

## Department of Planning and Budget 2021 Fiscal Impact Statement

**1. Bill Number:** HB2027

**House of Origin**    ☐ Introduced    ☒ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Coyner

**3. Committee:** Appropriations

**4. Title:** Standards of Learning assessments; reading and mathematics; grades three through eight.

**5. Summary:** Requires, no later than the 2024-2025 school year, the Board of Education to establish, for the purpose of providing measures of individual student growth over the course of the school year, a through-year growth assessment system, aligned with the Standards of Learning, for the administration of reading and mathematics assessments in grades three through eight. The system must provide accurate measurement of a student's performance, through computer adaptive technology, using test items at, below, and above the student's grade level as necessary. Such through-year growth assessment system must include at least one fall and one spring assessment, but the total time scheduled for taking all such assessments cannot exceed 150 percent of the time scheduled for taking a single end-of-year proficiency assessment.

**6. Budget Amendment Necessary:** Yes, Item 139.

**7. Fiscal Impact Estimates:** Preliminary, see Item 8.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2022	\$7,000,000	General Fund
2023	\$0	General Fund
2024	\$0	General Fund
2025	\$1,750,000	General Fund
2026	\$1,750,000	General Fund
2027	\$1,750,000	General Fund

**8. Fiscal Implications:** The testing requirements of this bill have a 2024-2025 school year effective date, which corresponds with fiscal year 2025. To meet these testing requirements, the Virginia Department of Education (VDOE) will require additional state support beginning in fiscal year 2022.

VDOE, in consultation with Pearson, the state assessment contractor, estimates a one-time state cost of \$7.0 million in fiscal year 2022 and an ongoing state cost of \$1.75 million in fiscal year 2025 and outgoing years to meet the requirements of this bill.

The existing computer adaptive testing (CAT) format does not allow for testing a student's performance outside of his grade level. VDOE estimates an additional one-time state cost of \$3.0 million in fiscal year 2022 for development and programming to support a CAT format that tests items at grade levels below and above the tested level. In order to test outside-of-grade-level performance for students in grade three, VDOE estimates an additional one-time state cost of \$4.0 million in fiscal year 2022 to create question banks for grades one and two, as these question banks do not exist currently.

To administer the assessments for students in grades three through eight two times per school year, VDOE estimates an additional ongoing state cost of \$1.75 million beginning in fiscal year 2025 when the testing requirement becomes effective.

For the House substitute version of this bill, the total estimated cost in fiscal year 2022 is \$7.0 million, all of which is a one-time cost for programming and development. Beginning in fiscal year 2025, there is an additional cost of \$1.75 million, which is an ongoing annual cost to administer the assessments two times per year.

VDOE anticipates that the agency can absorb any cost to provide professional development to school divisions addressing the interpretation and use of test scores.

Any fiscal impact to local school divisions is indeterminate.

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

**10. Technical Amendment Necessary:** No

**11. Other Comments:** The House amendments to HB 2027 are similar to the Senate substitute of SB 1357; however, the Senate substitute of SB 1357 requires three assessments per year, requires testing of all grade levels, and requires the through-year growth assessment system to be active beginning in fiscal year 2022 (school year 2021-2022).