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Sen. Dennis Kruse, Co-Chairperson
Sen. Scott Schneider
Sen. Carlin Yoder
Sen. Earline Rogers
Sen. Timothy Skinner
Sen. Lonnie Randolph
Rep. Robert Behning, Co-Chairperson
Rep. Rhonda Rhoads
Rep. James Lucas
Rep. Vernon Smith
Rep. Justin Moed
Rep. Clyde Kersey

INTERIM STUDY COMMITTEE ON COMMON CORE EDUCATIONAL STANDARDS

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Authority: IC 20-19-2-14.5

MEETING MINUTES[1]

Meeting Date:	**October 1, 2013**
Meeting Time:	**11:00 A.M.**
Meeting Place:	**State House, 200 W. Washington St., Senate Chamber**
Meeting City:	**Indianapolis, Indiana**
Meeting Number:	**3**

Members Present: **Sen. Dennis Kruse, Co-Chairperson; Sen. Scott Schneider; Sen. Carlin Yoder; Sen. Earline Rogers; Sen. Timothy Skinner; Sen. Lonnie Randolph; Rep. Robert Behning, Co-Chairperson; Rep. Rhonda Rhoads; Rep. James Lucas; Rep. Vernon Smith; Rep. Justin Moed; Rep. Clyde Kersey.**

Members Absent: **None.**

Co-Chairperson Kruse called the meeting to order at 11:15 a.m. and asked the members to introduce themselves. He explained that the topic of the meeting would be the implementation costs of Indiana's Common Core educational standards (CCES). Sen. Kruse introduced Chad Timmerman of the Office of Management and Budget (OMB) to present the report required under HEA 1427-2013 (Exhibit A).

Mr. Timmerman presented a summary from the fiscal impact report that OMB had submitted to the General Assembly (Exhibit B). He discussed the methodology, local expenditures for professional development, texts, and technology, and state expenditures for assessments. OMB's analysis indicates that local school districts will be able to absorb (or have already absorbed) the costs associated with transitioning to the CCES. For assessments, the cost to

[1] These minutes, exhibits, and other materials referenced in the minutes can be viewed electronically at http://www.in.gov/legislative Hard copies can be obtained in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for hard copies may be mailed to the Legislative Information Center, Legislative Services Agency, West Washington Street, Indianapolis, IN 46204-2789. A fee of $0.15 per page and mailing costs will be charged for hard copies.

the state would depend on whether the state chooses to adopt an assessment from one of the national consortia or to develop its own. The cost estimates include the continuation of the current assessment (ISTEP+) in 2014-2015 (in addition to the chosen assessment) resulting in higher costs for that year. The estimated annual ongoing costs of assessments are approximately the same for all options.

Lee Ann Kwiatkowski, Chief Academic Officer, MSD Warren Township, Marion County, spoke about the alignment of the SAT and ACT assessments with the CCES. She feels that if Indiana does not align with the CCES, students will be at a disadvantage when taking these college entrance examinations. She also stated that Warren Township will have difficulties if Indiana does not continue to implement CCES, as the school corporation has expended a significant amount of effort in aligning its curriculum with the standards. In addition, if Indiana does not implement the CCES, finding textbooks will be difficult, as textbooks will be primarily designed for the majority of states (which have implemented the CCES), rather than for Indiana. She also had concerns about Indiana losing its waiver from the U.S. Department of Education if the standards are not implemented. In response to the Committee's question, it was indicated that approximately 45 states are planning to implement the CCES.

Richard Reed, English Department Chair, Warren Township High Schools, stated that his department has been implementing the CCES standards for three years. He has found that while the standards are not very different from the Indiana standards, students are called upon to read more closely and develop their thoughts more deeply. In addition, he feels the CCES raise the bar of expectations for students.

Suzanne Sherby, the parent of four children, expressed concerns about the costs of the CCES to parents. She has found it necessary to pay for additional instruction in mathematics for her children after the school her children attend adopted the CCES.

Cindy Noe, the grandparent of several home-schooled children, spoke concerning the decision the State Board of Education will be making on the CCES. Citing previous examples of federal involvement in education, she was concerned about the potential loss of privacy under the standards and interference by the federal government in education under CCES. She encourages Indiana to withdraw from the CCES.

Karen Renner, formerly a private school instructor and mental health counselor, who is currently a public high school guidance counselor, presented information on what it means to be college- and career-ready (Exhibit C). As an individual who home-schooled her children, she feels that the CCES will not adequately prepare students for college admission and success in college. She also indicated that the cost of implementing the CCES (between $206 M and $243 M over six years) was too high.

Dawn Wooten, an English instructor at Indiana Tech and Indiana University Fort Wayne, has found that the CCES ignore children's cognitive development levels. She stated that the standards appear to emphasize skill over insight. In addition, she feels the standards do a poor job of teaching literature and drama. She believes that the standards represent an unwanted federal intrusion in education and that adopting them will result in more students requiring remediation in college.

Kelley Faler, Indianapolis, spoke on the costs of the Common Core standards to families and increases in college-level remediation. She told the story of the cost to her family for determining that her younger child has a learning disability, and she feels that children with learning disabilities and non-English speakers are not taken into account under the standards.

Richard G. Innes, Bluegrass Institute for Public Policy Solutions, Kentucky, provided information

on Kentucky's education reform, which is similar to that provided under the CCES (Exhibit D). He pointed out the increasing costs of Kentucky's system, in addition to problems with testing. He stated that the PARCC and Smarter Balanced assessments are similar to testing systems that have failed in Kentucky.

Laura Odisko, a mother of five, Fort Wayne, spoke concerning her son's experience with homework. She found the homework under Indiana's CCES for the first-grader to be chaotic and confusing and that it skimmed over key foundational strategies.

Glenna Jehl, a member of the school board, Fort Wayne Community Schools, stated that the school district will have a shortfall for the next several years. She spoke about the financial difficulties the school district would have in adopting the CCES, as well as accountability concerns for a centralized system of standards. She sees the standards as a federal mandate with no recourse if the standards do not achieve their goals.

The Committee next considered the draft report of the Committee's final report (Exhibit E). The final report was adopted on a voice vote with no negative votes.

Amber Northern, Vice President of Research, Fordham Institute, discussed the results of a study the Institute conducted on the costs of implementing the CCES. After taking into account current expenditures on education (approximately $94 M), Indiana's additional transitional costs could range from $188 per pupil to $0 per pupil, a finding very similar to the OMB's report. She indicated that costs could be significantly reduced by shifting away from hard-copy textbooks and using more online resources to deliver professional development.

Jackie Rhoton, Lebanon, stated that she is disappointed in how the Committee's hearings have been conducted. She has been present for all three meetings and feels that both sides have not been given equal time to testify.

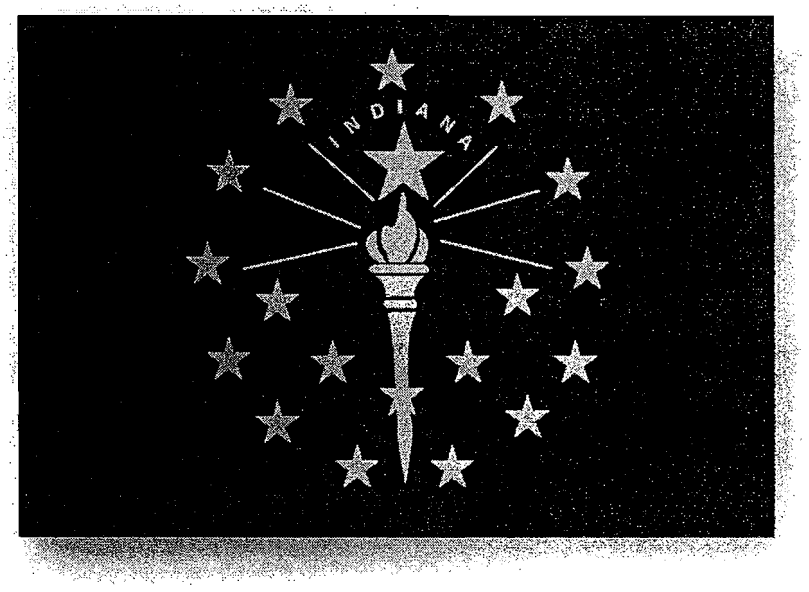
Holly Renner, a mother of four children, spoke of her seventh-grade son who needs more math and science than is available in her local public high school to be able to get into Purdue University to become a storm chaser. She is seeking alternatives for her son and may have to pay for them. She finds this to be a cost of the CCES.

Co-Chairperson Behning adjourned the meeting at 3:27 p.m.

Exhibit A
Interim Study Committee on Common Core Educational Standards
Meeting #3, 10/1/2013

INDIANA COMMON CORE IMPLEMENTATION

FISCAL IMPACT REPORT



INDIANA OFFICE OF MANAGEMENT AND BUDGET

CHAD TIMMERMAN, AMY PATTISON, & PARVONAY STOVER

AUGUST 2013

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I. Legislative Authority

Pursuant to Section 13 of House Enrolled Act 1427 (2013), the Indiana Office of Management and Budget (OMB) is tasked with providing an opinion concerning the fiscal impact to the State and local school corporations if the Indiana State Board of Education (SBOE) 1) fully implements the Indiana Common Core Standards (ICCS), or 2) discontinues implementation of the ICCS.[1] (See Appendix 1.)

The purpose of this analysis is to determine whether full ICCS implementation would result in a cost increase or savings to the State and local school corporations, and whether any potential costs would be absorbable within existing funding levels. This analysis also seeks to determine costs of alternative options if Indiana discontinues ICCS implementation and independently develops academic standards that comply with federal No Child Left Behind Act (NCLB) requirements but are not aligned with Common Core. The OMB does not evaluate the standards from a policy perspective, as HEA 1427 requires only an objective fiscal impact analysis.

II. Summary of Findings

To comply with HEA 1427 and NCLB, Indiana's K-12 academic standards must meet federal "college and career ready" guidelines. Indiana adopted ICCS in 2010 to meet the federal requirement of "college and career ready" academic standards. HEA 1427 requires Indiana to adopt "college and career ready" standards no later than July 1, 2014. The academic standards in place prior to adoption of Common Core, generally referred to as the Indiana Academic Standards (IAS) have not to date been certified as "college and career ready." Thus, Indiana can either maintain the ICCS adopted by the SBOE in August 2010 or develop new state-based standards, a process involving statewide educator collaboration and verification from state higher education institutions that the proposed standards are rigorous enough to be deemed "college and career ready."

In addition to "college and career ready" standards, federal requirements mandate development and implementation of a "high-quality" assessment to measure student comprehension of "college and career ready" standards.[2] Several states have opted to join one of two consortia of states working to develop such high-quality assessments: 1) the Partnership for Assessment of Readiness for College and Careers (PARCC), in which Indiana participated until its recent withdrawal, and 2) Smarter Balanced. Indiana's NCLB waiver requires implementation of a "college and career ready" assessment by the 2014-15 school year.

This analysis identifies four areas where costs may be incurred in transitioning to new standards: 1) professional and curriculum development, 2) textbooks, 3) technology, and 4) assessments. Although not precisely determined, the local school corporation expenditures identified in areas 1-3 were estimated to have already occurred or determined to be absorbable in the future as part of the regular adoption schedule associated with the ongoing evolution of state standards. To date, Indiana has undergone four years of implementation of ICCS, including one year of preparation. In surveying local principals, interviewing local superintendents and Indiana Department of Education (IDOE) assessment officials, and analyzing historical school-level expenditures, the majority of qualitative and quantitative feedback suggested that local schools had already or were capable of transitioning to new standards with existing levels of funding. Professional and curricular development costs were described as ongoing costs and are generally fixed despite implementation of new standards. Textbooks, formerly adopted on a six-year cycle, are now replaced on a schedule determined by the school corporation.[3] Moreover, textbooks are capable of replacement with greater frequency due to the presence of electronic textbooks, digital curricula, and other materials accessible online. The vast majority of schools were found to be technologically ready for the demands of online assessment, as the currently

implemented ISTEP+ exam accelerated the implementation of online test-taking with 88% of Indiana's schools testing 100% of students online in 2012-13. (See Appendix 4.)

