



Ohio Legislative Service Commission

Jason Phillips

Fiscal Note & Local Impact Statement

Bill: [Sub. H.B. 228 of the 130th G.A.](#)
(LSC 130 0927-2)

Date: November 7, 2014

Status: In House Education

Sponsor: Rep. Brenner

Local Impact Statement Procedure Required: No

Contents: Administration of state primary and secondary education assessments

State Fiscal Highlights

- The bill limits testing time for the state's primary and secondary education assessments to four hours per assessment per year. The Partnership for Assessment of Readiness for College and Careers (PARCC) assessments in English language arts (ELA) and mathematics require 4.8 to 5.8 hours of testing time per assessment per year. It is unclear how the Ohio Department of Education (ODE) will be able to modify the PARCC assessments to fit the bill's time restrictions. Thus, the costs associated with complying with this requirement are uncertain.
- If new assessments are required, the associated development costs are estimated to range from \$8.0 million to \$12.0 million.
- The bill prohibits ODE from requiring districts to use computer-based assessments for the 2015-2016 school year. The estimated cost of this provision is about \$1.3 million.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

Overview

The bill makes several changes regarding the administration of the state's primary and secondary education assessments. Most notably, it limits the number of testing hours to four hours per assessment per year. The bill also prohibits the Ohio Department of Education (ODE) from requiring districts to use computer-based assessments for the 2015-2016 school year and requires that ODE conduct several assessments and school funding-related analyses, among other provisions.

Student testing time limitation

The bill limits the number of testing hours to four hours per assessment per year for each nondisabled student, excluding tests related to the English language arts (ELA) assessment for third graders and the college admissions test for eleventh graders beginning in the 2015-2016 school year. This provision directly impacts the administration of the Partnership for Assessment of Readiness for College and Careers (PARCC) ELA and mathematics assessments, which are to be given for the first time during the current 2014-2015 school year. The PARCC assessments require from 4.8 to 5.8 hours of testing time per assessment per year. It is unclear how ODE will be able to modify the PARCC assessments to fit the bill's time restrictions and still maintain the validity of the assessments. The costs associated with complying with this requirement are, therefore, uncertain.

Ultimately, it may be that Ohio must develop or select new ELA and mathematics assessments that comply with the time limitation. ODE estimated in November 2013 that, if it were required to develop new assessments in ELA and mathematics to replace the PARCC assessments, initial development costs would be about \$500,000 to \$750,000 for each computer-based test. The primary costs associated with test development involve building the initial question bank and furnishing and scoring field tests. Actual costs will depend on specific decisions concerning test design. There are 12 ELA and mathematics assessments given to elementary students and four end-of-course exams in those subjects for a total of 16 assessments to potentially develop. Overall, the estimated cost of developing these assessments would range from \$8 million to \$12 million.

Paper-based assessment costs

The PARCC assessments in ELA and mathematics as well as the new assessments in science and social studies that were developed for Ohio by the American Institutes for Research (AIR) are computer-based. There is, however, a paper-based option for districts that are unable to administer the computer-based assessments due to technological constraints. H.B. 487 of the 130th General Assembly prohibits ODE from requiring computer-based assessments during the 2014-2015 school year and the bill

extends this prohibition through the 2015-2016 school year. As a result, more districts may administer the paper-based option under the bill than would have under current law. According to ODE's student testing volume projections filed with PARCC's testing vendor, under current law, 50% of tests are expected to be paper-based in the 2014-2015 school year¹ and 40% of tests are expected to be paper-based in the 2015-2016 school year.² The bill's extension of the prohibition on requiring computer-based assessments, therefore, may result in 50% of tests being paper-based in the 2015-2016 school year, the same as in the 2014-2015 school year, rather than 40% as expected under current law – an increase of 10%.

