

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: RN 11 24145
POSITION: Neutral, note concerns
SPONSOR: California Teachers Association

BILL NUMBER: SB 740
AUTHOR: L. Hancock
RELATED BILLS: AB 250

BILL SUMMARY: Pupil Assessment: Grade 2 Testing

This bill, beginning July 1, 2012, would eliminate grade two testing under the Standardized Testing and Reporting (STAR) program. In addition, the bill would require the State Department of Education (SDE), by November 1, 2012, to provide local educational agencies (LEAs) with information on the availability of existing diagnostic assessments appropriate for students in grade two and to use the savings from the elimination of grade two assessments to offset SDE's costs of providing the information to LEAs. Lastly, the bill would also define high-quality, formative, and interim assessments.

FISCAL SUMMARY

According to the SDE, elimination of grade two student testing would result in Proposition 98 General Fund savings of about \$1.8 million the first year, \$4.3 million the second year, and \$1.6 million the third year, including contract costs and per-student apportionments. However, as LEAs choose to administer diagnostic assessments in place of the eliminated STAR tests, this bill would likely result in indeterminable yet significant Proposition 98 General Fund cost pressures for LEAs. The current state-wide per-student apportionment provided to LEAs to provide grade two testing is \$1.2 million annually.

Additionally, the bill would likely create tens of thousands of dollars of General Fund costs annually for the SDE to provide information on the availability of appropriate grade two diagnostic tests. While the bill would permit the SDE to use the Proposition 98 General Fund savings to offset administration costs of providing information to LEAs, Proposition 98 General Fund cannot be used for state operations costs.

COMMENTS

Because this bill would not generate costs to the state, the Department of Finance (Finance) is neutral on this bill but notes the following concerns:

- This bill could result in millions of dollars of Proposition 98 General Fund cost pressures for LEAs by replacing state funded grade two testing with discretionary diagnostic testing provided by LEAs at a time when state provided school funding is significantly constrained.
This bill is premature in proposing modifications to the STAR program because efforts are currently underway on a new generation assessment and accountability system aligned to the Common Core State Standards (CCSS).

California has joined a multi-state consortium, the Smarter Balanced Assessment Consortium (SBAC), as a governing state to develop a new generation assessment system aligned to the CCSS. The SBAC is a national consortium of states that have been working collaboratively since December 2009 to develop a new generation student assessment system aligned to a common core of academic content standards. On September 2, 2010, the SBAC was awarded a four-year \$176 million Race to the Top assessment grant by the US Department of Education to develop the new generation of student assessments. As a governing state, California has an active role in all decision making, work groups, and steering committees and agrees

Analyst/Principal Date Program Budget Manager Date
(0363) Nick Schweizer

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

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to fully implement statewide the SBAC summative assessment in grades three through eight and grade eleven for both mathematics and English language arts.

The new system of student assessments will be designed to meet all state and federal accountability requirements and will include formative, interim, and summative assessments to evaluate student problem solving, complex thinking skills, and identify each student's strengths, weakness, and progress toward college and career readiness. Utilizing state-of-the-art computer adaptive technologies, the assessments will minimize student testing time, measure student achievement across a spectrum of learning, evaluate growth in academic achievement, and provide timely and accurate information to teachers and others on the progress of all students, including those with disabilities, English language learners, and low- and high-performing students.

The CCSS is a national set of academic content standards coordinated among teachers, school administrators, and subject matter experts. The CCSS was developed by the National Governors Association Center for Best Practices (NGA Center) and the Council of Chief State School Officers (CCSSO). The NGA Center and CCSSO received initial feedback on the draft standards from national organizations representing teachers, postsecondary educators, civil rights groups, English language learners, and students with disabilities, after which the standards were opened for public comment. The final draft of the CCSS was released in June 2010. In June and July 2010, the California State Academic Content Standards Commission adopted the common core by combining the CCSS and unique state standards. The Board adopted the recommendations of the California State Academic Content Standards Commission on August 2, 2010; however it has not yet been implemented.

A related bill, AB 250 (Brownley), would also make changes to the STAR program and define high-quality, formative, and interim assessments. However, there would not be a chaptering issue because AB 250 and this bill would make conforming changes.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)								Fund Code
	LA	(Dollars in Thousands)								
	CO	PROP								
	RV	98	FC	2011-2012	FC	2012-2013	FC	2013-2014		
6110/Dept of Educ	SO	No	C	\$15	C	\$15		--		0001
6110/Dept of Educ	LA	Yes		--	M	-\$1,800		--		0001
6110/Dept of Educ	LA	Yes		----- See Fiscal Summary -----						0001