

SF3606 - 3A - Parent Aware Eval; K Readiness Assess Req

Chief Author: **Carla Nelson**
 Committee: **E-12 Finance and Policy**
 Date Completed: **7/6/2020 7:24:11 AM**
 Lead Agency: **Education Department**
 Other Agencies:
 Human Services Dept

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2019	FY2020	FY2021	FY2022	FY2023
Education Department						
General Fund	-	-	2,419	1,705	1,692	
Human Services Dept						
General Fund	-	-	204	408	272	
State Total						
General Fund	-	-	2,623	2,113	1,964	
	Total	-	-	2,623	2,113	1,964
	Biennial Total			2,623		4,077

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
	FY2019	FY2020	FY2021	FY2022	FY2023	
Education Department						
General Fund	-	-	2.75	2.75	2.75	
Human Services Dept						
General Fund	-	-	-	-	-	
	Total	-	-	2.75	2.75	2.75

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Alyssa Holterman **Date:** 7/6/2020 7:24:11 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2019	FY2020	FY2021	FY2022	FY2023
Education Department						
General Fund		-	-	2,419	1,705	1,692
Human Services Dept						
General Fund		-	-	204	408	272
Total		-	-	2,623	2,113	1,964
Biennial Total				2,623		4,077
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Education Department						
General Fund		-	-	2,419	1,705	1,692
Human Services Dept						
General Fund		-	-	204	408	272
Total		-	-	2,623	2,113	1,964
Biennial Total				2,623		4,077
2 - Revenues, Transfers In*						
Education Department						
General Fund		-	-	-	-	-
Human Services Dept						
General Fund		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

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State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact	X	

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2019	FY2020	FY2021	FY2022	FY2023
General Fund	-	-	2,419	1,705	1,692	
Total	-	-	2,419	1,705	1,692	
Biennial Total			2,419		3,397	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2019	FY2020	FY2021	FY2022	FY2023
General Fund	-	-	2.75	2.75	2.75
Total	-	-	2.75	2.75	2.75

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Alyssa Holterman **Date:** 7/6/2020 7:21:12 AM
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State Cost (Savings) Calculation Details

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State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2019	FY2020	FY2021	FY2022	FY2023	
General Fund	-	-	2,419	1,705	1,692	
Total	-	-	2,419	1,705	1,692	
Biennial Total			2,419		3,397	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	-	2,419	1,705	1,692	
Total	-	-	2,419	1,705	1,692	
Biennial Total			2,419		3,397	
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	
Total	-	-	-	-	-	
Biennial Total			-		-	

Bill Description

Section 2 of this bill requires a kindergarten readiness assessment for children entering kindergarten; amending Minnesota Statutes 2018, section 124D.162.

Assumptions

Section 2 requires the Commissioner of Education to develop and implement a process to identify preparedness of a child for success in school of all approximately 66,000 kindergarteners statewide. Currently MDE is developing a data system that could accept this additional data and will have the ability to analyze and report the percentage of kindergarteners demonstrating that they have met or exceeded prekindergarten standards. With this bill, it is assumed that all districts would be required to use an MDE-approved Kindergarten Entry Profile (KEP) assessment. MDE would collect Kindergarten Entrance Assessment (KEA) data from school districts using an assessment from the menu of KEP-approved assessments and provide data back to school districts so they can administer the tool with fidelity and use data for continuous program improvement. This would require further expansion of the data system currently being developed.

It is assumed that the administration of a statewide kindergarten readiness assessment will need to be phased in over a two year period. Year 3 reflects the initial year of full implementation (and a likely baseline year for reporting data).

It is assumed that MDE will need to increase the number of trainers available to provide training for teachers and administrators in the administration of the menu of state approved Kindergarten Entry Profile (KEP) assessments. Though hard to predict with precision, it is estimated that MDE will need to hire 26 additional trainers. Start-up costs (i.e. year 1) are higher than year 2 due to initial costs of trainers and trainings, those costs are anticipated to be lower in years 3 and beyond. Note: While MDE recently added KEP-approved assessment trainers through a federal Preschool Development Grant (PDG), the number of trainers is constantly changing due to life events, job changes and other factors. MDE recently reached an agreement with another KEP-approved assessment publisher. This publisher was previously the only one that did not support in-state trainers, but there will now be a need to support additional trainers throughout the state.

