

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

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7307**  
**BILL NUMBER: HB 1223**

**DATE PREPARED: Jan 7, 2000**  
**BILL AMENDED:**

**SUBJECT:** Repeals ISTEP examination.

**FISCAL ANALYST:** Chuck Mayfield  
**PHONE NUMBER:** 232-4825

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

**IMPACT:** State & Local

STATE IMPACT	FY 2000	FY 2001	FY 2002
State Revenues			
State Expenditures		42,674,107	42,674,107
Net Increase (Decrease)		(42,674,107)	(42,674,107)

LOCAL IMPACT	CY 2000	CY 2001	CY 2002
Local Revenues		23,958,910	23,958,910
Local Expenditures			
Net Increase (Decrease)		23,958,910	23,958,910

**Summary of Legislation:** This bill repeals the statewide assessment testing program (ISTEP). It also makes conforming amendments to related statutes.

**Effective Date:** July 1, 2000; July 1, 2001.

**Explanation of State Expenditures:** The appropriation for ISTEP and ISTEP remediation for FY 2001 is \$42,674,107. The appropriation for Testing/Remediation is \$37,715,197 and \$4,958,910 for Graduation Test Remediation. The impact assumes that if the ISTEP and remediation statutes are repealed then these appropriations would revert to the state General Fund and no transfer would be needed from the Secondary Market Fund. The transfer from the Secondary Market Fund is about \$6.4 M.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** State grants to local schools for remediation are about \$24M.

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

**Local Agencies Affected:** Local School Corporations.

**Information Sources:** Budget Agency List of Appropriations