

Department of Legislative Services  
Maryland General Assembly  
2018 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 723  
Ways and Means

(Delegate Ebersole, *et al.*)

---

Education – Partnership for Assessment of Readiness for College and Careers  
(PARCC) Assessment – Administration

---

This emergency bill requires the Maryland State Department of Education (MSDE) in entering or renewing a contract for the administration of the Partnership for Assessment of Readiness for College and Career (PARCC) assessment or a successor assessment, to require that each segment of the assessment be administered within a 40 minute time period. The bill states that it is not the intent of the General Assembly that a presently existing obligation or contract right be impaired in any way by the bill.

---

Fiscal Summary

**State Effect:** Maryland will likely need to withdraw from the PARCC consortium due to the bill; thus, general fund expenditures likely increase by approximately \$4 million to \$6 million annually beginning as early as FY 2019, as explained below. If the State is unable to assess students in compliance with federal law as soon as spring 2018, the State risks losing \$243.0 million in federal Title I revenues beginning in FY 2019, as explained below.

**Local Effect:** Local school system finances are not materially affected; however, local school systems may have more flexibility in scheduling and may need to hire fewer substitutes during the PARCC (or its successor) testing period.

**Small Business Effect:** None.

---

## Analysis

**Current Law/Background:** The most recent reauthorization of Elementary and Secondary Education Act, the Every Student Succeeds Act (ESSA) of 2015, requires annual assessments of all students in grades 3 through 8 and at least once in high school in reading/language arts and mathematics; the law also requires students to be tested in science at least once in grades 3 through 5, 6 through 8, and 9 through 12. In Maryland, PARCC is used for these requirements in reading and math.

The spring 2018 testing times for the PARCC assessments are shown in **Exhibit 1**. PARCC requires local school systems to choose a 30-day testing window to administer the PARCC assessments. In 2018, Maryland's testing window is April 9 through May 18 for paper assessments and April 9 through June 8 for assessments taken by computer.

---

**Exhibit 1**  
**Spring 2018 PARCC Testing Times**

Grades	ELA	Math
Grade 3	Unit 1 - 75 minutes Unit 2 - 75 minutes Unit 3 - 75 minutes	Unit 1 - 60 minutes Unit 2 - 60 minutes Unit 3 - 60 minutes Unit 4 - 60 minutes
Grades 4-5	Unit 1 - 90 minutes Unit 2 - 90 minutes Unit 3 - 90 minutes	Unit 1 - 60 minutes Unit 2 - 60 minutes Unit 3 - 60 minutes
Grades 6-8	Unit 1 - 90 minutes Unit 2 - 90 minutes Unit 3 - 90 minutes	Unit 1 - 80 minutes Unit 2 - 80 minutes Unit 3 - 80 minutes
Grades 9-12	Unit 1 - 90 minutes Unit 2 - 90 minutes Unit 3 - 90 minutes	Unit 1 - 90 minutes Unit 2 - 90 minutes Unit 3 - 90 minutes

ELA: English/Language Arts

Note: Math for grades 9-12 includes Algebra I, Geometry, Algebra II, Integrated Mathematics I, II, III

Source: Partnership for Assessment of Readiness for College and Careers

---

In a traditional high school schedule, students have seven class periods of approximately 45 minutes each.

### *PARCC Consortium*

PARCC is a multi-state consortium. The requirements and testing period for each segment of the assessments are set by PARCC. Maryland is one of only four states remaining in the consortium (the Department of Defense and District of Columbia also participate) using the full PARCC assessments. PARCC now also offers a licensing agreement for states to access the assessment content. Under a licensing agreement, states may use the test design (including time-limits) and administration vendor of their choice. However, altering the test design requires a state to do its own analysis of the test design, which can be expensive. Testing analysis includes an assessment of cultural bias, the determination of cut scores, and an analysis of item order.

MSDE advises that Maryland has two contracts for PARCC. The first is the program management and support contract formerly held by PARCC Inc. which expired June 30, 2017. In April 2017, the PARCC consortium chose a new nonprofit, New Meridian Corp, to manage the business of maintaining and administering its tests. MSDE intends to bring the new contract with New Meridian to the Board of Public Works for approval in March 2018. The new contract will cover test development and management of the PARCC intellectual property, which includes the testing time period for each test segment. MSDE advises that it must sign a new contract with New Meridian before April 2018 in order to administer the PARCC assessments in *spring 2018*.

The second PARCC contract, the operational assessment service contract, is still held by Pearson and expires June 30, 2018. The PARCC consortium is currently going through the procurement process to identify a vendor for this work. The new contract will cover test administration, scoring, and reporting.

**State Revenues:** If the bill results in the new contract with New Meridian not being approved, making the changes required by the bill in time for the spring 2018 assessment cycle is not possible, and it would be difficult to make the changes for the spring 2019 assessment cycle. If the State is unable to meet the ESSA assessment requirements, the federal government could potentially withhold approximately \$243.0 million in federal Title I revenues beginning in fiscal 2019. The estimated loss in federal revenues is based on funds authorized but not yet appropriated by the federal government. As long as the State is out of compliance with federal law, federal revenues, which are anticipated to increase in future years, will continue to be in jeopardy.

**State Expenditures:** If Maryland is required to withdraw from the PARCC consortium due to the bill, MSDE advises that general fund expenditures increase by an estimated

\$6.0 million in the initial two years following withdraw and by \$4.0 million annually thereafter due to no longer benefiting from economies of scale.

If the bill is enacted *prior* to the New Meridian contract being signed, Maryland will have to select a new vendor to develop its assessments immediately. Thus, general fund expenditures increase by approximately \$6.0 million in each of fiscal 2019 and 2020, and by approximately \$4 million annually thereafter.

If the bill is enacted *after* the contract is signed with the new vendor, then general fund expenditures increase when the next new contract is signed. MSDE advises that Illinois has executed its contract with New Meridian, which goes through June 30, 2020. Assuming the same contract term for Maryland, annual general fund expenditures would increase by \$6 million in fiscal 2020 and 2021, so that MSDE can develop an assessment that can be administered in spring 2021 (and not jeopardize receipt of federal Title I funds), and by \$4 million beginning in fiscal 2022.

---

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland State Department of Education; Partnership for Assessment of Readiness for College and Careers; *Education Week*; Department of Legislative Services

**Fiscal Note History:** First Reader - February 21, 2018  
md/rhh

---

Analysis by: Caroline L. Boice

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510