

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6503**

**BILL NUMBER: SB 235**

**DATE PREPARED:** Feb 4, 1999

**BILL AMENDED:** Feb 2, 1999

**SUBJECT:** Twenty First Century educational standards.

**FISCAL ANALYST:** Mark Goodpaster

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**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill has the following provisions:

(A) It initiates a Twenty-first Century Achievement Schools Program under which schools establish goals and develop school achievement plans.

(B) Beginning in the 2002-2003 school year, it requires high school graduates to complete a Core 40 college/technology preparation curriculum.

(C) It creates a Gateway Education Standards Commission for the Twenty-first Century to develop statewide academic standards for each subject matter and grade level.

(D) It requires local school corporations to adopt academic standards that meet or exceed the state academic standards.

(E) It repeals two laws replaced by the twenty-first century school achievement plan, the freeway schools law and the current school improvement law.

**Effective Date:** (Amended) Upon Passage; July 1, 1999; July 1, 2000.

**Explanation of State Expenditures:** Provision C: (Effective July 1, 1999) This bill would establish a 24 member Gateway Education Standards Commission for the Twenty First Century. This Commission would include the governor, the superintendent of public instruction, four legislators and nine appointees of the governor and nine appointees of the superintendent.

This Commission would be responsible for three areas: (1) overseeing the development, approving the content, and confirming the implementation of state educational standards. (2) assisting the Department of Education in developing assessments, affirming the content and overseeing the implementation of assessments; and (3) monitoring the performance of schools, school corporations, and the state in meeting educational standards.

The Commission would be permitted to contract with an individual, a group or an entity with expertise in

education to assist the commission in developing academic standards, reviewing and affirming the methods of assessment and acceptable performance levels and monitoring performance.

The Commission would develop and publish state model academic standards in the following five areas: English and language arts; mathematics; science; history; and government by July 1, 2000. These academic standards become effective statewide on December 31, 2000.

Based on these standards, the department of Education shall develop and the Commission would review and approve recommended assessments and recommended performance levels for each academic standard. The Department would be required to ensure that the statewide exit examination is consistent with the standards and assessments developed by the Commission and the Department.

***Fiscal Implications:*** Two additional costs would be associated with establishing the Commission: revising academic standards and ensuring that the ISTEP Plus examination that is taken at the 10th grade is consistent with the standards and assessments developed by the Commission:

1) Revising Academic Standards: The commission will need to contract with an outside individual or group to revise the academic standards in the five subject areas. These costs will in part depend on the extent to which new standards need to be developed before June 1, 2000. DOE currently estimates that the costs of revising proficiency statements is currently \$270,000 for each subject area. These costs include: honorariums and fees paid to consultants to review other standards and revise the current standards; rentals of office space and equipment during the course of the standards revisions; publishing, photocopying and mailing standards to school corporations; and follow up workshops with teachers at the school corporation level.

Currently, English and Language Arts is being evaluated and updated. If only the subject areas of history and government need to be established, the additional costs to the Commission would be \$540,000. If mathematics and science also need to be revised, the additional costs would be roughly \$1.08 million for the four subject areas other than English/Language Arts.

2) ISTEP Plus Examination: Currently, ISTEP test items are limited to the subject areas of mathematics and English/Language Arts. The average cost per subject area for each grade level is \$1.75 million based on past DOE expenditures for ISTEP test development. If the ISTEP test taken in the 10th grade must also include a *similar number of test items* in science, history, and government, then the additional costs would be an estimated \$5.3 million (\$1.75 million x 3 subject areas). If additional test items need to be added for the other three grade levels -- ISTEP tests are for grades 3, 6 and 8 as well as the 10th -- the additional costs to the state would be \$21 million for all four grade levels (\$1.75 million x 3 subject areas x 4 grade levels). If the entire ISTEP must be revised for all five subject areas for all four grades, the additional costs to the state would be \$35 million (\$1.75 million x 5 subject areas x 4 grade levels).

### **Explanation of State Revenues:**

**Explanation of Local Expenditures:** Provision B adds the requirement that high school students complete the CORE 40 requirements -- a sequence of courses totaling 40 credits -- in order to graduate from high school with the current requirement to meet the educational proficiency standards tested in the graduation examination and any additional requirements established by the governing body. Any fiscal implications associated with this requirement are uncertain. Students expecting to graduate during and after the school year 2002-2003 would need to meet all three requirements.

In 1998, 57% of students who graduated received a regular diploma, while 43% of those graduating received either a CORE 40 diploma or an academic honors diploma. In addition, in 1997, the most recent year for which information is available, 46% of the 10th grade students who took the ISTEP had scores that were below the state standards in one or both subject areas.

School corporations would incur additional expenses for photocopying academic standards for its 57,000 teachers. The additional costs will depend on the number of pages of standards that would need to be distributed.

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Education.

**Local Agencies Affected:** School Corporations.

**Information Sources:** Department of Education.