



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

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Joint Committee on Finance

Paper #561

Pupil Assessment (DPI -- Administrative and Other Funding)

[LFB 2011-13 Budget Summary: Page 369, #4 and Page 370, #6]

CURRENT LAW

State law requires that standardized pupil assessments 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. These assessments are administered as the Wisconsin knowledge and concepts exams (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 annually above base level funding of \$3,106,500 for standardized pupil assessments to contract for and administer the Wisconsin knowledge and concepts examinations required by state law in grades 3, 4, 8, and 10. This appropriation would also be subject to a 10% across-the-board reduction to the base.

DISCUSSION POINTS

1. The WKCE is a criterion-referenced test administered to approximately 500,000 pupils annually in order to comply with assessment requirements of "No Child Left Behind" (NCLB). The WKCE was extensively revamped in order to meet federal testing requirements and customized to align with the state's model academic standards. The WKCE was developed and is

administered by DPI and CTB/McGraw-Hill under a 10-year contract, which runs through 2012-13, and covers printing, scoring, and reporting the exams.

2. In addition to the WKCE contract, under NCLB, DPI is responsible for determining adequate yearly progress for each district and school in the state, reporting summaries of that data to the public, and supporting an individual student enrollment tracking system. DPI is also responsible for administering a language proficiency assessment, translations, and other materials for students taking the WKCE who have limited English proficiency. Finally, DPI must administer the Wisconsin alternate assessment (WAA), a standardized and electronically scored assessment for pupils with severe disabilities.

3. During the Legislature's 2009-11 budget deliberations, the Committee placed \$2,313,400 GPR, provided to DPI in each year under the Governor's recommendations, in reserve in the Committee's appropriation. The intent was to allow time to gather more detailed expenditure information, and for federal assessment funding information to become available, before allocating funding. In both years, at the quarterly s. 13.10 meetings held in December, 2009, and again in December, 2010, the Committee approved DPI's request to transfer funding from the Committee's appropriation to the pupil assessment appropriation. Therefore, as a practical matter, the additional funding provided in the bill provides funding to the agency that is consistent with current spending levels.

4. The WKCE contract payment to CTB/McGraw-Hill is \$7,382,100 in 2010-11, while the cost of administering the exam for students with disabilities is an additional \$1,616,500, for a total contract payment of \$8,998,600 annually. The payment is expected to remain at the same level for the next two years. The portion of the contract attributable solely to the grade levels and content areas required under state law is \$4,982,500 for the regular WKCE and \$937,300 for the WAA. Therefore, the total cost attributable to state-mandated testing is \$5,919,800 annually.

5. The Department's base level funding for pupil assessment is \$3,106,500 GPR in 2010-11 and is reduced by \$310,700 annually under the Governor's budget recommendations, to \$2,795,800 annually. The bill then increases the appropriation by \$2,313,400, the increment provided to DPI under s. 13.10 in 2009-10 and in 2010-11. Total assessment funding under the bill would equal \$5,109,200 annually, or \$310,700 less than was provided in 2010-11 and \$810,600 less than DPI's cost for state-mandated testing.

6. In addition to the WKCE contract payments, DPI's costs for the English language proficiency exam, which is outside the CTB contract, is \$1,117,800 in 2010-11. Salaries, administrative costs, other testing costs, and variable supplies and services costs are estimated to total \$2,443,300 in 2010-11. Altogether, testing costs total \$12,559,700 in 2010-11.

7. DPI also receives approximately \$7.2 million FED annually in federal Title VI pupil assessment funding, and has carryover funds totaling \$4,465,500 FED in 2010-11, from prior years' Title VI funding. DPI has in past years reallocated general fund revenues from the agency's largest general operations appropriation, federal administrative funds under Title I, and administrative funds from the Individuals with Disabilities Education Act, in order to supplement GPR and federal pupil assessment funding.

8. In June, 2010, the State Superintendent issued a proclamation adopting the "common core" academic standards for curriculum, instruction, and assessment in English language arts and mathematics in Wisconsin. The common core standards were jointly developed with other states through Council of Chief State School Officers and the National Governor's Association, and replace the state's prior model academic standards. While adoption is voluntary for all states, 42 states and the District of Columbia have chosen to adopt the common core standards.

9. In September, 2010, the Department of Education awarded a four-year \$160 million grant from funds provided under the American Recovery and Reinvestment Act (ARRA) to the SMARTER Balanced Assessment Consortium. Wisconsin is a governing state of the 30-state consortium collaborating to develop a new student assessment system to be aligned with the common core state standards, and Wisconsin educators are expected to participate in constructing the new system, including the development of test items. The grant is intended to fund the development costs of the new comprehensive assessment system. The consortium has four years to develop a valid assessment, with full implementation required by 2014-15.

10. DPI indicates that costs to the state for implementing and transitioning to this new system are not yet known. The new assessment will be developed and piloted while continuing to use the current WKCE, and DPI anticipates increased overall assessment expenditures during that time. Finally, DPI will be responsible for the cost of transition of the WAA to cover the new common core content standards, which is not covered by the SMARTER consortium grant. These projects represent additional expenses that would be funded by the Department with federal carryover dollars, if available.

11. If the Committee were to approve the Governor's recommendation for an additional \$2,313,400 annually, DPI's funding shortfall would be reduced to \$810,600 annually. The state would then fully fund the regular tests required by state law, and a small portion of the costs related to the WAA administered in the grades required by state law. Alternatively, the Committee could choose to restore the 10% reduction (\$310,700 annually) taken from the pupil assessment appropriation under AB 40, in addition to approving the increase, in which case the funding shortfall would be reduced to \$499,900. DPI could then use a combination of federal administrative funds and federal pupil assessment carryover funds to cover the remaining cost.

12. Alternatively, the Committee could direct DPI to use federal carryover funds to cover its pupil assessment shortfall in the first year of the biennium, and a portion of the shortfall in 2012-13. Because the Department has available carryover funds of \$4,465,500 FED, DPI could cover the entire shortfall for 2011-12, and \$1,341,500 of the shortfall in 2012-13. The Department would require an increase of \$1,782,500 GPR in 2012-13 in order to fully fund state tests. As additional costs arise related to the transition to the new SMARTER balanced assessment, DPI could request additional funding through its biennial agency budget request for 2013-15.

13. If the Committee would choose not to increase the appropriation, pupil assessment funding would be reduced to \$2,795,800 GPR annually after the 10% reduction to the base, leaving a shortfall of \$3,124,000 annually for state-mandated tests.

ALTERNATIVES

1. Approve the Governor's recommendation to provide \$2,313,400 annually above base level funding of \$3,106,500 for standardized pupil assessments to contract for and administer the Wisconsin knowledge and concepts examinations required by state law in grades 3, 4, 8, and 10.

2. Modify the Governor's recommendation by increasing funding for pupil assessments by \$310,700 annually, which would restore the 10% reduction in AB 40. Total funding for pupil assessments would equal \$5,419,900 annually, equal to the amount provided in 2010-11.

ALT 2	Change to Bill Funding
GPR	\$621,400

3. Modify the Governor's recommendation to reduce funding by \$2,313,400 in 2011-12 and \$530,900 in 2012-13. Total funding in the pupil assessment appropriation would equal \$2,795,800 in 2011-12 and \$4,578,300 in 2012-13. DPI could use federal carryover funds in order to cover the shortfall.

ALT 3	Change to Bill Funding
GPR	- \$2,844,300

4. Delete the provision.

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

Prepared by: Layla Merrifield