

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 91 – SB 442

March 4, 2019

**SUMMARY OF BILL:** Authorizes local education agencies (LEAs) to use an alternative growth indicator approved by the State Board of Education (SBE) in the evaluation of pre-kindergarten and kindergarten teachers.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Exceeds \$9,000,000/Recurring**

**Other Fiscal Impact – If LEAs are required to cover the costs associated with administering an alternative growth indicator, there will be a permissive increase in local expenditures. However, due to multiple unknown factors, a precise impact cannot be reasonably determined.**

Assumptions:

- Districts that receive voluntary pre-k (VPK) money are required to implement the pre-k and kindergarten growth portfolio model for all pre-k and kindergarten teachers.
- Currently, the only two options for a growth model that still meet the requirements of Tenn. Code Ann. § 49-1-302 is the currently-approved pre-k and kindergarten growth portfolio model or a standardized assessment (which is not currently an option).
- SBE will be required to approve an alternative growth model and the Department of Education (DOE) will be required to cover the cost to develop the assessment.
- The actual development cost will depend on the results of a request for proposal (RFP) that will solicit vendors to design and administer the assessment. This cost will also depend on the content and length of the assessment and how it will be scored.
- In order to be a true growth measure, a pre-k and kindergarten assessment will necessarily include three assessment administrations: a beginning and end-of-year administration in pre-k (to generate prior data for determining growth), and a kindergarten administration in the spring (using pre-k data for prior scores).
- The state currently contracts with a vendor that developed and administers an optional grade 2 assessment, which was developed in alignment with Tennessee Academic Standards. The maximum liability for this contract is \$3,000,000 per year. Using the grade 2 assessment contract as the basis for a cost estimate, the recurring increase in

state expenditures for an alternative pre-k and kindergarten assessment is estimated to exceed \$9,000,000 (\$3,000,000 for each test administration x 3 administrations).

- Development and administration of the assessment will cost the same regardless of how many districts opt in year-to-year. It is necessary to assume that all districts will opt in to this choice in order to ensure capacity for all districts.
- DOE will be required to amend its current contract with SAS for the generation of the growth scores for pre-k and kindergarten teachers. The extent to which this may increase the expenditures of this contract are unknown. Further, it is not clear if the state will be responsible for any costs or if they would be passed on to the locals.
- If LEAs are expected to cover the costs associated with administering an alternative growth indicator, then an increase in local expenditures will be expected. However, due to multiple unknown factors, the precise impact to local expenditures cannot be reasonably determined and any increases would be permissive.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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