It is assumed that districts will need technical assistance and support on the administration and use of the data collected.

Districts will be encouraged to administer one of the tools off the state approved menu with all kindergartners. These KEP-approved assessments are aligned to the State Early Learning Indicators of Progress (ECIPs) and the kindergarten academic standards and produce valid and reliable data.

If either the ECIPs (i.e., standards) or the assessment change, there will be new costs to evaluate the impact of those changes, conduct a new alignment of the revised assessment, and then make the changes to the database and associated reports. There needs to be a process in place to review and evaluate additional assessments for possible

inclusion on the state approved menu. Ongoing technical assistance and coaching is necessary to ensure implementation integrity.

MDE would need an additional 2.75 FTE in order to fully implement the Kindergarten Readiness Assessment (referred to as the Kindergarten Entry Profile, or KEP) statewide.

This degree of expansion (from less than 5 percent to 100 percent of districts administering a KEP-approved assessment) would require a full time State Program Administrative Manager. This position would manage the design and administration of the KEP program, oversee expansion of regional trainers and training, and maintain clear guidance and support for over 330 districts and 164 charter school administrators.

An Education Program Supervisor at 0.25 FTE would be required to ensure all state regulations and oversight are adhered to and to provide backup to the Program Manager.

A Management Analyst 4 at 0.5 FTE would be required to manage the extensively larger volume of assessment data. This position would draw on their expertise as statistician or psychometrician to collect, analyze and create customized analyses and reports for districts and lawmakers on assessment results.

An Education Specialist 2 at 1.0 FTE would be required to manage day to day contracting and budgeting, administer grants and contracts to support new trainers, create content and resources for assessment, and run trainings throughout the state and ensure that school level data was appropriately transitioned into the new Ed-Fi system so that the data is available in the early childhood warehouse system and ultimately the Early Childhood Longitudinal Data System (ECLDS). The Education Specialist 2 would also create reports using these data sources and systems.

MDE would need to contract with multiple contractors in order to support the creation of the additional KEP assessment trainer regional cohorts, run the trainings, create content for assessments, provide ongoing support for trainers, and provide support for professional conferences and meetings. It is estimated that the contracts for new assessment trainers would cost \$208,000 in Fiscal Year 21 and then \$47,450 in FY 22 and FY 23. The higher costs in FY 21 reflect higher start-up costs, and then future year funding would be to address trainer turnover as well as ongoing support. It is estimated that running statewide trainings, with the trainers referenced earlier, would cost \$475,000 in FY 21 with lower costs in each of the next two years. This reflects high initial start-up costs with lower costs in future years. Additional contractor costs are outlined in a table below.

MDE would need funding to create content to support developmentally appropriate assessment by the early learning workforce, \$55,000 in FY 21, \$30,000 in FY 22, and \$75,000 in FY 23. Additional funds would be necessary to support contracts that would support topical assessment trainings at various professional conferences and meetings (which might include topics like how to partner with families in assessment, how to collect observations via distance learning, and how to apply an equity lens to assessment), \$50,000 in FY 21, \$40,000 in FY 22, and \$75,000 in FY 23. MDE would need to provide support at the trainings and any early learning or educational conferences to help support implementation throughout the state. It is estimated that these costs would be \$10,000 per year.

MN.IT would provide support in creating a public facing Tableau server and update/maintain early childhood education (ECE) outcomes at a cost as shown in the MN.IT costs table. MN.IT administrator support for Tableau will cost approximately \$30,000 each year. An external server for Tableau will cost \$100,000 per year in FY 22 and FY 23 (to be paid for FY 21, consistent with current MN.IT practice) to support ECE Outcomes. MN.IT would require a temporary (FY 22 and FY 23) State Program Administrator Principal-Ed-Fi at 0.75 FTE, (for the second and third years only) to integrate and transition data into the new Ed-Fi system (a very technical task) so that Ed-Fi data would be available to others (i.e. the State Program Administrative Manager, Management Analyst 4, and Educational Specialist 2).