This provision may lead to increased costs for ODE, as paper-based assessments are more expensive than computer-based versions. According to ODE's contract with PARCC's test vendor, the surcharge for paper-based PARCC tests in ELA and mathematics is generally \$9 per student in grades 3 through 8 and \$5.50 per test for high school end-of-course exams.³ Pricing details for the science and social studies assessments developed for the state by AIR have not yet been determined.⁴

The table below shows (1) ODE's projected total students or tests by subject area and grade band, (2) the number of additional students or tests resulting from an increase of 10% taking the paper option, (3) the estimated surcharge per student or test, and (4) the calculated cost estimate. For the purposes of the calculations, LSC assumes the surcharge for each AIR elementary assessment is half that of PARCC's elementary assessment surcharge (\$4.50 per test) and the surcharge for the applicable AIR high school assessment is the same as that for the corresponding PARCC tests (\$5.50 per test). It also assumes that most students will take the physical science end-of-course exam in the ninth grade and will attempt neither the American history nor American government exams until the eleventh grade. In all, the estimated cost of providing the additional paper-based tests is about \$1.3 million. In FY 2015, \$75.9 million in GRF funding is specifically appropriated to ODE to support costs associated with achievement assessments.

¹ http://procure.ohio.gov/pdf/CSP903215_Ohio%20PARCC%20Testing%20Volume%20Levels%20Year%201%202014-2015.pdf. For the full contract between the state of Ohio and PARCC, go to http://procure.ohio.gov/OrigContract/CSP903215_OC.pdf.

² http://procure.ohio.gov/pdf/CSP903215_Ohio%20PARCC%20Testing%20Unoff%20Volume%20Levels%20Year%202%202015-2016.pdf.

³ PARCC's pricing for elementary ELA and mathematics assessments covers the cost for tests in both subjects. Thus, the surcharge is based on the number of students not the number of tests, as is the case for the high school end-of-course exams.

⁴ http://procure.ohio.gov/ConAmendment/CSP906007_pdf_006.pdf.

Estimated Marginal Costs for Additional Paper-Based Assessments, FY 2016				
Subject Area/ Grade Band	Projected Total Students/Tests	10% of Projected Total	Estimated Surcharge	Marginal Cost
PARCC Elementary	778,000	77,800	\$9.00	\$700,200
PARCC High School	475,200	47,520	\$5.50	\$261,360
AIR Elementary	519,000	51,900	\$4.50	\$233,550
AIR High School	121,000	12,100	\$5.50	\$66,550
TOTAL				\$1,261,660

Administrative costs

The bill requires ODE to undertake various studies, surveys, and reports, which will increase ODE's administrative costs. Specifically, ODE must:

- By April 1, 2015, report to the General Assembly an estimate of the cost in FY 2016 and FY 2017 of guaranteeing each district a minimum state operating payment equal to the greater of \$1,000 per pupil or the per pupil amount the district was allocated in FY 2013.
- By June 30, 2015, survey the capacity and readiness of each school district to administer assessments online, and compile and present the survey results and a detailed implementation plan to address any issues or problems identified to certain specified officials.
- By June 30, 2015, study how the online administration of assessments impacts student performance and submit a report of the results to the Governor and General Assembly.
- Develop a table of assessments that may be used for multiple purposes.
- Determine which components of the resident educator performance-based assessment may be used as part of the state teacher evaluations.

Synopsis of Fiscal Effect Changes

- The substitute bill (LSC 130 0927-2) removes provisions in the previous substitute bill (LSC 130 0927-1) that, beginning in FY 2016, established a per pupil guarantee of \$1,000 or a district's FY 2013 state aid per pupil, whichever is greater, for traditional and joint vocational school districts and adjusted any cap on funding for districts with large increases in enrollment, eliminating any of the potential fiscal effects of this provision on state foundation aid.
- The substitute bill (LSC 130 0927-2) adds the provisions associated with student testing time limitations, the extension of paper-based testing options, and ODE administrative responsibilities, and their associated fiscal effects, which were not present in LSC 130 0927-1.