fulfilling graduation requirements. These testing administrations are supported through contracted services.

#### **Performance Measure Detail**

State and federal requirements are met regarding student assessments, and students have appropriate opportunities to meet state high school graduation requirements.

Additionally, the agency will be measuring several elements of student achievement to gauge positive outcomes through the comprehensive assessment program supported by this package; specifically, accountability measures related to school, district and state gains in system-wide improvement, student performance gains across years of matriculation derived from growth measures, impacts on improved cumulative graduation rates from a combination of the standard assessment and the graduation alternatives.

#### **Is this decision package essential to implement a strategy identified in the agency's strategic plan?**

Under current requirements the agency's implementation of graduation requirement alternatives figure into calculations on student graduation numbers, an area of agency

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focus in developing supports to have students achieve the necessary level of achievement to move into post-secondary opportunities.

**Reason for change:**

**Does this decision package provide essential support to one of the Governor's priorities?**

Yes, it supports K-12 education.

**Does this decision package provide essential support to one or more of the Governor's Results Washington priorities? If so, describe.**

Goal 1.2 of the World Class Education element is identified as raising the number of exemplary rated schools in the state. The assessments provide the supporting data by which such ratings are derived against the state Achievement Index

**What are the other important connections or impacts are related to this proposal?**

To meet state and federal laws these assessments must be given.

### **Impact on Other State Programs**

**What alternatives were explored by the agency, and why was this alternative chosen?**

N/A

**What are the consequences of adopting or not adopting this package?**

In not adopting this package, to address the funding shortfalls, the agency will be forced to enact reductions in program services that are in conflict with legislation regarding the state's assessment program and education reform efforts. Effectively, continued compliance with offering students opportunities to meet graduation requirements will have to be eliminated along with the supporting staff.

**What is the relationship, if any, to the state's capital budget?**

None

**What changes would be required to existing statutes, rules, or contracts, in order to implement the change?**

RCW 28A.655.070 (3)(c)(i) will need to be amended. Smarter Balanced testing items will not be available until December, which is too late for OSPI to develop a new test to replace the HSPE that was given in the spring of 2014. OSPI will now have to give the

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HSPE reading and writing assessments that were given in the spring of 2014 again in the spring of 2015. This section of statute prohibits that test from being given after school year 2013-14.

### Expenditure and revenue calculations and assumptions:

#### Revenue Calculations and Assumptions:

None applicable

#### Expenditure Calculations and Assumptions:

Assessment 15-17 Biennium DP						
	FY16			FY17		
State Assessment Proviso	\$22,806,000			\$22,806,000		
Federal Assessment Proviso	\$7,400,000			\$7,400,000		
Other Assessment Fund Sources (State & Federal)	\$1,475,000			\$1,475,000		
District payments for paper/pencil \$6/test (b)	\$2,016,000			\$2,016,000		
Total	\$33,697,000			\$33,697,000		
Program Descriptor	FY16			FY17		
	ML (current)	ML (projected)	Difference	ML (current)	ML (projected)	Difference
1 Smarter Balanced Summative Assessment (a)	\$11,200,000	\$16,395,530	(\$5,195,530)	\$11,200,000	\$16,511,831	(\$5,311,831)
2 Smarter Balanced Interim/Formative Assessment (a)	\$4,480,000	\$1,836,117	\$2,643,883	\$4,480,000	\$1,836,117	\$2,643,883
3 Science (G5, 8 & Biology EOC) (c)	\$2,749,321	\$4,510,546	(\$1,761,225)	\$2,749,321	\$5,620,949	(\$2,871,628)
4 Alternate Assessment (1%) (d)	\$1,500,000	1,806,829.00	(\$306,829)	\$1,500,000	1,492,729.00	\$7,271
5 <b>Accountability Assessments</b>	<b>\$19,929,321</b>	<b>\$24,549,022</b>	<b>(\$4,619,701)</b>	<b>\$19,929,321</b>	<b>\$25,461,626</b>	<b>(\$5,532,305)</b>
6 <b>Technical Correction to Smarter Balance Savings</b>						
7 Add back administrative costs eliminated in Line 5 (e)	\$2,025,000	5,797,966.00	(\$3,772,966)	\$2,025,000	5,797,966.00	(\$3,772,966)
8 Smarter Balanced used for G10 ELA (f)	\$813,839	\$1,405,291	(\$591,452)	\$813,839	\$1,419,037	(\$605,198)
9 Smarter Balanced used for Math EOC (g)	\$813,839	\$3,269,486	(\$2,455,647)	\$813,839	\$3,299,515	(\$2,485,675)
10 <b>End of Course/Grade 10 Requirements (ELA, Math EOC)</b>	<b>\$1,627,679</b>	<b>\$4,674,777</b>	<b>(\$3,047,098)</b>	<b>\$1,627,679</b>	<b>\$4,718,552</b>	<b>(\$3,090,873)</b>
11 COE (ELA, Math, Bio) (h)	\$6,934,000	\$7,511,818	(\$577,818)	\$6,934,000	\$7,434,000	(\$500,000)
12 Other Alternatives (i)	\$1,165,000	\$1,977,451	(\$812,451)	\$1,165,000	\$1,982,850	(\$817,850)
13 <b>Graduation Alternatives</b>	<b>\$8,099,000</b>	<b>\$9,489,269</b>	<b>(\$1,390,269)</b>	<b>\$8,099,000</b>	<b>\$9,416,850</b>	<b>(\$1,317,850)</b>
15 <b>Cumulative Change</b>	<b>\$31,681,000</b>	<b>\$44,511,034</b>	<b>(\$12,830,034)</b>	<b>\$31,681,000</b>	<b>\$45,394,994</b>	<b>(\$13,713,995)</b>
<b>Total Additional funding needed</b>		<b>\$10,814,034</b>			<b>\$11,697,994</b>	

