

Office of  
LEGISLATIVE AUDITOR GENERAL  
State of Utah

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## **Utah Performance Assessment System for Students (U-PASS)**



In total, the Utah State Office of Education (USOE) spent approximately \$10.5 million on U-PASS in fiscal year 2002. These expenditures were funded primarily with state money. The \$4.9 million in federal reimbursement money was not available to the state in fiscal year 2002. Rather, this federal money became available in fiscal year 2003.

We were asked to compile fiscal year 2002 U-PASS cost information by test. This compilation was limited by the time available and, in some cases, by the detail of the available data. In attempting to compile U-PASS costs by test, we used two methods to identify relevant costs. First, the fiscal year 2002 financial statements were reviewed. This review identified two accounts which had increased significantly with the implementation of U-PASS: the Professional and Technical Services account and the Printing and Binding account. Because of limited time, we focused on these two accounts and attempted to trace all expenses within these two accounts to specific U-PASS tests. Second, USOE personnel were asked to specifically document how costs previously reported to the Legislative Fiscal Analyst's Office were derived. We then verified those reported costs through accounting records. In doing this, USOE personnel identified some costs which were not previously reported to the Fiscal Analyst's Office.

Our compilation indicates U-PASS expenditures totaled approximately \$10.5 million in fiscal year 2002. In compiling these costs, it was necessary to broaden the cost review outside the U-PASS section within the Evaluation and Assessment Division for the following reasons:

1. Some U-PASS costs were placed within Evaluation and Assessment sections other than the U-PASS section. For example, most of the printing and binding costs placed within the State Testing section are associated with the U-PASS tests.
2. Some U-PASS costs were moved out of the Evaluation and Assessment Division altogether and into another public education division with surplus money. Because of statewide budgetary shortfalls, the U-PASS budget was reduced by \$500,000 in late fiscal year 2002. As a result, the U-PASS budget was insufficient to cover all incurred expenses. One method used to address this problem was to move U-PASS expenses to another division which had money to cover the expense. For example, some of the expenses which were incurred to purchase the Direct Reading Assessment and its on-line management (\$115,419 and \$171,656, respectively) were paid for by a federal grant located in Public Education's Curriculum Division.
3. As another way of addressing the U-PASS budget shortfall, some fiscal year 2002 U-PASS costs were deferred until fiscal year 2003. For example, a \$1.3 million direct writing assessment scoring and reporting expense was owed in fiscal year 2002. However, only \$700,000 was paid in that year. The remainder was paid in fiscal year 2003.
4. Some of the costs reported as a U-PASS overhead expense are accounted for in a division other than evaluation and assessment. For example, a \$731,000 overhead expense for computer personnel time is accounted for in Public Education's District Computer Services Division.

Figure 1 shows total costs and funding sources by test. Included in total costs are: development/purchase costs, materials/delivery costs, printing costs, and scoring/reporting costs.

**Figure 1. Total Fiscal Year 2002 Costs by U-PASS Test.** In fiscal year 2002, approximately \$10.5 million was spent on U-PASS tests.

Type of Test	Total Cost	Funding Source
Criterion-referenced Tests (See Note 1)	\$ 3,028,788	State
Direct Writing Assessment	1,309,231	State
Utah Basic Skills Test	1,282,100	State
Norm-referenced Test	415,211	State/Dedicated Credits
Supplementary Reading Tests	1,188,485	State/Federal
U-PASS Testing Overhead	3,310,956	State/Federal
<b>Total Identified U-PASS Costs:</b>	<b>\$10,534,771</b>	

Note 1: The criterion-reference tests share scoring costs with the direct writing assessment. This entire \$1.3 million scoring cost is shown in the total cost of the direct writing assessment.

In the time available, we were limited to compiling costs within USOE only. Costs incurred at the district level (i.e., the opportunity costs of administering the U-PASS tests within each school) were not compiled. Nonetheless, we believe that Figure 1 supplies a reasonable compilation of USOE costs by test. If a more detailed breakdown of U-PASS expenses is desired, please refer to Appendices A through F.

The \$4.9 million in federal reimbursement money was not available to the state in fiscal year 2002. Rather, this federal money became available to the state in fiscal year 2003. The federal education accountability act entitled *No Child Left Behind* places significant financial demands on states. In an effort to mitigate the financial burden on states, the federal government authorized approximately \$387 million dollars for the states in January 2002. Each state was to submit a draft proposal stating their implementation plans and expenditures for *No Child Left Behind* by July 2002. A final expenditure and implementation plan from each state was due in September 2002, and the federal money was technically available for draw-down in September 2002.

