



## Legislative Fiscal Bureau

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December 17, 2009

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Public Instruction: Section 13.10 Request for Release of Funding for the Wisconsin Knowledge and Concepts Examinations -- Agenda Item II

### REQUEST

The Department of Public Instruction (DPI) requests the transfer of \$2,313,400 GPR in 2009-10 from the Committee's appropriation [s. 20.865(4)(a)] to the pupil assessment appropriation [s. 20.255(1)(dw)].

### BACKGROUND

State law requires that the Wisconsin knowledge and concepts exam (WKCE) be administered in the 4<sup>th</sup>, 8<sup>th</sup>, and 10<sup>th</sup> grades in all public and charter schools in the state, to evaluate the level of proficiency attained by pupils in the areas of reading, language arts/writing, mathematics, science, and social studies. State law also requires a 3<sup>rd</sup> grade reading assessment, which is also tested with the WKCE.

Beginning in 2005-06, federal law under the reauthorized Elementary and Secondary Education Act, commonly referred to as "No Child Left Behind" (NCLB), requires states to administer exams in reading and mathematics in 3<sup>rd</sup> through 8<sup>th</sup> grades, and once in high school. Beginning in 2007-08, federal law also requires states to assess science proficiency once each in the elementary, middle, and high school grades. These requirements are likewise met by the WKCE.

### ANALYSIS

Prior to the advent of the NCLB requirements, approximately 190,000 students were tested annually in the state. Beginning with the 2005-06 school year, a new version of the WKCE has

been administered to approximately 440,000 students annually. NCLB requires that states select and design their own assessments, but the tests must be aligned with the state's academic standards. The current WKCE is a criterion-referenced test, customized to align with state model academic standards and designed to measure how well pupils have learned specific curricular material. The WKCE was developed and is administered by DPI and CTB/McGraw-Hill under a 10-year contract. The first two years of the contract covered test development, and beginning in 2005-06, the contract covers printing, scoring, and reporting the exams, as well as continuing development of test questions. DPI has indicated that customized tests such as WKCE need to be continually evaluated for standards alignment, scoring of constructed responses, and bias.

In addition to the WKCE contract, DPI is responsible for determining adequate yearly progress for each district and school, reporting summaries of that data and making it available to the public, and supporting the individual student enrollment tracking system, all of which are required by federal law. DPI is also responsible for developing a language proficiency assessment, translations and other materials for students taking the WKCE who have limited English proficiency. DPI must also administer an alternate assessment for students with severe disabilities, beginning in 2007-08. The federal government rejected the assessment Wisconsin used for severely disabled pupils prior to 2007, because it was not sufficiently standardized. A new assessment was developed using federal assessment funding and piloted in 2007-08. However, DPI incurs ongoing costs associated with administering and scoring these specialized exams, as well as reporting the results.

During the Legislature's 2009-11 budget deliberations, the Committee placed \$2,313,400 GPR provided in each year under the Governor's version of the budget in reserve in the Committee's appropriation, in order to allow time to gather expenditure information and federal assessment funding information to become available in each year of the biennium.

The WKCE contract payment to CTB/McGraw-Hill will be \$7,187,600 in 2009-10. The total cost of administering the exam for students with disabilities, another part of the contract with CTB/McGraw-Hill, will be an additional \$1,600,400 in 2009-10. The total CTB contract payment is \$8,788,000. The portion of the regular WKCE attributable to state-mandated tests is \$4,813,400. DPI has indicated that the state's portion of the cost of the students with disabilities exam, for just those grades and subject areas required by state law, is \$928,000 in 2009-10. Therefore, costs attributable solely to state-mandated testing total \$5,741,400.

The Department's costs for the English language proficiency exam, which is outside the CTB contract, variable supplies and services costs, and salaries and administrative costs for all pupil assessment programs will be \$3,841,000 in 2009-10. For CTB, the English proficiency exam, and all administrative and other costs, DPI's pupil assessment costs total \$12,629,000 in 2009-10.

The Department will receive \$7,257,000 FED in 2009-10 in federal pupil assessment funding, and will use \$600,000 FED in revenues from the Individuals with Disabilities Education Act (IDEA) toward the specialized exam for students with disabilities. In addition, DPI has carryover funds totaling \$2,176,400 FED from prior years' federal pupil assessment funding. The

state pupil assessment appropriation is budgeted at \$3,106,500 GPR 2009-10, and DPI indicates that \$325,000 GPR has been reallocated to pupil assessment operations from the agency's largest general program operations appropriation. Therefore, a total of \$13,464,900 is available from all fund sources to meet assessment expenses in 2009-10, or \$835,900 more than anticipated costs this year, without considering the \$2,313,400 GPR under this request. This is attributable to the \$2,176,400 FED of carryover funds described above.

Therefore, the Committee could deny the request, and DPI would have sufficient revenues to meet their pupil assessment costs in 2009-10. As in the 2007-09 biennium, when the Committee did not release assessment monies held in its appropriation, under this alternative, the state would be using available federal moneys to fund costs attributable to state-mandated tests.

Staff from DPI indicate that the agency would prefer to retain the carryover federal dollars for a number of projects with as yet unknown expenses. The Department plans to develop a new high school assessment system that will replace the 10<sup>th</sup> grade WKCE. DPI also plans a new computer-based assessment system for grades three through eight, developed in collaboration with other states, to assess progress toward common academic standards. Also, multi-state collaboration on a grade three through eight benchmark assessment is planned, which would gauge student academic progress throughout the school year. The Department indicates these instruments need to be developed and piloted while using the current assessment system, and that the state would then transition fully to the new assessment system. Finally, DPI indicates that it is required under the American Recovery and Reinvestment Act (ARRA) to develop reporting systems to gauge student progress as part of teacher and principal evaluation. These projects represent additional expenses that would be funded with carryover dollars if available. However, the Committee could delay action on the request until specific information on these expenses can be provided by DPI.

CTB contract costs attributable to state-mandated tests total \$5,741,400 in 2009-10, while \$3,431,500 GPR is currently allocated for that purpose (\$3,106,500 GPR in the pupil assessment appropriation, plus \$325,000 GPR from the general operations appropriation), leaving a difference of \$2,309,900. If the Committee were to approve DPI's requested transfer of \$2,313,400 GPR, the state would fully fund those tests that are required by state law.

## **ALTERNATIVES**

1. Approve the request to transfer \$2,313,400 GPR in 2009-10 from the Committee's appropriation [s. 20.865(4)(a)] to the pupil assessment appropriation [s. 20.255(1)(dw)]. Under this alternative, pupil assessment funding would equal \$5,419,900 GPR in 2009-10 and \$3,106,500 GPR in 2010-11. The Department could submit another request to the Committee for the release of the remaining \$2,313,400 GPR in 2010-11.

2. Deny the request.

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