



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #656

Pupil Assessment (DPI -- Administrative and Other Funding)

[LFB 2009-11 Budget Summary: Page 537, #5]

CURRENT LAW

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

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

GOVERNOR

Provide \$2,313,400 GPR annually for pupil assessments to contract for and administer the Wisconsin knowledge and concepts examinations in grades three, four, eight, and 10, including a newly developed and standardized alternate assessment for students with severe disabilities, which is required under federal law. Base level funding is \$3,110,700 GPR annually.

DISCUSSION POINTS

1. Beginning in 2005-06, the WKCE has been administered to approximately 500,000 pupils annually, in order to comply with assessment requirements of "No Child Left Behind" (NCLB). The federal law requires that states select and design their own assessments, but the tests must be aligned with the state's academic standards. DPI entered a 10-year contract with testing

vendor CTB/McGraw-Hill after the reauthorization of the Elementary and Secondary Education Act (ESEA). During the first two years of the contract, CTB and DPI worked to develop and customize a criterion-referenced test that would align with state model academic standards for grades three through eight and 10, as required under NCLB. Beginning with 2005-06, the contract covers printing, scoring, and reporting the exams, as well as continuing development of test questions. According to DPI, customized tests such as those required by NCLB require continual development in the form of alignment studies, scoring guidelines, and bias review committees, to ensure the test is timely and properly constructed.

2. When DPI accepted its contract bid, CTB estimated its charges would be approximately \$7.6 million annually to administer the new exams. In 2005-06, CTB revised its estimate to \$15 million annually. There were several changes during development of the exams that resulted in higher costs than had been anticipated in the original agreement. DPI sought to economize by decreasing the number of expensive hand-scored items and reducing production costs. DPI negotiated to reduce the charge to \$10 million in 2005-06 and \$8 million in 2006-07. While the 2007-09 state budget was under consideration, DPI was in the midst of ongoing negotiations for future contract years' payments. Given fluctuations in CTB's cost estimates at that time, the Committee chose to place a GPR increase of \$1.4 million annually in the Committee's appropriation. Upon receipt of adequate documentation from CTB, the Department could request release of the funds.

3. DPI requested release of \$1.4 million in 2007-08 under s. 13.10. However, the Department of Administration recommended the request be denied, because DPI had sufficient federal funding to cover all assessment costs in that year. DPI did reach an agreement with CTB that caps the state's annual contract payment at \$8.0 million annually, just slightly above the original estimate. The portion of that total attributable to state-mandated testing in grades 3, 4, 8, and 10 is \$5,399,600 annually. DPI has used federal assessment dollars to make up the shortfall in its pupil assessment appropriation for the 2007-09 biennium, and the Department to date has not requested release of the 2008-09 funds.

4. In addition to the WKCE contract, DPI is also 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, which are all required by federal law. DPI must also develop a language proficiency assessment, translations, and other materials for students taking the WKCE who have limited English proficiency. The Department's costs for cross-state collaborations, the English language proficiency exam, technical studies, translations, and salaries and administrative costs are budgeted at \$4,048,100 annually in 2009-11.

5. DPI must also develop and administer an alternate assessment for students with severe disabilities, beginning in 2007-08. DPI indicates that the federal government rejected the assessment Wisconsin used for severely disabled pupils prior to 2007, because it was locally scored and not sufficiently standardized. A new assessment was developed using federal dollars and administered for the first time in 2007-08. The new test, which is standardized and electronically scored, meets federal requirements and is aligned with state standards. The total cost of the new exam is expected to be \$1,719,300 in 2009-10 and \$1,735,400 in 2010-11.

6. Under AB 75, most non-federal appropriations were reduced by 1% as across-the-board reductions in state spending. In 19 agencies, certain appropriations were also reduced by 5%, including the pupil assessments appropriation. The Governor recommended an annual increase of \$2,500,000 for assessments, and reductions of -\$186,600 annually, for a net increase of \$2,313,400 annually.

7. Altogether, DPI expects pupil assessment costs to total \$13,767,400 in 2009-10 and \$13,783,500 in 2010-11. The Governor's recommendation would provide total pupil assessment funding of \$5,424,100 GPR annually. DPI expects to receive approximately \$7,294,000 FED annually in federal pupil assessment funding over the next biennium, for a total of \$12,718,100 annually all funds. DPI's shortfall in ongoing funding for pupil assessments under the Governor's recommendation would be an estimated \$1,049,300 in 2009-10 and \$1,065,400 in 2010-11.

8. For 2009-11, however, another \$1.4 million in federal assessment funding, carried over from prior years, should be available to offset costs. Subtracting that amount, the assessment funding shortfall would be an estimated \$714,700 in the second year of the 2009-11 biennium. The Department would then need to reallocate funding, either from general program operations or other eligible federal funding, to cover the remaining costs. Staff from DPI indicate that the Department currently does not have a plan in place to meet this shortfall. Alternatively, it is possible that additional federal funding for pupil assessments could be provided by Congress in the next federal budget. However, the Committee could choose to restore the 5% reduction in this appropriation in order to mitigate the anticipated shortfall (Alternative 2).

ALTERNATIVES

1. Approve the Governor's recommendation to provide \$2,313,400 GPR annually for pupil assessments to contract for and administer the Wisconsin knowledge and concepts examinations above base level funding of \$3,110,700 GPR. Total funding for pupil assessments would equal \$5,424,100 annually.

2. Modify the Governor's recommendation by increasing funding for pupil assessments by \$155,500 annually, which would restore the 5% reduction in AB 75. Total funding for pupil assessments would equal \$5,579,600 annually.

ALT 2	Change to Bill
	Funding
GPR	\$311,000

3. Delete provision, which would retain base level funding of \$3,110,700 GPR for pupil assessments.

ALT 3	Change to Bill
	Funding
GPR	- \$4,626,800

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