The federal government's fiscal year begins in October and ends in September. Thus, from the federal government's reporting perspective, this money was made available to the states in federal fiscal year 2002.

However, from the State of Utah's perspective, this money became available in the state's fiscal year 2003. Further, this money is not provided to the states up-front. Instead, the states incur the cost and then apply to the federal government for reimbursement. In addition, this federal money is required to supplement and not supplant state spending in meeting *No Child Left Behind* requirements.

In USOE's fiscal year 2003 budget, the \$4.9 million federal grant available to offset the implementation costs of *No Child Left Behind* is shown. Currently this source of funding is housed in Public Education's Curriculum Administration budget. U-PASS funding and expenditures, on the other hand, are generally reported in Public Education's Evaluation and Assessment Division budget. Therefore, this \$4.9 million revenue increase is not seen in the Evaluation and Assessment Division budget. As of November 11, 2002, none of this federal money has been drawn-down or encumbered since the state's final plan has not yet been approved by the federal government.

We hope this provides you with the information you need. If we can be of further assistance, please don't hesitate to call.

Sincerely,

Wayne L. Welsh  
Auditor General

WLW:JTC

## **Appendices**

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## Appendix A

### Criterion-referenced Tests (CRTs)

### FY 2002 Costs

**Figure A. Development/Purchase Costs.** CRT development costs totaled \$2,593,576.

Test	Cost	Source of Funds	Explanation
Language Arts	\$ 60,000	State Appropriation	Test Development
Mathematics	1,233,576	State Appropriation	Test Development
Science	1,300,000	State Appropriation	Test Development

**Figure B. Material/Delivery Costs.** CRT material/delivery costs totaled \$105,740.

Test	Cost	Source of Funds	Explanation
Language Arts	\$ 56,291	State Appropriation	Answer Sheets
Mathematics	26,088	State Appropriation	Answer Sheets
Science	10,706	State Appropriation	Answer Sheets
Overhead	12,655	State Appropriation	Delivery

**Figure C. Printing Costs.** CRT printing costs totaled \$81,936.

Test	Cost	Source of Funds	Explanation
Language Arts	\$ 78,850	State Appropriation	Test Booklets
Mathematics	2,890	State Appropriation	Test Booklets
Science	196	State Appropriation	Admin Manual

**Figure D. Scoring/Reporting Costs.** CRT scoring and reporting costs totaled \$247,536.

	Cost	Source of Funds	Explanation
Overhead (See Note 1)	\$ 166,360	State Appropriation	CPU/Storage
Overhead	81,176	State Appropriation	Test Results Printing

*Note 1: Scoring costs for computer scored questions only. Costs for constructed-response questions contained in Direct Writing Assessment.*

## Appendix B

### Direct Writing Assessment FY 2002 Costs

<b>Figure E. Material/Delivery Cost.</b> Direct Writing test materials costs totaled \$5,857.		
Cost	Source of Funds	Explanation
\$ 5,857	State Appropriation	Answer Sheets

<b>Figure F. Printing Cost.</b> Direct Writing test printing costs totaled \$7,606.		
Cost	Source of Funds	Explanation
\$ 7,606	State Appropriation	Test Booklets

<b>Figure G. Scoring/Reporting Cost.</b> Direct Writing test scoring costs totaled \$1,295,768.		
Cost	Source of Funds	Explanation
\$ 1,295,768	State Appropriation	Scoring writing assessment and constructed-response questions on CRTs.

## Appendix C

### Utah Basic Skills Test FY 2002 Costs

<b>Figure H. Development/Purchase Cost.</b> Basic Skills test development costs totaled \$956,864.		
Cost	Source of Funds	Explanation
\$ 956,864	State Appropriation	Test Development

<b>Figure I. Materials/Delivery Cost.</b> Basic Skills test material costs totaled \$138,836.		
Cost	Source of Funds	Explanation
\$ 138,836	State Appropriation	Answer Sheets

<b>Figure J. Printing Cost.</b> Basic Skills printing costs totaled \$11,185.		
Cost	Source of Funds	Explanation
\$ 11,185	State Appropriation	Printing Headers