At the State level, the primary expense involves developing and implementing a new assessment. For the 2012-13 school year, Indiana spent $34.3 million administering ISTEP+ and End-of-Course Assessments (ECAs). Indiana has four options to consider for a new assessment system, three of which are aligned with Common Core. The first and second options use assessments created by the PARCC and Smarter Balanced multi-state consortia, respectively. Third, Indiana could develop its own unique Common Core-aligned examination. Fourth, the SBOE could create new federally-compliant "college and career ready" standards unassociated with Common Core standards and develop an examination aligned with those new standards. The cost estimates of all four assessment options include continuation of ISTEP+ in the 2014-15 school year, a requirement of HEA 1427. However, the estimates do not include potential federal revocation of funding for full implementation of an assessment that is not "college and career ready," and at this time ISTEP+ has not been certified as a "college and career ready" assessment. The exact amount of any federal penalty for noncompliance is unpredictable, as is the likelihood that U.S. Department of Education (U.S. DOE) would grant Indiana a waiver for the years in which the future assessment is being developed. Thus, this analysis assumes that the State will continue to administer ISTEP+ through the 2014-2015 school year in accordance with HEA 1427. Administering an additional assessment such as PARCC or Smarter Balanced in order to meet federal "college and career ready" standards would create additional costs the same year.

First, the SBOE could opt to implement PARCC assessments and standards. The cost of developing the assessment is absorbed by PARCC, rather than the state. Once fully implemented, a PARCC assessment is estimated to cost approximately $33.2 million per year, including the ongoing costs of ISTEP+. The PARCC assessment estimates are broken into two scenarios based on year of implementation. If the SBOE decides to implement PARCC in the 2014-15 school year in addition to ISTEP+, Indiana's total assessment costs could increase from an estimated $34.3 million in 2013-14 to $57.4 million. A 2014-15 implementation increases overall costs associated with double testing in both PARCC and ISTEP+. However, if the SBOE opts to implement in 2015-16, total state assessment costs are estimated at $39.2 million but could be subject to federal penalties for delayed implementation.

OPTION 1 - PARCC	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Total Assessment Cost
(2014-15 Implementation)	$ 34.3	$ 34.3	$ 57.4	$ 39.2	$ 39.4	$ 33.1	$ 33.2	$ 270.9
(2015-16 Implementation)	$ 34.3	$ 34.3	$ 34.1	$ 39.2	$ 39.4	$ 33.1	$ 33.2	$ 247.6

Estimated Cost of Development	Estimated Annual Ongoing Costs
$0	$33.2

The second option is to select the Smarter Balanced assessment. Estimates are broken into two scenarios based on year of implementation. Similar to PARCC, Smarter Balanced absorbs the cost of developing the assessment. The ongoing cost of this assessment option, including the ongoing cost of ISTEP+, is estimated to be $31.4 million upon full implementation. If the SBOE decides to implement Smarter Balanced in the 2014-15 school year in addition to ISTEP+, Indiana's total assessment costs could increase from an estimated $34.3 million in 2013-14 to $55.7 million. Similar to PARCC, a 2014-15 implementation increases overall costs associated with double testing within the same year, and delaying implementation until the 2015-16 year eliminates those double testing costs. Total state assessment costs are estimated at $37.5 million in year 2015-16 but could be subject to federal penalties for delayed implementation.

OPTION 2 - SBAC	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Total Assessment Cost
(2014-15 Implementation)	$ 34.3	$ 34.3	$ 55.7	$ 37.5	$ 37.6	$ 31.3	$ 31.4	$ 262.1
(2015-16 Implementation)	$ 34.3	$ 34.3	$ 34.1	$ 37.5	$ 37.6	$ 31.3	$ 31.4	$ 240.5

Estimated Cost of Development	Estimated Annual Ongoing Costs
$0	$31.4

Third, the SBOE could vote to develop a Common Core-aligned assessment. Under this scenario, the state is expected to absorb the cost of development over an 18 to 24 month period, estimated at roughly $23.5 million. Once fully implemented, the ongoing cost of this assessment is estimated at $34.8 million per year, including the ongoing cost of ISTEP+. The following estimates comprehend scenarios of the SBOE voting on January 1, 2014, and July 1, 2014, to account for the potential impact the vote's date could have on the year of implementation and thereby the eventual cost. If the SBOE votes on January 1, 2014, and the assessment is developed in 18 months, the assessment could be fully implemented in the 2015-16 school year and is estimated to cost roughly $40 million in that year. However, if the SBOE votes on July 1, 2014, implementation is unlikely to occur before the 2016-17 school year and is estimated to cost roughly $41 million in that year. Both scenarios may be subject to federal penalties as having not been fully implemented in the 2014-15 school year, per current U.S. DOE requirements.

OPTION 3 - State Developed, ICCSS-Aligned	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Total Assessment Cost
(2015-16 Implementation)	$ 34.3	$ 42.1	$ 49.8	$ 40.0	$ 41.0	$ 34.7	$ 34.8	$ 276.7
(2016-17 Implementation)	$ 34.3	$ 34.3	$ 45.8	$ 46.4	$ 41.0	$ 34.7	$ 34.8	$ 271.3

Estimated Cost of Development	Estimated Annual Ongoing Costs
$23.5	$34.8

Lastly, the SBOE could determine that Indiana should develop its own assessment separate from Common Core membership. The estimated development costs for this assessment option are $19.1 million over an 18 to 24 month timeframe. The total ongoing costs associated with this option are estimated to be $34.7 million per year upon full implementation. Similarly, the estimate below comprehends scenarios of the SBOE voting on January 1, 2014, and July 1, 2014, to account for the potential impact the vote's date could have on the year of implementation and eventual cost. If the SBOE votes on January 1, 2014, and the assessment is developed in 18 months, the assessment could be fully implemented in the 2015-16 school year and is estimated to cost roughly $40 million in that year. If the SBOE votes on July 1, 2014, implementation is unlikely to occur before the 2016-17 school year and is estimated to cost roughly $41 million in that year. Both scenarios below may be subject to federal penalties as having not fully been implemented in the 2014-15 school year, per current U.S. DOE requirements.

OPTION 4 - State Developed, ICCSS-Independent	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Total Assessment Cost
(2015-16 Implementation)	$ 34.3	$ 40.7	$ 46.9	$ 40.0	$ 40.2	$ 33.9	$ 34.0	$ 270.0
(2016-17 Implementation)	$ 34.3	$ 34.3	$ 43.7	$ 44.2	$ 40.9	$ 34.6	$ 34.7	$ 266.7

Estimated Cost of Development	Estimated Annual Ongoing Costs
$19.1	$34.7

In conclusion, the analysis indicates that school-level costs have been or will be substantially absorbable if the SBOE votes for implementation of new standards. For assessments, state-developed Options 3 and 4 would present one-time costs associated with development, while a 2014-15 school year implementation of Options 1 and 2 enhance costs through double testing of ISTEP+ and the selected assessment. Importantly, the ongoing costs associated with the administration of Options 1-4 do not vary significantly.

III. Indiana Common Core Standards Background

The ICCS are a set of K-12 English/language arts and mathematics standards designed by the Common Core State Standards Initiative, a project sponsored by the National Governors Association and the Council of Chief State School Officers. These standards outline the information and skills that students must acquire in each grade level to stay on course for college and career preparation.[4] As a common mechanism to compare student performance nationwide, the ICCS are also designed to assist students moving between states or school corporations, making it easier to pick up where students left off in the previous year's classroom.[5]

Because the ICCS are academic standards, not curricular requirements, local school corporations maintain responsibility for developing lesson plans and selecting instructional materials that meet the needs of their individual students.[6] More precisely, the ICCS outline the information and concepts that students should know, while educators choose the appropriate methods of instruction. States that adopt Common Core may not modify the standards but are permitted to add up to 15% of supplemental content to reflect the specific needs and goals of their states while still preserving the standards' "common" nature.[7] (See Appendix 2.)

IV. Common Core Implementation – Indiana Context

Since August 2010, substantial efforts have already been made statewide to transition to the new ICCS standards. The four-year implementation period allowed local school corporations to work the new standards into their scheduled curricular and textbook update cycles, and most of these expenditures were absorbed into their regular budgets. Because State academic standards are updated at least every six years, any associated costs are considered by school corporations to be the "costs of operation."[8] This report assumes that, whenever possible, the State and local school districts will continue shifting existing resources from supporting IAS to implementing whichever standards the SBOE selects. Any further costs necessary to fully implement the ICCS depend on the progress individual school corporations have already made in transitioning to the new standards.

In adopting any new set of standards or curriculum, the State and local school corporations could potentially see costs, in terms of both monetary expenses and additional staff time, in the areas of:

1. Professional and curriculum development,
2. Textbooks and instructional materials,
3. Technology, and
4. Assessments.

Unlike the first three categories, which fall within local school corporations' budgets, assessments are budgeted at the State level through the Testing and Remediation line-item appropriation. Additionally, the first three items are the responsibility of the local school districts to design and implement, while decisions regarding assessments are made at the State level. (See Appendix 3.)

V. METHODOLOGY & ASSUMPTIONS

The foregoing methodology uses quantitative analysis as the primary vehicle for arriving at an overall state fiscal impact. This analysis focuses only on costs incurred at the state and local level. It excludes federal funds wherever applicable. The quantitative analysis is supported by field research conducted by OMB staff over a three month period, consisting of interviews with a variety of Indiana's stakeholders and a survey of Indiana principals. It is assumed that in implementing any new changes in academic standards, existing state appropriations and local funding sources would be redirected from supporting the previous standards to fully implementing the new standards. (See Appendix 7 for comparable state and national methodologies.)

QUANTITATIVE ANALYSIS

Historical state and local expenditure data were used to determine total fiscal impact. At the local level, an analysis of changes in expenses was calculated to determine whether costs were significant as a percentage of school corporations' associated budgets. School corporations track expenditures using category-specific account codes. OMB staff examined the relevant accounts over the past four fiscal years for significant changes as a potential indicator of Common Core-related increases or decreases at the local school level. Moreover, a Technology Readiness Report developed by IDOE was examined to determine Indiana's level of preparation for testing 100% of students online. (See Appendix 6.)

Regarding state-level costs, IDOE staff provided estimates for developing a new assessment aligned to both Common Core and non-Common Core standards. OMB staff analyzed historical ISTEP+ contract costs and rates reported by PARCC and Smarter Balanced to determine future assessment cost estimates using projections of student test-takers by grade level. The number of tests taken by students was estimated using a historical average growth in the number of tests taken by grade for ISTEP+ tests given in grades 3-8 and ECAs given in 10th grade (by course) for public school students, nonpublic accredited school students, and IMAST students. (See Appendix 8.)

QUALITATIVE ANALYSIS

To contextualize the quantitative data, OMB staff conducted phone interviews with school officials across the State. Principals, superintendents, curriculum directors, and other administrators were asked to share their experiences thus far with the ICCS and to provide estimates of future costs if implementation were continued. Input was solicited from school corporations of varying sizes and locations to determine the potential fiscal impact at the local level. (See Appendix 5.) Additionally, board members of the Indiana Association of School Principals were asked to provide estimates of the costs required at the local level to implement the Common Core standards. Sixteen board members responded to the survey. (See Appendix 4.) Finally, OMB staff conducted informal interviews and collaborated with IDOE program and fiscal staff to better understand the conceptual framework, state-level impact, and timeline of Common Core in Indiana.