Additional information is provided on attached worksheets.

Please describe the classification and numbers of staff assumed in the calculations.

#### Object Detail

	FY 2014	FY 2015	Total
A Salary and Wages	\$0	\$0	\$0
B Employee Benefits	\$0	\$0	\$0
C Contracts	\$10,814,034	\$11,697,994	\$22,512,028
E Goods/Services	\$0	\$0	\$0
G Travel	\$0	\$0	\$0
J Equipment	\$0	\$0	\$0
N Grants	\$0	\$0	\$0
Interagency Reimbursement	\$0	\$0	\$0

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Other	\$0	\$0	\$0
<b>Total Objects</b>	<b>\$10,814,034</b>	<b>\$11,697,994</b>	<b>\$22,512,028</b>

### Expenditures & FTEs by Program

Activity Inventory Item	Prog	Staffing			Operating Expenditures		
		FY 2016	FY 2017	Avg	FY 2016	FY 2017	Total
A003 Assessment	055	0	0	0	10,814,034	11,697,994	22,512,028
<b>Total Activities</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>10,814,034</b>	<b>11,697,994</b>	<b>22,512,028</b>

### Six-Year Expenditure Estimates

Fund	15-17 Total	17-19 Total	19-21 Total
General Fund 001-1	22,512,028	20,198,039	20,379,673
<b>Expenditure Total</b>	<b>22,512,028</b>	<b>20,198,039</b>	<b>20,379,673</b>
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?**

The agency is required to assess all students in grades 3-8 and 11, in the areas of English language arts and mathematics, and grades 5, 8 and high school in the area of science as part of state and federal accountability. Additionally, as part of the student's individual stakes in achieving performance outcomes that prepare one for post-high school, the agency also administers alternatives for fulfilling graduation requirements. These testing administrations are supported through contracted services, and are ongoing.

Subsequent biennia costs will be dependent upon future contract amounts.

### Assessment 15-17 Biennium DP

	FY16	FY17
State Assessment Proviso	\$22,806,000	\$22,806,000
Federal Assessment Proviso	\$7,400,000	\$7,400,000
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Program Descriptor	FY16			FY17		
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<b>Total Additional funding needed</b>		<b>\$10,814,034</b>			<b>\$11,697,994</b>	

- Notes: (a) Lines 1 & 2 should be compared together for overall differential; extra costs account for continued paper/pencil testing at 30% of tested students, paper-based reports, state-specific advisory meetings.
- (b) OSPI will incur a fixed charge for paper and pencil testing. Revenue estimate is based on 30% of students testing via paper and pencil (30%\*80,000 students\*2 tests\*\$6/test); P/P only supported through 2017 administration.
- (c) Actual costs for per state test are higher than originally assumed, and additional costs to support NGSS transitions were identified.
- (d) Transitioning assessment to CCSS and shifting testing environment to a computer-based format led to higher bids on new contract.
- (e) ML did not account for all administrative staff and costs funded by federal dollars and other fund sources.
- (f) New contract costs are higher to prepare for administering and scoring relatively small n-count tests for ELA exit exam + plus share of continued paper-based reporting.
- (g) New contract costs are higher due to omission of 100% paper/pencil testing requirement in RFP, continued P/P testing, paper-based reporting, number of unique tests involved.
- (h) current ML amount is the carryforward amount from OFM. We are required to ask for our projected ML increase. This increase is \$2m less than projected in Nov 2013.
- (i) Adds costs associated with testing HS students w/ IEPs using off-grade tests.