

Department of Planning and Budget 2018 Fiscal Impact Statement

1. **Bill Number:** HB1162

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. **Patron:** Pillion

3. **Committee:** Education

4. **Title:** Public schools; Standards of Learning assessments.

5. **Summary:** Reduces the total number and type of required Standards of Learning assessments to the minimum requirements established by the federal Elementary and Secondary Education Act of 1965, P.L. 89-10, as amended. The bill requires the Department of Education to calculate any potential or realized savings from the implementation of the bill and to report the amount of such savings to the Governor and the Chairmen of the House Committee on Appropriations and Senate Committee on Finance by November 1, 2019. Such amount shall be included in the total for Direct Aid to Public Education in any general appropriation act for fiscal years 2021 and 2022.

6. **Budget Amendment Necessary:** Yes, Item 130.

7. **Fiscal Impact Estimates:** Preliminary. See Item 8.

8. **Fiscal Implications:** The Department of Education (DOE) provides two scenarios with estimated cost reductions as a result of this bill. The two estimates differ based on possible interpretations of which Standards of Learning (SOL) tests are required for federal accountability under the current version of the Elementary and Secondary Education Act, the Every Student Succeeds Act of 2015 (ESSA), while also taking into consideration existing high school graduation requirements and recent revisions to the Standards of Accreditation.

Scenario One

The first scenario eliminates two SOL history tests:

- Virginia Studies
- Civics and Economics

Under this scenario, DOE estimates a state savings of \$199,907 per year based on the number of eliminated tests projected to be administered in school year 2018-2019. This scenario does not eliminate additional end-of-course (EOC) mathematics tests, EOC science tests, EOC history tests, or writing tests based on the following information:

ESSA Requirements:

Mathematics

ESSA requires mathematics assessments annually in grades three through eight and once in high school, so it may be necessary to retain all of the current mathematics tests. Since Virginia permits accelerated students to take the math test that is associated with the instruction they are receiving, even if it is above grade level, all of the current mathematics tests are needed to ensure that all students have a mathematics test to take in high school. For example, many students take Algebra I and Geometry in middle school, which leaves Algebra II as the only remaining high school mathematics test. Eliminating the Geometry and Algebra II tests will leave school divisions without a mathematics test to administer to high school students, as required by ESSA.

Science

ESSA requires science assessments once in grades three through five, once in grades six through nine, and once in grades 10 through 12. Consequently, under this scenario, DOE retains the grade five and grade eight science tests and, similar to math, it may be necessary to retain all of the current EOC science tests to ensure that all students have a science test to take in high school. For example, many school divisions administer the EOC Earth Science test in middle school; therefore, eliminating the EOC Biology and Chemistry tests will leave many school divisions without a science test to administer to high school students, as required by ESSA.

Writing

The United States Department of Education (USED) indicates that if a state's English/Language Arts standards address reading and writing, then both content areas must be assessed. Because the English SOL includes both reading and writing in grades three through eight and in high school, this guidance is likely to apply to the tests used by Virginia to meet the requirements of ESSA. Virginia DOE staff submitted evidence to USED for the peer review of Virginia's assessment system for federal accountability in summer 2016 and submitted additional evidence in December 2017. While DOE has not yet received the results of Virginia's peer review, peer review letters for other states suggest that writing tests will be required for states with English standards that include both reading and writing. Until more information is available and DOE receives Virginia's peer review response from USED, DOE recommends retaining the existing SOL writing tests.

High School Graduation Requirements:

The graduation requirements for high school students who were first-time ninth graders in or before school year 2017-2018 require students to earn one verified credit each in mathematics, science, and history for a standard diploma and two verified credits each in

mathematics, science, and history for an advanced studies diploma. Additionally, these students must earn two verified credits in English: one in reading and one in writing. Students who will be first-time ninth graders in or after school year 2018-2019 must earn one verified credit each in mathematics, science, and history, and two verified credits in English: one in reading and one in writing. Based on these graduation requirements, eliminating the additional EOC tests will negatively impact current high school students who are working toward the necessary verified credits for their high school diploma.

Performance Assessments:

Beginning in school year 2018-2019, school divisions have the option to implement performance assessments for students to earn verified credits in history and writing, which are applied toward their graduation requirements; however, not all school divisions are prepared to implement performance assessments in 2018-2019. Eliminating the EOC history and writing tests in school year 2018-2019 would be premature and will negatively impact high school students who are attempting to earn the necessary verified credits for a high school diploma in those divisions that are not yet prepared to implement performance assessments. The impact will be greatest for current high school students attempting to earn advanced studies diplomas and need two verified credits in history.

Scenario Two

The second scenario eliminates the following SOL tests not required for federal accountability:

- History: Virginia Studies, Civics & Economics, EOC World History to 1500, EOC World History from 1500, EOC World Geography, EOC Virginia and U.S. History
- Science: EOC Earth Science, EOC Chemistry

Under this scenario, DOE estimates a state savings of \$486,936 per year based on the number of eliminated tests projected to be administered in school year 2018-2019. However, for the reasons described in Scenario One, this option will have a negative impact on current high school students who will utilize the EOC tests to earn the verified credits in history and science required for a high school diploma.

For both scenarios, eliminating the Virginia Studies test and the Civics and Economics test will have a varied fiscal impact on local school divisions. Currently, the Code requires that “each school board shall annually certify that it has provided instruction and administered an alternative assessment, consistent with Board guidelines, to students in grades three through eight in each Standards of Learning subject area in which a Standards of Learning assessment was not administered during the school year.” As written, this bill will require school divisions to implement local alternative assessments for the Virginia Studies and Civics and Economics history tests.

9. Specific Agency or Political Subdivisions Affected: Board of Education, Department of Education, local school divisions

10. Technical Amendment Necessary: No

11. Other Comments: This bill is identical to SB491 and similar to HB251 and HB980.

This bill requires any savings generated from eliminating SOL tests to be included in the total for Direct Aid to Public Education in any general appropriation act for fiscal years 2021 and 2022. The actual state cost to support Direct Aid to Public Education in outgoing fiscal years is indeterminate because future costs will be impacted by the rebenchmarking process and future enrollment changes. It is unclear how these savings should be applied to the Direct Aid appropriation in outgoing years.