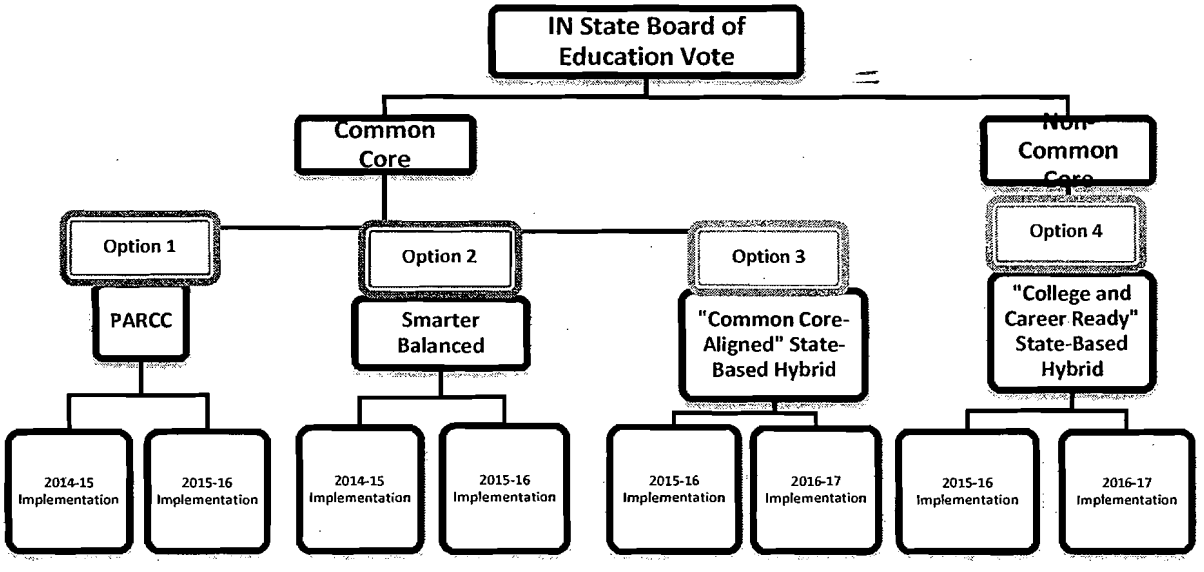
VI. Findings

STATE FISCAL IMPACT

The state is responsible for the costs associated with student assessments. Therefore, the foregoing estimates attempt to quantify future assessment costs for the state, separated into the general options for assessment that could be chosen by the SBOE. For purposes of this fiscal impact, the following four options were chosen: 1) PARCC; 2) Smarter Balanced; 3) State-Developed Hybrid, Aligned with Common Core Standards; and 4) State-Developed Hybrid, Independent of Common Core Standards. Of Indiana's four statewide assessment options, 1-3 align with Common Core, while the 4th option does not. For purposes of determining fiscal impact, it is assumed that Options 1-4 will replace ISTEP+ to ensure Indiana complies with "college and career ready" guidelines.

The total cost estimates for each option include a projection of phased out and ongoing ISTEP+ and ECA costs. The estimates also account for necessary development and piloting costs, ongoing development costs, and the cost of interim assessments. All four options involve transitional costs spread over one or two years before annualized costs stabilize on an ongoing basis. Also included in all four scenarios is an additional high school assessment, which is a Common Core requirement and is assumed necessary even if the State's assessment does not align with Common Core.

It is assumed the SBOE will vote regarding implementation of the ICCS by its statutory deadline of July 1, 2014. However, the specific year of implementation is unknown. At the earliest, the SBOE may vote to fully implement a new assessment in the 2014-15 school year, shortly after the July 2014 vote. However, it is also possible that full implementation will not occur until the 2015-16 school year. It should be noted that delaying implementation until the 2015-16 school year violates current U.S. DOE guidelines, which require full administration of a "college and career ready" assessment by the 2014-15 school year. Thus, failure to fully implement in the 2014-15 school year could jeopardize federal Title I grant funds. The exact dollar amount in jeopardy and the U.S. DOE's willingness to grant a one-year waiver for delayed assessment implementation is unknown.



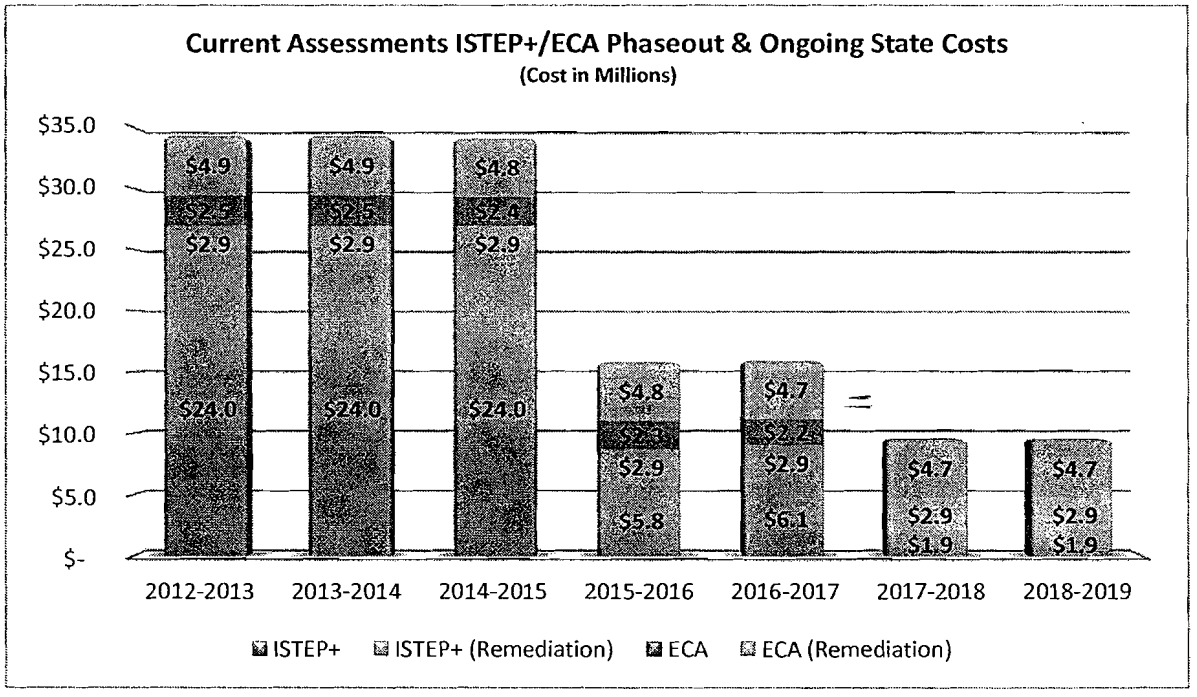
Past and Projected ISTEP+ Costs

HEA 1427 requires the use of ISTEP+ in the 2014-15 school year, the cost of which is divided into four parts:

1. ISTEP+ exams for students in grades 3-8,
2. ISTEP+ remediation,
3. ECAs, and
4. ECA remediation.

Cost estimates for these four parts are based on OMB's projections of students tested by grade and the estimated State share of Indiana's current ISTEP+ contracts with CTB/McGraw-Hill and other vendors. Past contract expenditures were benchmarked against student test data to formulate a future cost projection of ISTEP+ and ECAs. The ISTEP+ estimate includes the cost of testing students in English/language arts and mathematics in grades 3-8, science in grades 4 and 6, and social studies in grades 5 and 7. The ECAs in Algebra I and English 10 are graduation requirements taken in the 10th grade, with opportunities for retest upon failure in either subject.

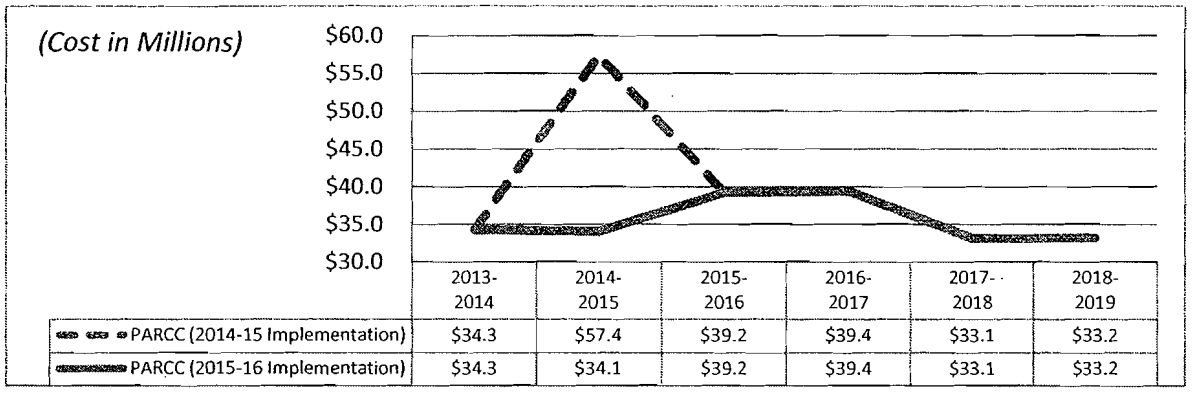
Following the SBOE's vote in 2014, a three year ECA phase-out requirement is assumed to allow students and teachers time to prepare and realign expectations to a new graduation-qualifying examination. Thus, the cost of ECAs for the 2014-15 school year and the estimated phase-out costs over the following two years are included in the calculations for Options 1-4. The cost of continuing ISTEP+ exams for grades 4-7 in science and social studies and biology in grade 10 are included in all scenarios, as those subjects are not presumably replaced in Options 1-4.



For the 2014-15 school year, the ISTEP+ assessment, including ECAs and remediation, is projected to cost a total of $34.1 million, a figure consistent with the prior two years. The total cost to administer ISTEP+ is estimated to drop to $15.8 million in the 2015-16 school year and $15.9 million in the 2016-17 school year due to the scheduled discontinuation of ISTEP+ English/language arts and mathematics assessments. The final two years represent the ongoing cost of ISTEP+ social studies and science exams for grades 4-7 and biology in grade 10 at $9.5 million and

$9.5 million. These estimates also represent the State's ongoing commitment to funding remediation. (See Appendix 8.)

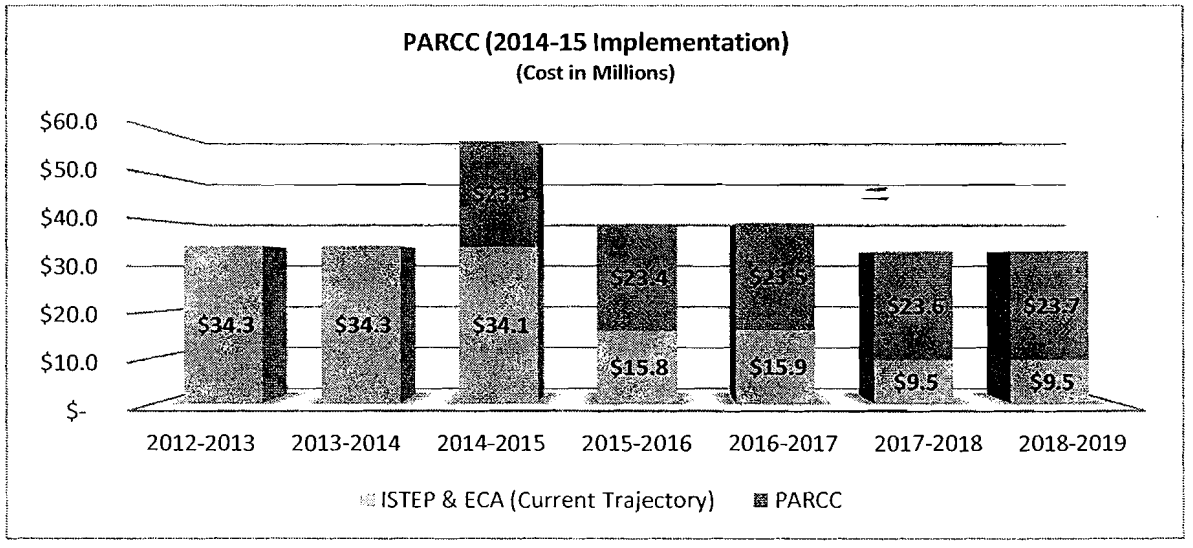
Option One: PARCC



	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
PARCC (2014-15 Implementation)	$34.3	$57.4	$39.2	$39.4	$33.1	$33.2
PARCC (2015-16 Implementation)	$34.3	$34.1	$39.2	$39.4	$33.1	$33.2