<b>Figure K. Scoring/Reporting Cost.</b> Basic Skills scoring costs totaled \$175,215.		
Cost	Source of Funds	Explanation
\$ 175,215	State Appropriation	Scoring and Reporting

**Appendix D**  
**Norm-referenced Test (Stanford Achievement Test)**  
**FY 2002 Costs**

**Figure L. Development/Purchase Costs.** Purchase of Lexile usage rights for Stanford cost \$25,055.

<b>Cost</b>	<b>Source of Funds</b>	<b>Explanation</b>
\$ 11,019	State Appropriation	Lexile Usage
14,036	Dedicated Credits	Lexile Usage

**Figure M. Materials/Delivery Costs.** Stanford material costs totaled \$283,942.

<b>Cost</b>	<b>Source of Funds</b>	<b>Explanation</b>
\$ 283,942	State Appropriation	Test and Answer Sheets

**Figure N. Printing Costs.** Stanford printing costs totaled \$36,945.

<b>Cost</b>	<b>Source of Funds</b>	<b>Explanation</b>
\$ 36,945	State Appropriation	Forms and Labels

**Figure O. Scoring/Reporting Costs.** Stanford scoring and reporting costs totaled \$69,269.

<b>Cost</b>	<b>Source of Funds</b>	<b>Explanation</b>
\$ 29,419	State Appropriation	CPU Time and Tape Storage
39,850	State Appropriation	Test Results Printing

## Appendix E

### Supplementary Reading Tests FY 2002 Costs

**Figure P. Development/Purchase Costs.** Supplementary reading test purchase costs totaled \$917,314.

Test	Cost	Source of Funds	Explanation
Direct Reading Assessment (DRA)	\$ 217,073	State Appropriation	Test Purchase
DRA (Continued)	287,075	Federal Grants	Test Purchase and On-line Management
Qualitative Reading Inventory	10,815	State Appropriation	Test Purchase
Gates-McGinitie	182,330	State Appropriation	Test Purchase
Degrees of Reading Power	140,021	State Appropriation	Test Purchase
Reading Test Overhead	80,000	State Appropriation	Lexile License

**Figure Q. Printing Costs.** Supplementary reading test printing costs totaled \$60,514.

Cost	Source of Funds	Explanation
\$ 60,514	State Appropriation	District Duplicating Costs

**Figure R. Scoring/Reporting Costs.** Supplementary reading test scoring costs reported as \$210,657 by USOE.

Cost	Source of Funds	Explanation
\$ 210,657 (See Note 1)	Unknown	Scoring

*Note 1: This cost was originally reported to the Legislative Fiscal Analyst's office by USOE. We were unable to document this amount in USOE's financial records.*

## Appendix F

### U-PASS FY 2002 Overhead Costs

**Figure S. Development/Purchase Costs.** Cost of Evaluation and Assessment Division personnel devoted to test development estimated at \$386,036.

Item	Cost	Source of Funds	Explanation
Personnel (See Note 1)	\$ 386,036	State Appropriation	Evaluation & Assessment FTEs

*Note 1: This amount was estimated by USOE personnel. We were unable to audit this amount in the time available.*

**Figure T. Printing Costs.** Cost of printing personnel estimated at \$39,426.

Item	Cost	Source of Funds	Explanation
Personnel (See Note 1)	\$ 39,426	State Appropriation	Printing FTE

*Note 1: This amount was estimated by USOE personnel. We were unable to audit this amount in the time available.*

**Figure U. Scoring/Reporting Costs.** Scoring and reporting costs estimated at \$1,085,494.

Item	Cost	Source of Funds	Explanation
Personnel (See Note 1)	\$ 731,330	State Appropriation	Computer FTEs
Cognos Database (See Note 2)	22,558	State Appropriation	Purchase
Cognos Database	131,606	Federal Grant	Purchase
Cognos Database	200,000	State Appropriation	Maintenance

*Note 1: This amount was estimated by USOE personnel. We were unable to audit this amount in the time available.*

*Note 2: The Cognos database system is not exclusive to U-PASS. This database system will also be used to meet the federal reporting requirements of **No Child Left Behind**.*

**Figure V. Miscellaneous Costs.** Miscellaneous U-PASS district costs totaled \$1,800,000.

Item	Cost	Source of Funds	Explanation
District Allocation	\$ 1,800,000	State Appropriation	Discretionary U-PASS Costs