

Standards, Assessment and Accountability: Cost Implications of a Common System

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Research Questions

- n What costs are now being incurred to create, update and minimally comply with state systems of standards, assessments and accountability (SAA)?
- n What costs would the nation incur if the state-based system of SAA required by NCLB were implemented as common system?
- n What are the costs of some of the specific “add-ons” to SAA systems that are not required by state or federal law?

Our Contribution to the Literature

- n Post-NCLB Analysis
- n Separate fixed and variable costs
- n Real resources, not expenditures
- n Broader scope of costs
 - n Standard-setting, assessments & accountability
 - n State and local costs

Conceptualizing SAA System Costs

- n Resources needed to create, update and minimally comply with SAA are
 - n Required by law
 - n Serve the function of SAA
- n Real resources, not just expenditures
- n All SAA resources counted as new resources
 - n Shifting resources from instruction to assessment is costly, even if the budget is unchanged
- n Exclude costs of adequacy
 - n Adequacy cost a function of where states set the bar
 - n National estimates require state-by-state analysis

Costs of Standard Setting

- n The cost of standard setting depends on
 - n The number and specificity of the standards
 - n The frequency of updates
 - n The time cost for participants
- n We estimate the cost of developing educational standards for a single grade and subject combination
 - n e.g. Third-grade reading

Estimated Cost of Academic Standards

	Cost per subject and grade level standard
Florida	\$45,000
North Dakota	\$18,000
Texas	\$32,000

Estimated Costs of Assessment and Accountability Per Student

	Florida	North Dakota	Texas
State			
Test contracts	\$15	\$34	\$20
Other assessment	\$10	\$10	\$3
Accountability	\$8	\$1	\$1
Local			
Test administration	\$35	\$24	\$24
Prof. development	\$53	\$64	\$65
Data management	\$15	\$6	\$11
Total	\$136	\$139	\$124

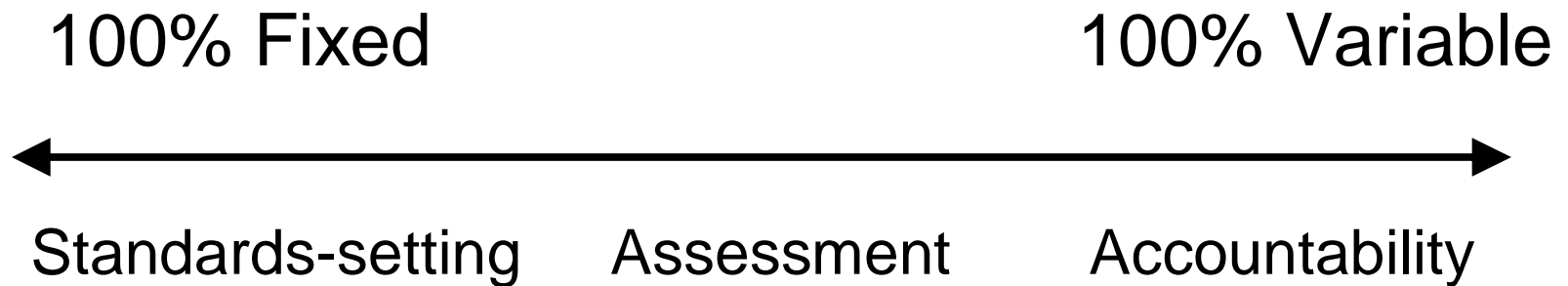
Additional Fixed Costs of SAA

	Costs of Annual Test Reviews
Florida	n/a
North Dakota	\$61,000/ year
Texas	\$842,000/ year

Generalizing to the Nation

- n SAA systems in Florida, North Dakota and Texas are not representative, but.....
- n Costs for common SAA elements are likely within the range of estimates from these three states, after adjustment for regional cost variations
 - n \$123 to \$139 in FL, ND & TX implies
 - n \$124 to \$173 nationally, after cost adjustment
- n Including cost of standards, we estimate national cost of SAA is \$6.1b to \$8.5b per year

Proportion of SAA System Costs that are Fixed vs. Variable



Fixed vs. Variable Costs

n Fixed Costs

- n Standards
- n Annual test reviews
- n State assessment divisions

n Variable Costs

- n State test contracts
- n State accountability divisions
- n Local test administration
- n Professional development
- n Local data management

Total SAA Costs per Year, per State

	Florida	North Dakota	Texas
Total fixed costs	\$26.6 m	\$1.1 m	\$14.2 m
Total variable costs	\$335.0 m	\$12.9 m	\$531.0 m
Fixed costs as a % of annual per pupil costs	7.4%	7.9%	2.6%

The Costs of “Add-ons”

- n Quarterly assessments or benchmarking
 - n \$15-\$34 per student
- n Higher quality, AP-like tests
 - n \$107 per test
- n Texas’ Student Success Initiative
 - n \$38 per pupil
- n Teacher performance incentives
 - n Only to the extent they induce greater effort
- n Student retention due to high stakes testing
 - n \$55 per pupil

Conclusions

- n The real resource costs of SAA are in the range of \$125-174 per pupil, or \$6.1-8.5 billion per year throughout the nation
 - n This represents 1.7-1.9 percent of total public education expenditures
 - n Six times more than previous estimates have suggested
- n Potential cost savings from common standards \$160-\$680 million per year
- n Cost of add-ons and adequacy can greatly exceed the total cost of SAA



Assessments for Accountability 2007-08

	Math & Reading/ Language Arts	Science	Social Studies	Writing	Student* High Stakes
Florida	3-10	5,8,11	-	4,8,10	3,11
North Dakota	3-8,11	4,8,11	-	-	
Texas	3-11	5,10,11	8,10,11	4,7	3,5,8,11

*Student High Stakes Tests are tests a student must pass to be promoted to the next grade level, or to graduate.