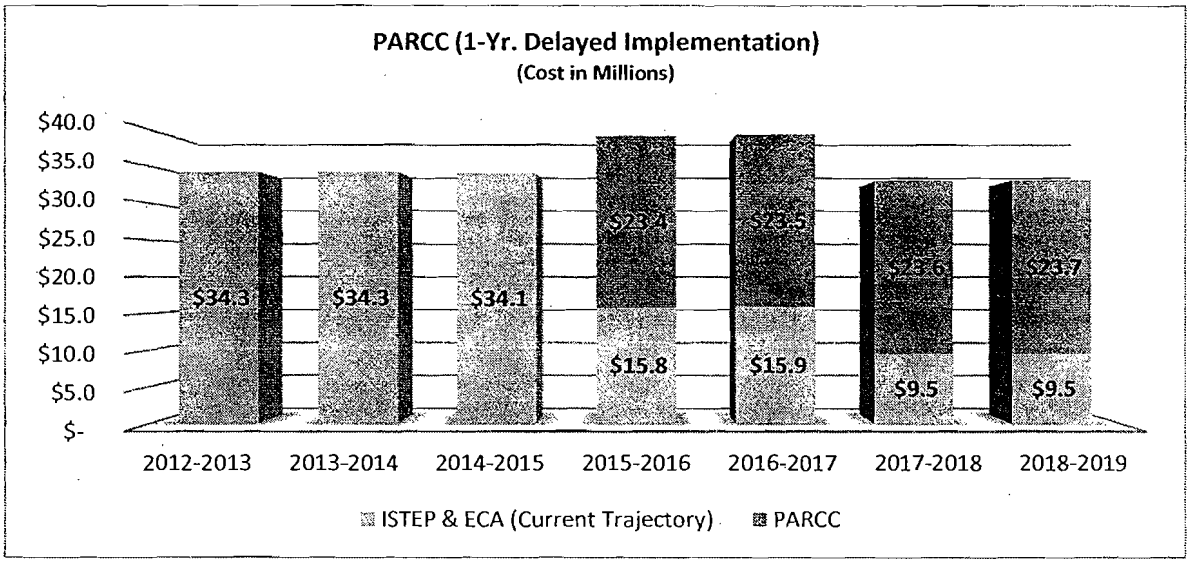
The calculations for the cost of administering the PARCC assessment were derived from PARCC's reported cost per student multiplied by OMB's student projections. The cost of implementation of PARCC will depend on the year selected by the SBOE for full implementation.

The first projection assumes full implementation of a PARCC assessment in academic year 2014-15, in line with federal requirements. PARCC reported a per-student rate of $29.50, which includes both English/language arts and mathematics tests. Concurrent with this rate, PARCC costs will track with enrollment trends at roughly $23.5 million on an annual basis. Additionally, because HEA 1427 requires continued use of the ISTEP+ in the 2014-15 school year, there is a necessary one-year overlap where PARCC and ISTEP+ are both fully implemented and used for testing purposes.

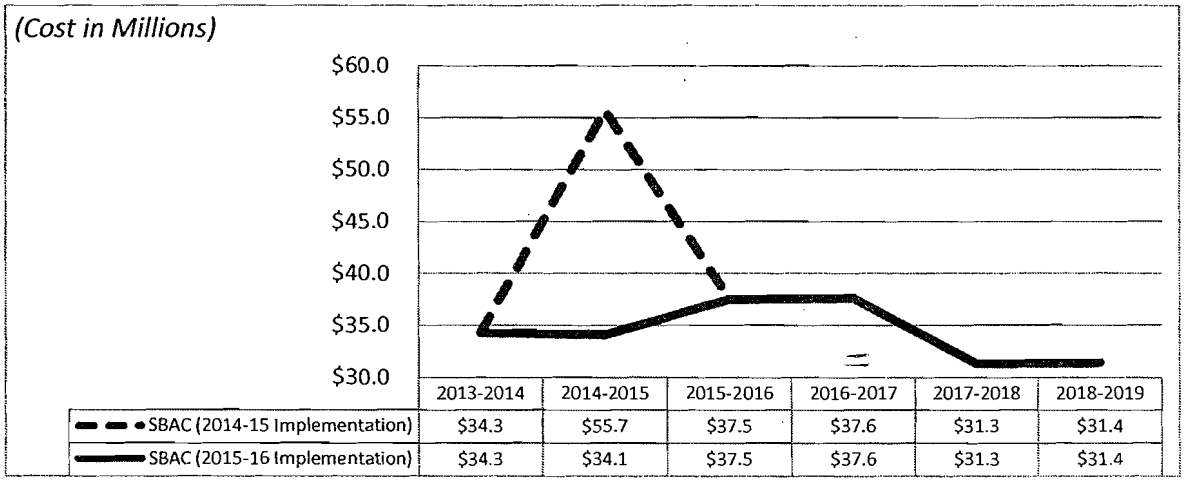


The second projection assumes delaying implementation of the PARCC assessment until the 2015-16 school year, which does not satisfy current federal guidelines requiring implementation in the 2014-15 school year. Because PARCC will not be fully implemented, the current ISTEP+ and ECA assessment models will be the exclusive

assessment models used in the 2014-15 school year. This option eliminates the expense of testing in both PARCC and ISTEP+ in the 2014-15 school year, saving the state a projected $23.3 million. (See Appendix 9.)



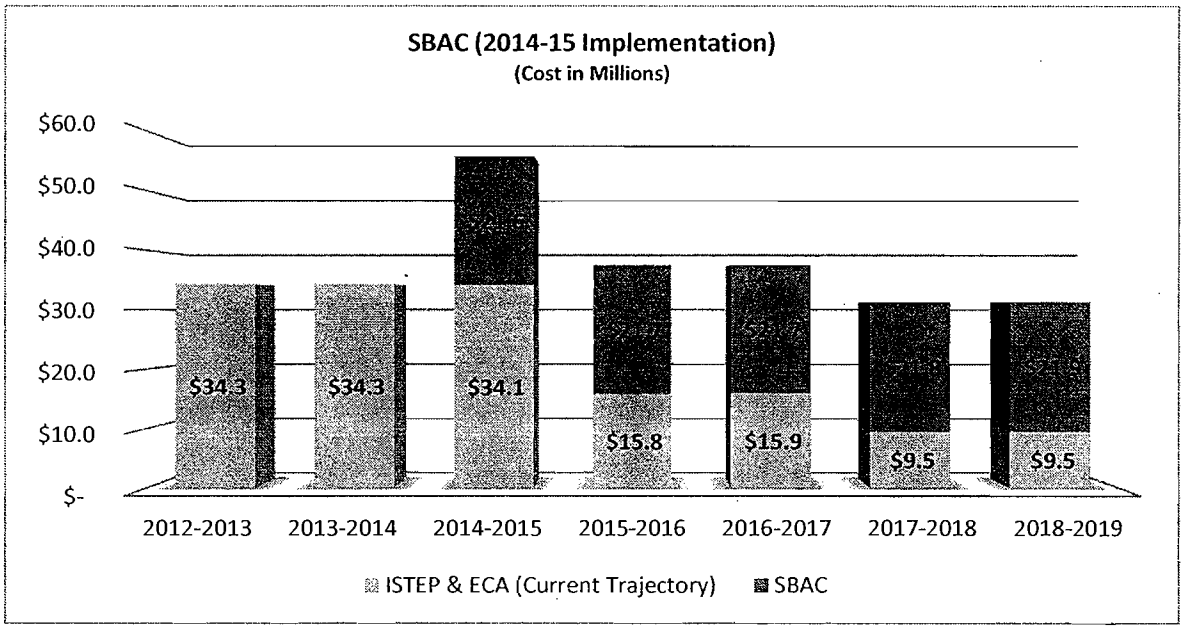
Option Two: Smarter Balanced



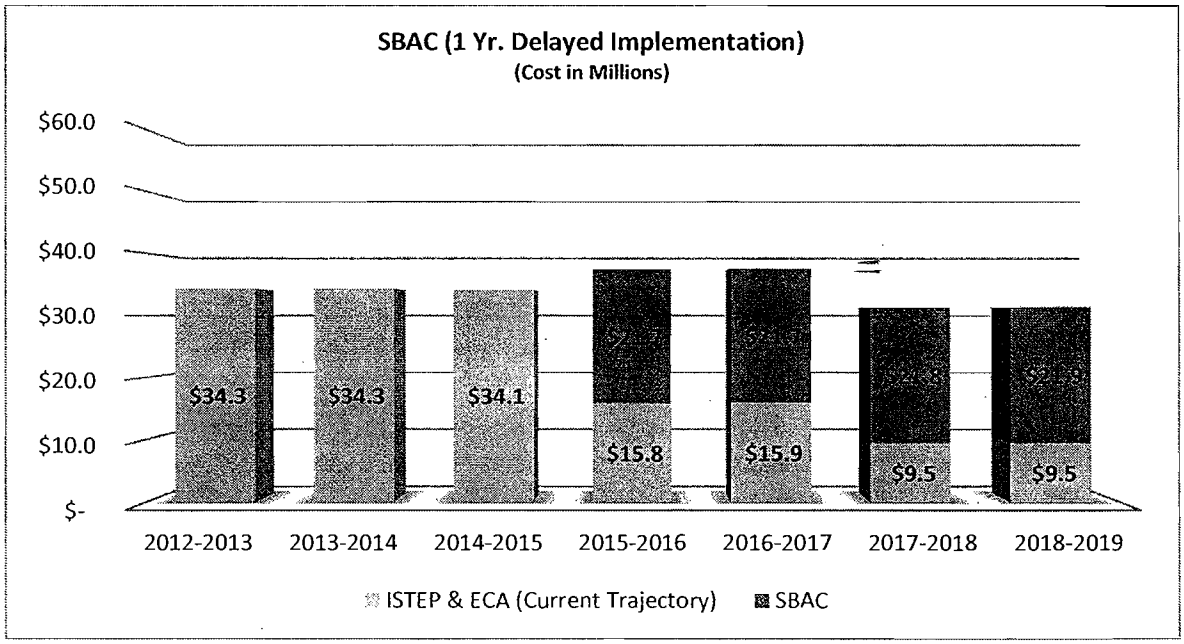
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
SBAC (2014-15 Implementation)	$34.3	$55.7	$37.5	$37.6	$31.3	$31.4
SBAC (2015-16 Implementation)	$34.3	$34.1	$37.5	$37.6	$31.3	$31.4

The calculations for the cost of administering the Smarter Balanced assessment were derived from the Smarter Balanced reported cost per student multiplied by OMB's student projections. The cost of implementation will depend on the year selected by the SBOE for full implementation.

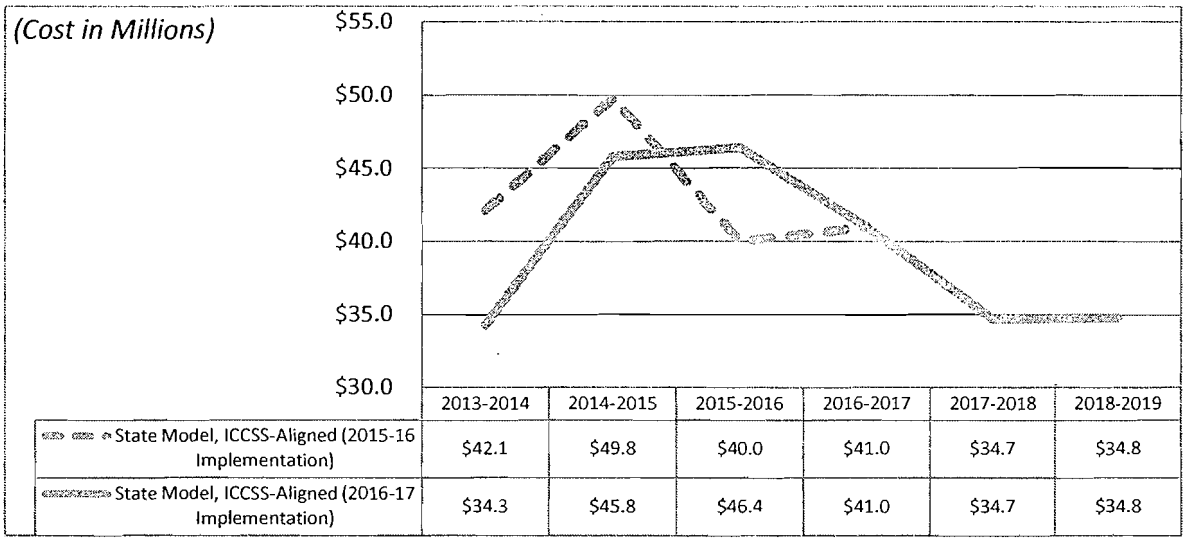
The first projection assumes full implementation of Smarter Balanced standards in academic year 2014-15, in line with federal requirements. Smarter Balanced reported a rate of $27.30 for English/language arts and mathematics tests per student. Concurrent with this rate, Smarter Balanced costs will track with enrollment trends at roughly $21.8 million on an annual basis. Additionally, because HEA 1427 requires full continued use of ISTEP+ in the 2014-15 school year, there is a necessary one-year overlap where Smarter Balanced and ISTEP+ are both fully implemented and used for testing purposes.