The work being done with the further development of the Ed-Fi system will enable MDE to collect the data being required by another Section of this bill Section 1 Subd.3 Evaluation of the Quality Rating and Improvement System administered by Department of Human Services which requires determining children's progress toward school readiness.

MDE would need funding to cover supply costs. Supply costs would include an estimated \$660,000 in FY 21, FY 22, and FY 23 (66,000 kindergartners at an average cost of \$10 per assessment per child). The cost of these assessments was derived from a State Negotiated Master Contract via the Department of Administration that was able to achieve discounted rates for KEP-approved assessments (when possible). These costs are subject to change in the future.

MDE would also need to provide copies of foundational documents (the ECIPs as well as the assessment manual/guide)

for all kindergarten teachers, administrators, and additional staff supporting the use of KEP-assessments. It is assumed that 2,550 kindergarten teachers and 945 administrators would need copies. It is estimated that it will cost the state \$2.00 per user for copies of documents. This is a total cost of \$6,990 in FY21. It is assumed that these costs would be lower in FY23 and FY24 since only new staff would need to be trained and provided documents. For FY22-FY23, costs are estimated to be approximately \$1,000 each year.

There appears to be a technical defect with the bill language. As currently drafted, the bill language indicates that 2021-22 is the year that districts must report results to MDE. However, the bill (line 4.24) should be changed to mirror the Fiscal Note, which states that Fiscal Year 2023 is the first year of full implementation (i.e., all districts and charter schools must use an assessment from the KEP menu and report that data to MDE). The language and timeline, as drafted, does not provide sufficient time to set up/implement a universal statewide KEP.

Expenditure and/or Revenue Formula

Kindergarten Readiness Assessment (KEA) Costs:
Salary Costs:

Position	FY20	FY21	FY22	FY23
State Program Administrative Manager (1.0 FTE)		154,453	152,514	152,514
Education Program Supervisor (0.25 FTE)		39,649	39,148	39,148
Management Analyst 4 (0.50 FTE)		69,915	68,935	68,935
Education Specialist 2 (1.0 FTE)		145,394	143,455	143,455
Total Salary Costs		409,411	404,052	404,052

Contractor Cost:

Details	Activities	FY20	FY21	FY22	FY23
New Trainers	26 Additional Trainers in FY21, maintenance for FY22 and beyond		\$208,000	\$47,450	\$47,450
Trainings throughout the state	Teacher and principal trainings		\$475,000	\$134,550	\$92,550
Creating content for assessment	Creating (maintaining) resources on best practice in assessment for stakeholders (teacher, admin, other staff)		\$55,000	\$30,000	\$75,000
KEP-approved trainers	Ongoing support for KEP trainers (from publishers and experts) to support their growth/development around assessment and use of data to inform instruction		\$0	\$16,000	\$16,000
Assessment best practice	Supporting program development focused on assessment at various professional conferences and meetings		\$50,000	\$40,000	\$75,000
Total Contract Costs			\$788,000	\$268,000	\$306,000

MNIT Costs:

Activities	Rate and Hours	FY20	FY21	FY22	FY23
ECE Outcomes application enhancements, maintenance, and support for a statewide KEA	\$110/hr @ estimated 2,864 hours in FY21, 1,664 hours in FY22 and FY23		\$315,040	\$183,040	\$183,040
0.75 EdFi FTE to transition data into the new EdFi system	Assumes annualized salary of \$131,133			\$98,350	\$98,350
External Tableau Server	n/a (technology)		\$200,000		
Admin support for the Tableau Server to publish reports	\$110/hr @ estimated 273 hours		\$30,030	\$30,030	\$30,030
Integrate KEA data into ECLDS	\$110/hr @ estimated 455 hours only in FY 22			\$50,050	
Total Costs			\$545,070	\$361,470	\$311,420

Total KEA Appropriation Costs:

	FY20	FY21	FY22	FY23
Salary Costs		409,411	404,052	404,052
Contract Costs		788,000	268,000	306,000
Travel Costs		10,000	10,000	10,000
MNIT Costs		545,070	361,470	311,420
Supply Costs		666,990	661,000	661,000
Total Costs		2,419,471	1,704,522	1,692,472

Long-Term Fiscal Considerations

Staff costs would be ongoing, as would maintenance costs for data systems.

