

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1922 - SB 2663

February 18, 2018

SUMMARY OF BILL: Requires the Department of Education (DOE) to provide standardized assessment results to LEAs no later than two weeks after the date of submission by a local education agency (LEA) rather than by June 30 of each year.

ESTIMATED FISCAL IMPACT:

**Decrease State Expenditures – Net Impact – \$30,819,300/FY18-19/Education
\$30,830,500/FY19-20 and Subsequent Years/Education**

Other Fiscal Impact – Recurring federal funds for K-12 education may be jeopardized as a result of this legislation. The precise amount, if any, cannot be reasonably determined. However, the Governor’s recommended budget document, on page B-81, identifies \$1,137,319,100 in federal funding for K-12 schools.

Assumptions:

- Based on information from the DOE, this legislation will require a redesign of the assessment program, taking out anything but multiple choice answers in order to expedite the scoring and reporting process.
- Based on information from the DOE, this will require an additional round of Braille Review, as it has already been completed for the upcoming year, FY18-19.
- This will result in a one-time increase in state expenditures of \$11,214 in FY18-19 to redesign the assessment program.
- Due to the fact that the state will no longer have to hand-score constructed response test items or generate constructed response test items, there will be a recurring decrease in state government expenditures estimated to be \$30,830,473 (\$25,025,238 hand scoring (grades 3-8) + \$5,800,400 high school exams + \$4,835 test construction for response forms).
- The total net impact is estimated to be a net decrease in state government expenditures of \$30,819,259 (\$30,830,473 - \$11,214) in FY18-19.
- In FY19-20 and subsequent years, the recurring decrease in state expenditures is estimated to be \$30,830,473.
- The DOE indicates that reducing the test to a multiple choice only exam will move the test out of alignment from the established Tennessee academic standards.

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- Title 1 part A of the Every Student Succeeds Act (ESSA) requires measurement of state standards.
- The revised assessments, if not aligned with state standards, may therefore be out of compliance with federal ESSA requirements, resulting in a possible loss of federal funding at the discretion of the U.S. Department of Education (USDOE).
- The amount of federal funding that could be in jeopardy is unknown and dependent upon action of the USDOE; however, the Governor's recommended budget document identifies \$1,137,319,100 in federal funds to K-12 schools, all or any portion thereof, could be jeopardized if Tennessee becomes non-compliant with the ESSA assessment requirements.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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