The second projection assumes full implementation of Smarter Balanced standards in the 2015-16 school year, which does not satisfy current federal guidelines requiring implementation in the 2014-15 school year. Because Smarter Balanced will not be fully implemented, the current ISTEP+ and ECA assessment models will be the exclusive assessment models used in the 2014-15 school year. This option eliminates the expense of testing in both Smarter Balanced and ISTEP+ in the 2014-15 school year, saving the state a projected $21.6 million. (See Appendix 10.)



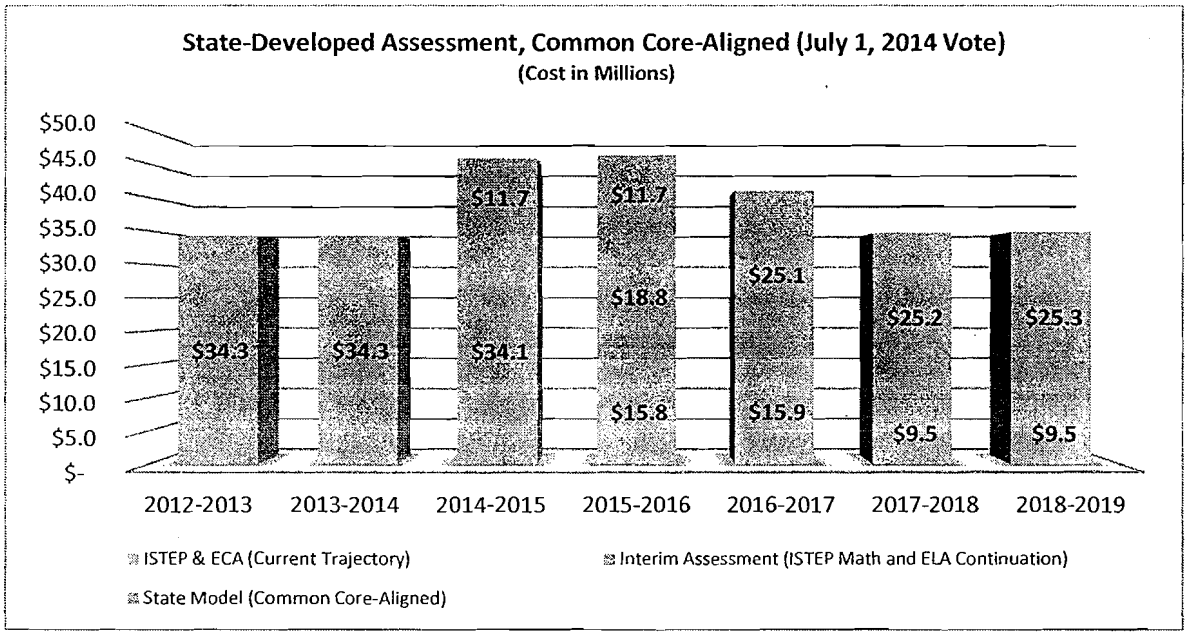
Option Three: State-Developed Hybrid (Common Core-Aligned)



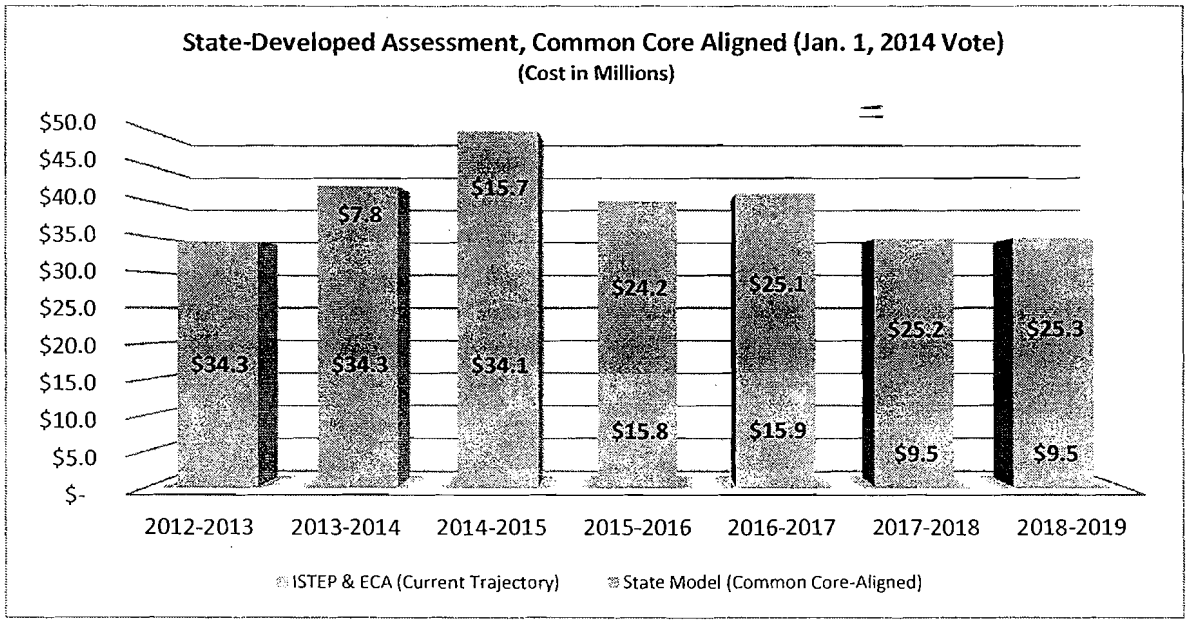
In estimating the cost of a state-developed assessment model, OMB collaborated with IDOE for the purpose of estimating the gap between Indiana's current ISTEP+ and ECA models and an assessment model that would meet Common Core standards. The costs associated with Option 3 include the cost of developing the assessment and the cost associated with its ongoing execution – which includes redevelopment on an ongoing four year cycle. The fiscal impact accounts for the per-subject cost for development of more open-ended or essay questions, which is a Common Core requirement, as opposed to multiple choice or true/false questions. The timeframe for development is also extended because open-ended items must be released to the public and cannot be reused on future tests. Consequently, more items must be developed for the test question bank. The estimate also accounts for realized savings through increased online examinations, as paper exams cost more to collect and score than online exams.

It was estimated by IDOE that a fully developed assessment model would take 18 -24 months. Thus, the following projections account for scenarios where SBOE vote occurs on January 1, 2014, and July 1, 2014. If the SBOE votes on January 1, 2014 and the assessment is implemented within an expedited 18 month period, Option 3 could be fully implemented in the 2015-16 school year. However, if the SBOE delays its vote until the statutory deadline of July 1, 2014, the assessment would not be ready for full implementation until the 2016-17 school year.

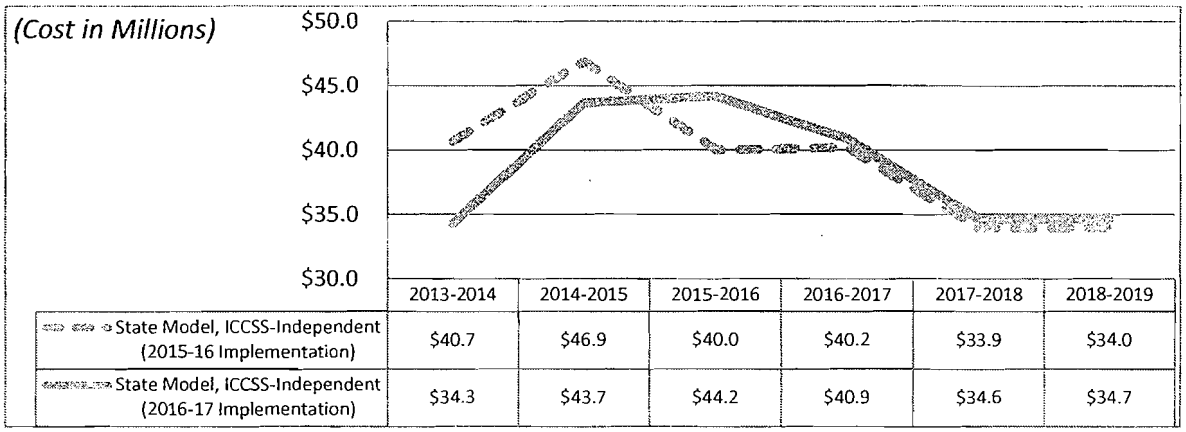
The graph immediately below illustrates the cost estimate if the SBOE votes on July 1, 2014. A cost of $15.27 per test is estimated, or $30.55 for both English/language arts and mathematics in grades 3-8 and 10 and 11 for Algebra and English. Academic years 2014-15 and 2015-16 split the total estimated cost to the State of preparing and developing its own assessment at $11.7 million per year, with full implementation occurring in 2016-17. Importantly, the estimate includes a projection for an interim assessment in 2015-16, which is necessary because the new test will not be fully implemented and HEA 1427's required continuation of ISTEP+ will have ended. The ongoing costs associated with implementing and executing Option 3 are estimated at roughly $25.2 million per year. This figure includes the cost of ongoing redevelopment of the assessment at $815K per year. (See Appendix 11.)



As stated, the SBOE could vote as early as January 1, 2014, which could provide enough time for full implementation of the assessment in the 2015-16 school year. Again, a cost of $15.27 per test is estimated, or $30.55 for both English/language arts and mathematics in grades 3-8 and 10 and 11 for Algebra and English. Academic years 2013-14 and 2014-15 split the total estimated cost to the State of preparing and developing its own assessment at $11.7 million per year, with full implementation occurring in 2015-16. This scenario will not require an interim assessment, because the new assessment will be fully implemented in 2015-16, which immediately follows HEA 1427's final required year of ISTEP+. The ongoing costs associated with implementing and executing Option 3 are estimated at roughly $25.2 million per year. This figure includes the cost of ongoing redevelopment of the assessment at $815K per year. (See Appendix 11.)



