



Legislative Fiscal Bureau

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December 14, 2010

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 VIII

REQUEST

The Department of Public Instruction requests the transfer of \$2,313,400 GPR in 2010-11 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 exams (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 reading, language arts/writing, mathematics, science, and social studies. State law also requires a 3rd 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 3rd through 8th 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 now met with the WKCE.

ANALYSIS

Beginning in 2005-06, the WKCE was 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 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 development of test questions, printing, scoring, and reporting the exams.

In addition to the WKCE contract, DPI is responsible for determining adequate yearly progress for each district and school, and reporting summaries of that data to the public, and supporting an individual student enrollment tracking system, all required by federal law. 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 severely disabled pupils.

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 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. At the Committee's meeting under s. 13.10 on December 17, 2009, the Committee approved DPI's request to transfer \$2,313,400 GPR in 2009-10 from the Committee's appropriation to the pupil assessment appropriation to provide funding for CTB contract costs attributable to state-mandated tests in that year. At the time, DPI had carryover pupil assessment funds available in the amount of \$2,176,400 FED. DPI was then able to carryover additional federal assessment dollars into 2010-11, and federal carryover funds now total \$4,465,500 FED.

The WKCE contract payment to CTB/McGraw-Hill will be \$7,382,100 in 2010-11. The cost of administering the exam for students with disabilities, another part of the contract with CTB/McGraw-Hill, will be an additional \$1,616,500 in 2010-11. The total CTB contract payment is \$8,998,600. The portion attributable to the grade levels and content areas required under state law is an estimated \$4,982,500 in 2010-11 for the regular WKCE and \$937,300 in 2010-11 for the WAA. Therefore, costs attributable to state-mandated testing total \$5,919,800.

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 will total \$12,559,700 in 2010-11.

The Department will receive \$7,206,900 FED in 2010-11 in federal Title VI pupil assessment funding, and will use an additional \$159,000 FED from Title I revenues for assessments. In addition, DPI has carryover funds totaling \$4,465,500 FED from prior years' Title VI funding. The state pupil assessment appropriation is budgeted at \$3,106,500 GPR in 2010-11, and DPI has reallocated \$307,200 GPR to pupil assessments from the agency's largest general program operations appropriation. Therefore, a total of \$15,245,100 is available from all fund

sources to meet assessment expenses in 2010-11, or \$2,685,400 more than anticipated costs this year without the requested GPR transfer from the Committee's appropriation. The Committee could deny the request, and DPI would have sufficient revenues to meet its pupil assessment expenses in 2010-11. Under this alternative, the state would be using available federal moneys to fund costs attributable to state-mandated tests.

In a s. 13.10 request from the State Public Defender (SPD), the SPD is seeking Committee approval of \$9.5 million in 2010-11 to address a shortfall in the private bar appropriation. If the Committee denies the DPI request, the \$2,313,400 could be used to offset a portion of the SPD request, or remain in the Committee's appropriation for potential lapse to the general fund at the close of the biennium.

Staff from DPI indicate that the agency would prefer to retain the carryover federal dollars for additional projects with as yet unknown expenses in future years. DPI is required under provisions of ARRA to develop reporting systems to gauge student progress for accountability and reporting purposes. Additionally, the Department is now beginning work on the next generation of pupil assessments that are expected eventually to replace the WKCE.

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 replace the state's prior model academic standards and, while adoption is voluntary for all states, as of November, 2010, 40 states and the District of Columbia have chosen to adopt the common core state standards. 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 member of the consortium of 30 states collaborating to develop a new student assessment system, to be aligned with the common core state standards. 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.

DPI indicates that costs to the state for implementing and transitioning to this new system are not yet known. Wisconsin educators are expected to participate in constructing the new system, including the development of test items. The new assessment will be developed and piloted while continuing to use the current WKCE, and DPI anticipates increased expenditures during that time. Finally, DPI will be responsible for the cost of transitioning 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 carryover dollars, if available.

CTB contract costs attributable to state-mandated tests total \$5,919,800 in 2010-11, while \$3,413,700 GPR is currently allocated for that purpose (\$3,106,500 GPR in the pupil assessment appropriation, plus \$307,200 GPR from the general program operations appropriation), leaving a

difference of \$2,506,100. If the Committee were to approve DPI's requested transfer of \$2,313,400 GPR, the state would fully fund the regular WKCE tests required by state law, as well as the bulk of the cost associated with administering the WAA for disabled pupils in grades 3, 4, 8, and 10. The remaining shortfall of \$192,700 could be covered with available federal carryover dollars.

ALTERNATIVES

1. Approve the request to transfer \$2,313,400 GPR in 2010-11 from the Committee's appropriation [s. 20.865(4)(a)] to the pupil assessment appropriation [s. 20.255(1)(dw)]. Under this alternative, the pupil assessment appropriation would total \$5,419,900 GPR in 2010-11.

2. Deny the request.

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