

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 542** HLS 15RS 387
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: June 17, 2015 3:03 PM	Author: SCHRODER
Dept./Agy.: Education	Analyst: Jodi Mauroner
Subject: Student Assessments	

STUDENT/ASSESSMENT EN SEE FISC NOTE GF EX See Note Page 1 of 1

Provides relative to required state assessments including prohibiting implementation of Partnership for Assessment of Readiness for College and Careers (PARCC) and similar assessments

Proposed legislation provides for the implementation of the LA Educational Assessment Program by the Dept. of Education (DOE). The DOE shall enter into a one year contract for assessments to be administered in the 2015-2016 school year for English language arts (ELA) and math in grades 3 through 8. Not more than 49.9 percent of the questions shall be based on the intellectual property developed by PARCC, any other federally funded consortium of states or one dedicated to political advocacy. Requires a final determination to select a vendor no later than July 15, 2015 and on the contract by October 25, 2015. Repeals these provisions on July 1, 2016. Effective if and when the Acts originating as House Bill 373 and Senate Bill 43 of 2015 are enacted into law. **Note:** HB 373 provides for a review process for the state content standards for ELA/math and further provides for BESE to promulgate the recommended standards in accordance with the Administrative Procedures Act (APA) prior to implementation in 2016. SB 43 requires BESE to promulgate rules for guidelines, requirements, and action prescribed by the board in accordance with the APA and further precludes the use of severability by a legislative committee or governor for state content standards which must be approved or rejected in globo.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is an indeterminable impact to state general fund expenditures of the DOE due to the contracting restrictions in the proposed legislation. Two of the three current assessment contracts totaling \$15M (\$9.1M SGF) will expire June 30, 2015. The DOE is in the process of issuing an RFP for the purpose of awarding new contracts. The DOE originally anticipated consolidating all assessment contracts under a single vendor, by subject matter (ELA/math, science and social studies) with each contract covering grades 3 through high school. Proposed law restricts the ELA/math contract for grades 3 through 8 to one year; as such the department has indicated it will continue with the contract which provides assessments for all subjects for high school students (valid through June 30, 2018) and will issue an RFP for a one year contract for ELA/math for grades 3-8 for the 2015-2016 school year.

To the extent a vendor offering a PARRC based assessment submits a lower cost bid, the DOE could potentially be required to award the contract to a vendor submitting a higher cost bid due to the restrictions. This would also be true if the structure of the RFP assumes a majority of the items will be acquired (from a third party source) rather than developed by the contractor and such acquisition of PARRC items were limited to 49.9%. However, if the RFP contemplates that a majority of the items would be developed by the contractor and subsidized with items acquired from a third party source, then the 49.9% restriction would not likely have a significant impact on the 2015-2016 assessments. It is unknown if a short term contract could result in higher cost bids to be submitted.

Due to the July 1, 2016 sunset provision, there is no anticipated impact to future RFPs and contracting costs which will be influenced by the standards adopted by BESE and approved by the legislature in 2017.

In any event, it is not possible for the LFO to project whether future contract costs would be more or less than current expenditures.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

Evan Brasseaux
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Staff Director