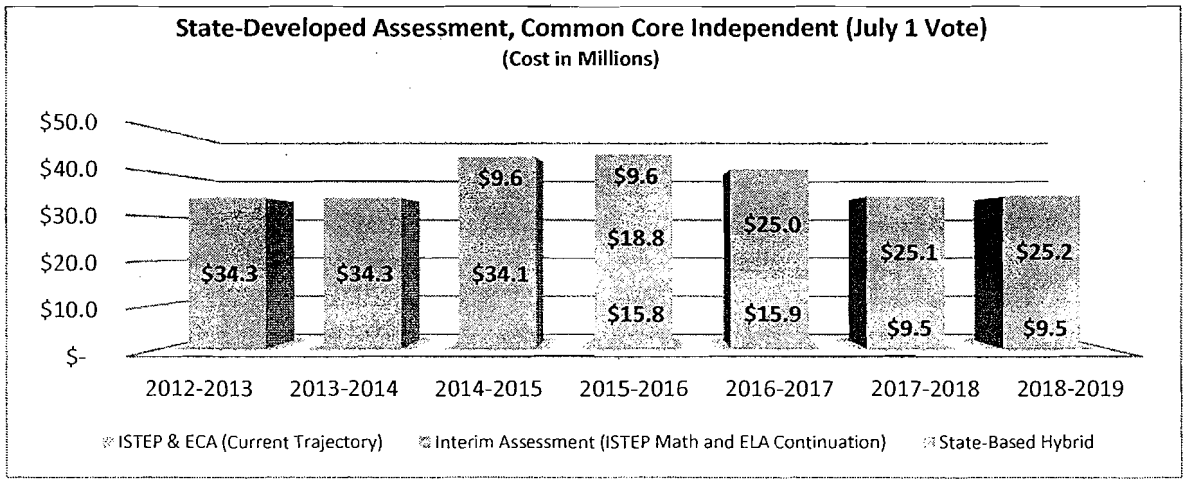
Option Four: State-Developed Hybrid (Common Core Independent)



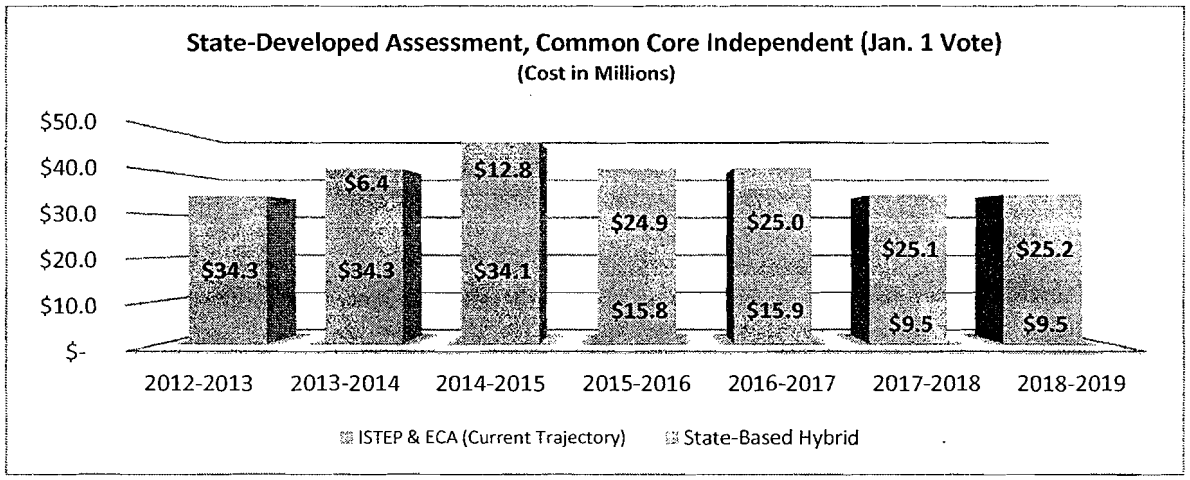
Option 4, like Option 3, is based on current ISTEP+ expenditures and development costs acquired and estimated by IDOE assessment staff. However, Option 4 is assumed to not align with Common Core. Thus, the cost projection attempted only to estimate the gap between current ISTEP+ and ECA models and U.S. DOE's requirements of "college and career readiness."

The costs associated with Option 4 also include the cost of developing the assessment and the cost associated with its ongoing execution – which includes redevelopment on an ongoing four year cycle. The fiscal impact accounts for the per-subject cost for development inclusion of more open-ended and essay questions as well. The estimate also accounts for realized savings through increased online examinations. Finally, the following estimates are similarly separated based on assumed SBOE vote dates: July 1, 2014, and January 1, 2014.

The estimate below assumes the SBOE will vote on July 1, 2014. A cost of $15.27 per test is also estimated, or $30.55 for both English/language arts and mathematics in grades 3-8 and 10 and 11 for Algebra and English. Academic years 2014-15 and 2015-16 split the total estimated cost to the State of preparing and developing its own assessment at $9.6 million per year, with full implementation occurring in 2016-17. Furthermore, the two year development period results in the need for an "interim" assessment valued at $18.8 million in 2015-16. The ongoing costs associated with implementing and executing this option are estimated at roughly $25.1 million per year. (See Appendix 12.)



This estimate assumes the SBOE will vote on January 1, 2014, and accelerates the date of full implementation to 2015-16 as a consequence. Academic years 2013-14 and 2014-15 split the cost of development at $6.4 million and $12.8 million respectively. The necessity for an interim test is eliminated in 2015-16 because the new assessment will be ready for full implementation in the 2015-16 school year. The ongoing costs associated with implementing and executing this option are estimated at roughly $25.1 million per year. (See Appendix 12.)



LOCAL FISCAL IMPACT

In studying historical expenditure data and reviewing responses from school officials, this analysis finds the cost components impacting local school corporations, such as professional and curriculum development, technology, and textbooks, are absorbable "costs of operation." While availability of data and informational resources limits the ability to reasonably estimate the prior and future level of expenses required for adopting "college and career ready" academic standards, the qualitative feedback and quantitative expenditure trends suggest the cost of adoption would be largely absorbable.

PROFESSIONAL & CURRICULUM DEVELOPMENT

At the local level, professional and curriculum development expenses are tracked in the same "improvement of instruction" accounts, which include classes and workshops, instructional development training, and curricular activities that assist educators with providing high-quality learning experiences for students. Therefore, the OMB analyzed the historical expenditures of these two categories together. From fiscal years 2009 to 2012, the most recent years for which data is available, expenditures in these areas as a percentage of associated revenue have remained flat, showing that local school districts have been able to absorb any professional and curriculum development costs related to implementing the ICCS.

As a result of the new standards, school corporations reported shifting the focus of their regularly scheduled professional development meetings for teachers and staff. Many school officials reported the need for additional teacher training opportunities, including more chances for group collaboration, to help support the new standards. A minority of officials reported added costs to hire substitutes for teachers participating in workshops or classes held during the school day, but for the most part, school corporations were able to absorb the costs of training teachers on the new standards.

In terms of curriculum development, school officials reported spending significant time finding or creating instructional materials that met both the new ICCS standards and the goals of the school corporation. Several educators commented that the ICCS were similar enough to Indiana's previous standards that most existing curricular materials could be reused with minor modifications to better align with the ICCS. Furthermore, many school officials noted that if the ICCS had been implemented in one year, rather than over the course of several years, the local school corporations would have seen significant increases in costs. Thus, the multi-year phase-in of the ICCS has reduced local costs substantially over time.

TEXTBOOKS

In local expenditure accounts related to textbook purchases and rentals, including workbooks, instructional materials, and computers purchased in lieu of paper textbooks, wide variance was found in the last four fiscal years. In FY 2009, local school districts statewide spent $112.1 million on instructional materials. In FY 2010, that figure dropped to $88.7 million. In FY 2011, the figure dropped again to $72.4 million, but in FY 2012, the last year for which data is available, expenditures rose to $133.7 million. These figures include both general and federal funding sources, as well as revenue from students buying or renting textbooks from schools.

Most educators reported that any new textbook purchases since the adoption of the ICCS would have occurred anyway due to school corporations' routine textbook adoption cycles, and schools purchased ICCS-aligned textbooks instead of those aligned with the old standards. In many cases, schools that did not purchase new textbooks had to obtain supplemental materials, either online or created by teachers in the district, to help align existing textbooks to the ICCS. If Indiana adopts a set of academic standards other than the ICCS, schools could incur textbook replacement costs associated with purchasing new textbooks aligned to the new standards. Because such standards are not yet developed, it is unknown how many textbooks currently in use would need to be replaced.

TECHNOLOGY

OMB staff analyzed historical instruction-related technology expenses, including costs associated with the operation and support of computer learning labs, media center computer labs, instructional technology centers, and instructional networks to determine whether school corporations increased spending in the past few years as a result of ICCS implementation and online ISTEP+ testing. In reviewing general fund expenditures in these accounts as a percentage of associated revenue, no noticeable increase in expenditures was found between fiscal years 2009 and 2012.

Predicting that states and local school districts would have questions about the technological requirements of new online assessments, PARCC and Smarter Balanced collaborated to create a Technology Readiness Tool that helps school officials evaluate their districts. School officials can enter information about available technology and infrastructure to determine whether the new online assessments will be compatible. Based on data submitted by IDOE, it is estimated that most Indiana school districts have the technological capacity to offer online assessments, and in fact, the vast majority are testing students online already.

In 2011, 76% of schools, including private schools, tested students online to some degree. In 2012, this increased to 89%, and in 2013, 95% of public and private schools tested at least a portion of students online. In 2011, 10% of schools were 100% online, with all students in all grades using computers to take assessments (excluding students requiring paper assessments as an accommodation). This figure increased to 33% in 2012 and 88% in 2013. Based on the results of the Technology Readiness Tool and data provided by the IDOE, it is estimated that by the 2015-16 school year, 100% of schools will be 100% online. Statewide, schools need 2,924 additional computer workstations

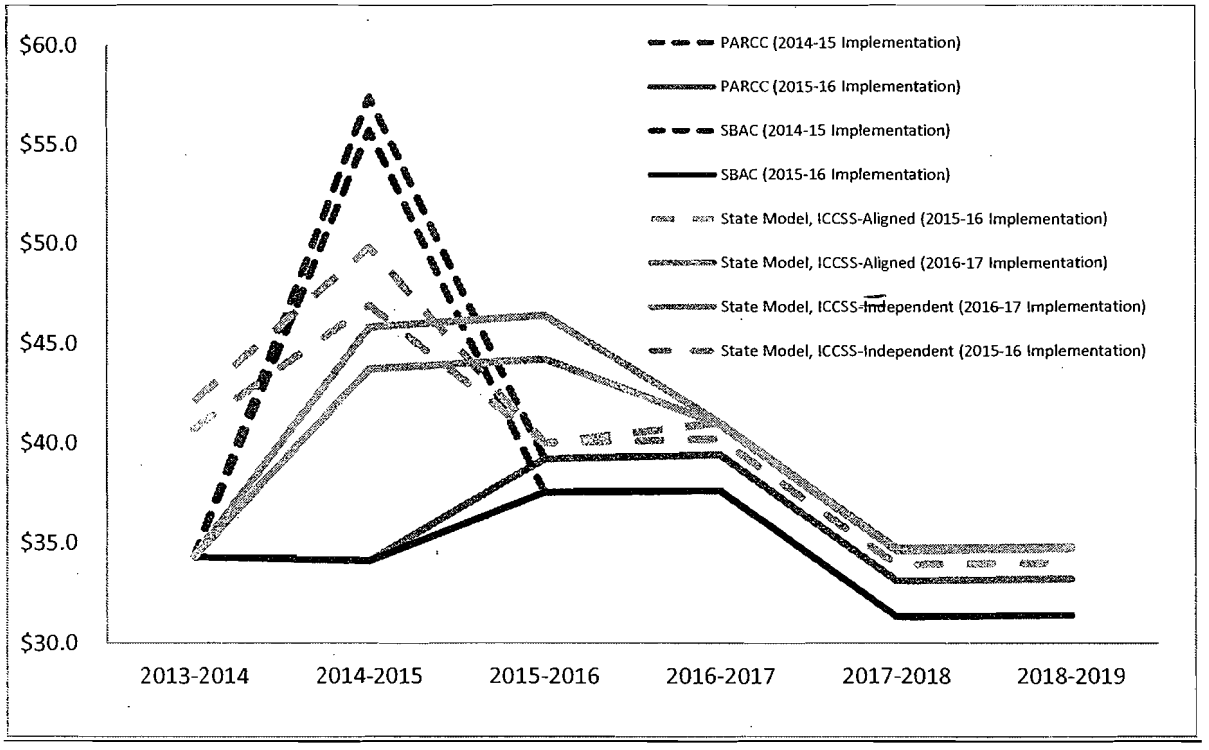
(including computers and related software) in order for this to occur. The OMB estimates each workstation can be purchased for roughly $500, based on recent procurements by other State agencies. This amounts to approximately $1,462,000 for all local school districts. (See Appendix 6.)

Of the school officials who responded to OMB's survey, none reported cost increases due to the technology requirements of the new standards. Technology upgrades were mentioned by only one school official, who remarked that upgrades would have happened regardless of the ICCS. (See Appendix 4.)