Local Fiscal Impact

Teachers and administrators will need time away from their daily responsibility for 2-3 days to be trained. This would possibly be a cost to the districts, depending on if the teacher needs to get a substitute for their class on these training days.

References/Sources

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Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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General Fund	-	-	204	408	272	
Total	-	-	204	408	272	
Biennial Total			204		680	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2019	FY2020	FY2021	FY2022	FY2023
General Fund	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Carlos Guereca **Date:** 6/12/2020 5:50:22 PM
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State Cost (Savings) Calculation Details

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1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	-	-	204	408	272
Total	-	-	-	204	408	272
Biennial Total				204		680
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total				-		-

Bill Description

Section one requires an evaluation of the Quality Rating and Improvement System (QRIS) known as Parent Aware. The Department of Human Services is directed to begin an independent evaluation by February 1, 2021 to evaluate the effectiveness and impact on:

- Children’s progress towards school readiness;
- Quality of early care and education system supply and workforce; and
- Parents’ ability to access and use meaningful information about early care and education program quality.

The evaluation must:

- Analyze if the quality indicators and measures used in Parent Aware are consistent with evidence and research findings on early learning quality
- Analyze patterns or differences in observed quality and its alignment to star rating levels
- Assess children’s developmental gains, determine if they correspond to star ratings, and disaggregate data on a variety of different factors
- Analyze accessibility of Parent Aware for providers to participate, including supports to increase star ratings, and disaggregate data on a variety of different factors
- Analyze the availability of Parent Aware rated providers to families, and disaggregate data on a variety of different factors

Results must be reported to the chair and ranking member of the committee with jurisdiction over education and early childhood by December 31, 2023.

Section two requires the Commissioner of Education to implement a kindergarten readiness assessment.

Assumptions

The full range of evaluation activities will be conducted over a two year period through a professional/technical contract with a qualified vendor or an interagency agreement with another state agency. The evaluation would start in February 2021, and end in December 2023. It would cost \$300,000 in fiscal year 2021, \$600,000 in fiscal year 2022, and \$400,000 in fiscal year 2023. This fiscal note assumes that these costs will be eligible for 32% FFP.

These costs are based on the costs of similar evaluation activities conducted during Minnesota’s federal Race to the Top- Early Learning Challenge grant time period (2012-2016). This evaluation was conducted over four years, with \$1,057,407

in private funds, and \$200,000 in federal funds, for a total investment of \$1,257,407.

The Parent Aware evaluation conducted during Minnesota’s Race to the Top-Early Learning Challenge grant period included the following activities that closely mirror the activities described in SF3606, including:

- Analysis of whether the quality indicators and measures used in Parent Aware are consistent with evidence and research findings on early learning quality.
- Analysis of patterns or differences in observed quality and its alignment to star ratings
- Assessment of children’s developmental gains, and if they correspond to star ratings
- Analysis of accessibility of Parent Aware for providers to participate, including supports to increase star ratings

The following evaluation activity required in this bill was not part of the 2016 evaluation, and requires additional funds than was needed in the 2016 evaluation:

- Analyze the availability of Parent Aware rated providers to families

Expenditure and/or Revenue Formula

Fiscal Tracking Summary (\$000's)						
Fund	BACT	Description	FY2020	FY2021	FY2022	FY2023
GF	12	Parent Aware	0	300	600	400
GF	REV1	FFP to general fund @ 32%		(96)	(192)	(128)
		Total Net Fiscal Impact	0	204	408	272
		Full Time Equivalents				

Long-Term Fiscal Considerations

None

Local Fiscal Impact

None

References/Sources

Early Learning Challenge, 2016 Final Performance Report, June 2017, CFDA Number 84.412, U.S. Department of Education. Link to report: <https://www2.ed.gov/programs/racetothetoppearlylearningchallenge/2016apr/mn2016finalapr.pdf>

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