

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 671 - HB 803

March 4, 2019

SUMMARY OF BILL: Authorizes an 11th grade student to take an examination to assess the student's career readiness in lieu of the required postsecondary readiness examination. Authorizes the student to take more than one examination for postsecondary readiness, if the examinations when successfully taken together, result in the student obtaining an evidence-based credential such as the ACT WorkKeys® National Career Readiness Certificate (NCRC) examinations.

Requires the Department of Education (DOE) to use student achievement examinations administered to assess career readiness as student outcome indicators beginning with the 2019-20 school year. Authorizes scores on the postsecondary readiness assessment, examinations administered to assess career readiness, and student attendance, to be used in the student achievement data portion of a principal's annual evaluation. Requires that student achievement on examinations administered to assess career readiness be included in DOE's annual school grading system.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – Exceeds \$10,000/One-Time
\$1,900/Recurring**

Increase Local Expenditures – Exceeds \$3,200/Recurring*

Assumptions:

- The Basic Education Program (BEP) formula includes funding for all 11th grade students to participate in the ACT.
- Passage of this legislation will allow 11th grade students to take the WorkKeys® exam in lieu of the ACT; and it would also allow 11th grade students to take both the ACT and the WorkKeys® exam.
- There are three assessments used to obtain the NCRC which would all be administered on the same day.
- The initial cost to take the ACT is approximately \$38.50.
- The cost to take the WorkKeys® exam is \$24 (plus an additional \$4.00 for printing and an additional \$4.00 for setup); therefore, the total cost per WorkKeys® exam is

estimated to be \$32 (\$24 + \$4 + \$4). This price includes all three assessments required to obtain the NCRC.

- It is assumed there will be a minimum of 292 students statewide, equivalent to a minimum of two students for each of the 146 local education agencies (LEAs), which will elect to take the WorkKeys® exam in lieu of taking the ACT each year.
- The recurring increase in state expenditures is estimated to exceed \$1,898 [292 students x (\$38.50 - \$32)].
- Given this legislation will also authorize 11th grade students to take both the ACT and WorkKeys® exams, it is assumed the respective LEA would be required to pay for any second examination the respective student decides to take. While the number of such students cannot be determined; it is reasonably estimated that at least 100 students would take the second exam each year. As a result, the mandatory recurring increase in local expenditures is estimated to exceed \$3,200 (100 students x \$32 cost).
- The WorkKeys® exam is not uniformly administered statewide, at least relative to ACT test administration. Given there is no requirement for LEAs to provide students transportation to and from WorkKeys® exam testing locations, it is assumed that students electing to take the WorkKeys® exam will provide their own transportation to and from the testing site. As a result, any relative increase in local expenditures is estimated to be not significant.
- DOE and LEAs will be able to comply with the changes relative to principal evaluations and the school grading system using existing resources.
- This legislation would require a change to the state's Every Student Succeeds Act (ESSA) plan, such as updating data and accountability rules, upgrading software, and modifying data collection processes. The one-time increase in state expenditures is estimated to exceed \$10,000.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

/alh