VII. CONCLUSION

To comply with HEA 1427 and NCLB, Indiana's academic standards must be "college and career ready," meaning the State could either continue implementation of the ICCS or develop its own set of compliant standards. Most costs related to implementing new academic standards, such as updating technology, textbooks and curriculum, are absorbable or have already been absorbed through normal school operations. Local school corporations are not anticipated to see significantly increased expenditures related to implementing new standards.

The primary cost component consists of new student assessments. These estimates incorporate both the cost of developing the assessment in preparation for implementation and the ongoing costs associated with its continued use. The cost of development involves field testing, piloting, and analysis by assessment officials. Ongoing costs represent all costs that occur immediately following the assessment's implementation, and include administration, grading, and redevelopment of the assessment. Moreover, the total costs for each option accounts for a required phase-out of ISTEP+ and ECA examinations over time. Options 1-4 are summarized as follows:



VIII. APPENDICES

APPENDIX I:

IC 20-19-2-14.5(g)

The legislative study committee shall operate under the policies governing study committees adopted by the legislative council. The study committee shall hold at least three (3) public meetings.

(g) Before September 1, 2013, the office of management and budget established by IC 4-3-22-3, in consultation with the state board, shall provide an opinion concerning the fiscal impact to the state and school corporations if the state board:

(1) fully implements the common core standards; and

(2) discontinues the implementation of the common core standards.

The office of management and budget must provide its opinion in an electronic format under IC 5-14-6 to the governor, legislative council, and state board.

Appendix II: (Indiana Common Core Standards Background)

(a) Indiana's Participation & Federal Context

(i)No Child Left Behind

Under NCLB, states receiving Title I funding must show "adequate yearly progress" in student achievement levels. Passed in 2001, NCLB requires all students to achieve proficiency in mathematics, reading, and science by the year 2014. States determine the academic standards by which students are judged and must demonstrate that students are making yearly progress towards the goal of having 100% passage rates.[30] Many states, including Indiana, have applied for federal waivers to the "adequate yearly progress" for exemption from the 100% passage rate requirement. These waivers provided states the flexibility to create their own systems to measure student achievement. In exchange, waiver states must develop their own rigorous, comprehensive plans to improve the quality of instruction, close socio-economic achievement gaps, and increase accountability. Moreover, the NCLB waiver requires that teachers are evaluated based on student growth.[31]

To increase school accountability for student achievement, Indiana created an A-F letter grading system, in which schools' grades are determined by student performance, yearly growth, and high school graduation rates, among other areas. First implemented in 2010, the letter grading system is designed to track not only passage rates for standardized tests, but also overall student progress and college readiness. Indiana's current goal is for every school to either earn an "A" grade or improve by two grade levels (from D to B, for example) by 2020.[32]

The NCLB waiver also requires states to adopt "college and career ready" academic standards and assessments to prepare high school graduates for success in college and the workforce. States may choose to update their existing academic standards by working with statewide public higher education institutions to ensure the standards adequately prepare students for college, with the objective of reducing or eliminating the need for college remediation. States may also collaborate to develop a common set of standards that build toward the same college and career readiness goals. Adopted by 45 states, including Indiana, the Common Core State Standards have been certified by the U.S. DOE to meet NCLB's college and career readiness goals.[33]

(ii)Race to the Top

The American Recovery and Reinvestment Act of 2009 provided $4.35 billion in funding for Race to the Top, a competitive grant program designed to reward states and local school districts for education innovation and reform. Grant recipients must show a commitment to improving student success by making gains in closing achievement gaps, improving high school graduation rates, and implementing plans in the following four core education reform areas:

- Adopting standards and assessments that prepare students to succeed in college and the workplace,
- Building data systems that measure student growth and success,
- Recruiting, developing, rewarding, and retaining effective educators, especially in high-need areas, and
- Turning around low-achieving schools[34]

Applicants earn points for meeting certain benchmarks, such as clearly articulating the state or district's education reform agenda, implementing a statewide longitudinal data tracking system, and offering performance-based incentives for high quality educators, among many others. Adopting Common Core standards is not a requirement of

receiving Race to the Top funds, but doing so adds points to a state or district's application. Grant recipients are encouraged to share innovations in curriculum and instructional materials with other states and school districts.[35]

In 2012, M.S.D. of Warren Township won a $28.5 million Race to the Top district grant based on its comprehensive plans to personalize student learning. In its application, Warren Township affirmed that the district's plans for curriculum, instruction, and assessments would be aligned with ICCS in English/language arts and mathematics. The application cited Indiana's implementation timeline, discussed further in a later section, and noted that Warren Township would implement ICCS in grades K-6 in the 2013-14 school year, a year ahead of schedule for several grades.[36]

In addition to the state and district-level Race to the Top grants, the U.S. DOE awarded over $330 million in 2010 to PARCC and Smarter Balanced, two state consortiums working to develop new Common Core instructional materials and computer-based assessments. Offering more sophisticated ways to evaluate student achievement, these assessments will be completed by the 2014-15 school year and are intended to replace many existing standardized tests used across the country.[37] PARCC's mission is to create a K-12 pathway to college and career readiness by monitoring students' yearly progress and providing teachers with timely data to provide effective student support. The Smarter Balanced consortium's goal is to strategically "balance" assessments through an integrated system of standards, curriculum, instruction, and teacher development. Slight differences exist between the two consortia in the way assessments will be offered and what optional services will be available, such as computer adaptive testing. The majority of states that have adopted Common Core are members of one or both consortia.[38]

(b)Timeline

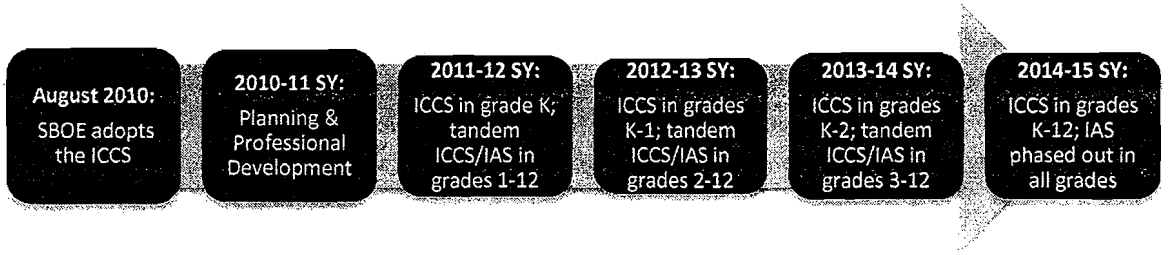
(i)Past

In August 2010, upon the recommendation of the Indiana Education Roundtable[39], the SBOE unanimously voted to adopt the Common Core State Standards for English/language arts and mathematics, which then became known as the Indiana Common Core Standards.[40] These replaced the Indiana Academic Standards (IAS), which must be updated at least every six years on a cyclical basis.[41] Soon after ICCS adoption, Indiana joined PARCC to begin collaborating with other PARCC member states on development of new Common Core curricular tools and assessments. All of Indiana's public colleges and universities committed to participating with PARCC to certify that assessments are college ready and have signaled the use of PARCC assessments as an indicator of students' readiness for entry-level college courses.[42]

Indiana's original transitional plan from IAS to full ICCS implementation took place over four years. Year one, the 2010-11 school year, was used for statewide preparation and training. The IDOE worked with a team of educators from K-12 and higher education to create grade-specific "toolboxes" for the ICCS for English/language arts and mathematics, designed to provide local school corporations with the resources necessary to work towards full implementation. Available online on the IDOE website, the toolboxes include detailed standards and curriculum guides for each grade level. IDOE also compiled professional development modules, sample lesson plans, and parent resources on its website to facilitate a smooth transition to the ICCS.[43]

A tiered classroom implementation system was designed so that different grade levels would transition into using the ICCS over the subsequent three years. Beginning in the 2011-12 school year, teachers in all grades began teaching the ICCS alongside the IAS. That same year, kindergarten teachers were instructed to phase out the IAS and use ICCS exclusively. In the following 2012-13 school year, IAS was then phased out for 1st grade students. Prior to passage of

HEA 1427, IAS were planned for 2nd grade phase out in 2013-14. And by the 2014-15 school year, IAS would have been eliminated in all grade levels, and all English/language arts and mathematics teachers would exclusively teach the ICCS.[44] The original timeline is illustrated below:



Indiana currently uses the ISTEP+ assessment, which is aligned with the IAS. The pre-HEA 1427 three-year classroom transition plan was instituted because Indiana had not yet developed an adequate assessment to measure student achievement under the new standards.

(ii) Present

HEA 1427 effectively "paused" the ICCS implementation plan. This legislation mandated that after May 15, 2013, no further action could be taken to implement the ICCS, though any standards adopted before that date would remain in effect.[45] Per the original timeline, Indiana teachers have been instructed by IDOE to teach the ICCS in all grade levels in the 2013-14 school year. Grades K-1 are currently being taught the ICCS exclusively, and grades 2-12 are being taught certain Indiana benchmarks alongside the ICCS standards.[46]

Prior to the passage of HEA 1427, 2nd grade students were scheduled to receive only ICCS instruction in the 2013-14 school year. However, because this legislation leaves ISTEP+ in place for the 2014-15 school year, the IDOE asked 2nd grade teachers to continue teaching the IAS in tandem with the ICCS so students will be better prepared to take the ISTEP+ in the 3rd grade.[47]

HEA 1427 also prohibits entering into or renewing an agreement after June 30, 2013, with any organization that requires the State to cede any autonomy or control of education standards and assessments.[48] In July 2013, Governor Mike Pence and State Superintendent Glenda Ritz announced their intent to withdraw from participation in PARCC.[49]

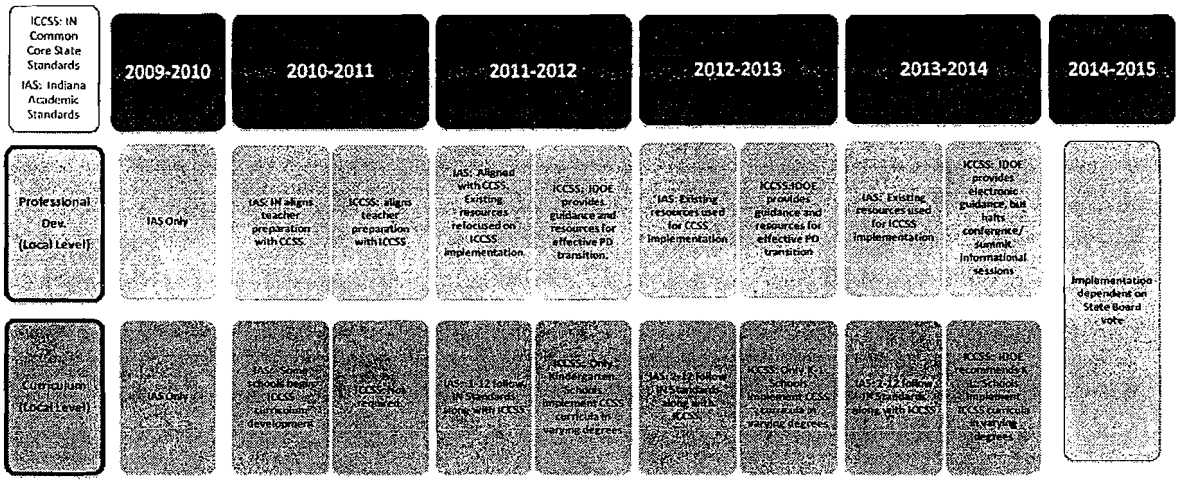
(iii) Future

To comply with HEA 1427 and the NCLB waiver requirements, the SBOE has a July 1, 2014, deadline to either reaffirm the ICCS or adopt alternative "college and career readiness educational standards" that meet certain U.S. DOE requirements. In the interim, HEA 1427 tasked the IDOE, the OMB, the Legislative Study Committee, the Education Roundtable, and the SBOE with further studying the issue of implementing ICCS and its impact on Indiana students and local school corporations.[50]

The SBOE has four options to consider, illustrated by the figure below. If the SBOE reaffirms ICCS, Indiana could resume the original implementation timeline and join the PARCC or Smarter Balanced consortia to access Common Core curricular materials, transition tools, and assessments for the 2014-15 school year. The State could also elect to maintain the ICCS and develop its own Common Core-aligned assessment instead of participating in a consortia. If the SBOE discontinues implementation of ICCS, then Indiana must develop alternative "college and career ready" academic standards. Indiana's former standards, the IAS, have not been certified as "college and career ready."

APPENDIX III: (Common Core in an Indiana Context)

(a) Professional & Curriculum Development

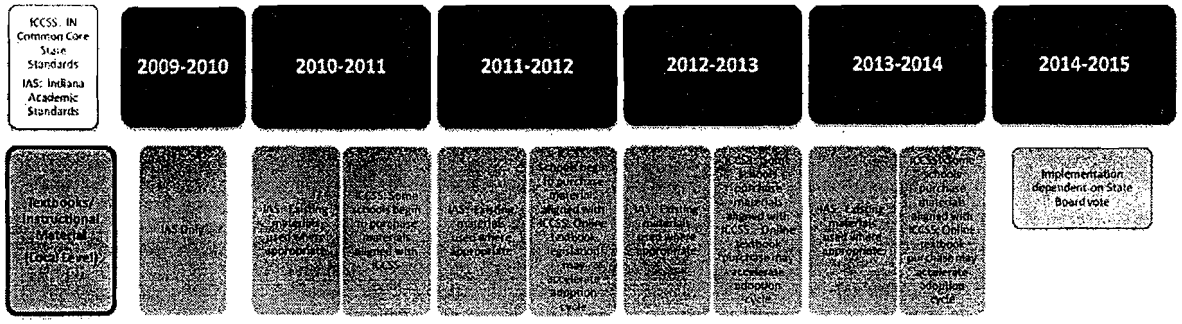


Professional development is essential with any shift in standards or curriculum so educators stay current in their knowledge of teaching methods, state standards, and curriculum development. Indiana requires teachers to pursue professional development for license renewal, but specific yearly requirements for each school district are generally included in negotiated teacher contracts. While professional development teaches educators the new standards, curriculum development applies those standards to lesson plans and practical classroom purposes. An outline of the goals, philosophies, and overall learning objectives that make up an instructional program, a curriculum is a framework for educators to ensure that students learn the information required in the academic standards. Developing a curriculum is an ongoing process with constant evaluation and updates to improve instructional delivery.

In preparation for ICCS implementation, the IDOE developed professional development and training resources for educators. IDOE held a Common Core Summit in Fall 2012 and sent experts across the state to instruct teachers in transitioning to the new standards. If the SBOE reaffirms the ICCS, Indiana could also use professional development materials created by PARCC or Smarter Balanced. Both consortia make teacher training materials available free of charge to member states.

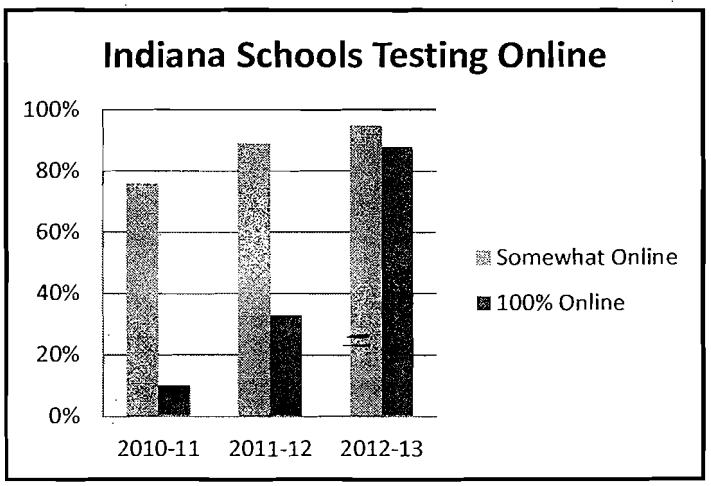
To assist educators with curriculum development, the IDOE completed a thorough breakdown of English/language arts and mathematics standards by grade to assist educators in understanding the similarities and differences between the old and new standards. Educators used this information to help align existing curriculum to the new standards.[51] Some larger school districts have curriculum development committees that facilitate these changes, while other districts allow individual teachers or small groups of educators to determine curriculum. The PARCC and Smarter Balanced consortia also offer curriculum guides to member states that Indiana could use if it reaffirmed the ICCS.

(b) Textbooks



Instructional materials are generally updated every six years to reflect changes in standards and curriculum, though new standards do not necessarily require new textbooks. In 2011, the legislature enabled the use of computer software and digital content as a "textbook," meaning that Indiana has flexibility in its choice of instructional materials and has the option to use supplemental materials to bridge any gaps between the old and new standards.[52] The IDOE and Race to the Top grant recipients nationwide have posted Common Core-aligned supplemental materials online, which could potentially reduce the need for Indiana to develop its own materials if the ICCS are reaffirmed.

If the ICCS are discontinued, local school districts may instead shift resources to support whichever new standards the SBOE selected. The cost of this shift is dependent on the gap between the adequacy of existing textbooks and materials and the requirements of the new standards.

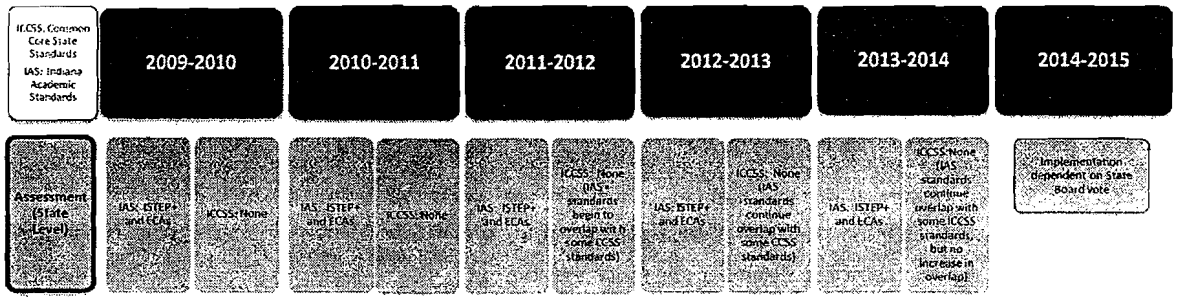


(c) Technology

Technology in the classroom refers not only to computers, but also to the infrastructure and internet bandwidth required to support computer software and online instruction. PARCC and Smarter Balanced have minimum technology requirements that local school districts must meet to have access to the assessments. Both assessments require that eligible devices (such as desktop computers, laptops, notebooks, or tablets) use certain operating systems and internet browsers, and devices must meet minimum RAM memory, processor speed, screen size and resolution, and available hard drive space requirements. Schools must also meet minimum internet bandwidth speeds.[53, 54] It is estimated that most Indiana schools that are currently testing online meet these guidelines.

Indiana is ahead of many states in terms of online testing. In the 2012-13 school year, 95% of schools tested at least a portion of students online. In the same year, 88% of schools tested 100% of students online, excluding students requiring paper tests as an accommodation.

(d) Assessments



Indiana currently contracts with CTB/McGraw-Hill for the ISTEP+ assessment, which tests students in grades 3-8 on English/language arts, mathematics, science, and social studies. All 3-8th grade students are tested on English/language arts and mathematics, science is tested in grades 4 and 6, and social studies is tested in grades 5 and 7.[55]

Per HEA 1427, Indiana is required to continue using the ISTEP+ through the 2014-15 school year. If the ICCS are reaffirmed by July 1, 2014, then the ISTEP+ in its current format will be incompatible with the new state standards, as the ISTEP+ measures student success according to IAS, not ICCS. Going forward, Indiana has four options for a statewide assessment model:

1. PARCC (Common Core),
2. Smarter Balanced (Common Core),
3. State-developed hybrid assessment (aligned with Common Core), or
4. State-developed hybrid assessment (not aligned with Common Core)

First, the SBOE and the IDOE could elect to use a PARCC assessment aligned with Common Core. PARCC would develop and maintain a test geared towards ICCS in English/language arts and mathematics, scoring the test and generating statewide reports that meet certain federal requirements. PARCC would be responsible for developing and testing new questions over the duration of the contract, scoring the tests, monitoring trends in student achievement, and reporting this information back to state officials.

PARCC charges $29.50 per student for computer-based assessments, which include a performance-based assessment and an end-of-year assessment for both English/language arts and mathematics. Paper-based assessments are offered only as an accommodation and are expected to cost $3-4 more per student because of the additional costs required for printing, shipping, and scoring.[56]

As a second option, Indiana could join the Smarter Balanced Assessment Consortium. Similar to PARCC, Smarter Balanced would develop and evaluate the Common Core assessment, but Indiana would contract with a separate vendor to deliver and score the test, a cost that would vary among vendors. Smarter Balanced estimates the assessment costs at $22.50 for end-of-year assessments or $27.30 to add interim assessments during the school year. A portion of that estimated cost would be paid to Smarter Balanced, and the rest would be paid to a separate vendor. Like PARCC, this cost covers both English/language arts and mathematics for grades 3-8. Both consortia would require the use of another vendor to deliver tests for science and social studies.[57]

Third, Indiana could maintain Common Core standards but develop its own assessment, instead of using one developed by the PARCC or Smarter Balanced consortia. Indiana would select a vendor to develop, design, score, and report the assessments, similar to how ISTEP+ works. Developing a new assessment when standards change is a fairly intricate 18-24 month process, with planning and development in the first year and student piloting the second year.

The fourth assessment option is opting out of Common Core and developing both new academic standards and an assessment to evaluate students. To create academic standards from scratch, the State would see one-time costs for design and development. The IDOE would need to work with higher education institutions to assure the standards adequately prepare students for college and also meet national college readiness standards. Local school districts would still be responsible for teacher training, curriculum development, and selecting instructional materials. Similar to the previous State-developed hybrid model, Indiana would pay 100% of the cost of developing the assessment (unlike the PARCC and Smarter Balanced options, where development costs are covered by federal Race to the Top grant funds) and must ensure the test meets federal "college and career readiness" requirements.

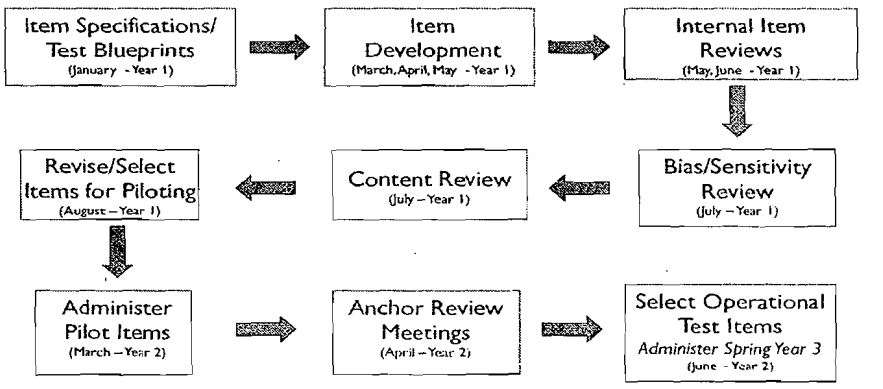
Assessment Development Process

In the first year of planning and development, test questions are reviewed by multiple parties for content, clarity, and bias/sensitivity. The cost of designing a new assessment would be proportional to the number of required changes from Indiana's current test format to meet Common Core standards.

In year two, test questions must be piloted by students to gauge comprehension and sufficiency of questioning. Review meetings will follow so that education officials understand the pilot results. After the final test questions are selected, the assessment would ideally be ready for use in the following school year.

If the process begins in January 2014, for example, the new assessment could be ready by the beginning of the 2015-16 school year. If the process begins in May 2014, then the assessment would not be ready until the 2016-17 school year to allow ample time for piloting in classrooms.

Assessment Development Journey



APPENDIX IV: (Survey of Principals)

Board Members of the Indiana Association of School Principals were asked to provide estimates of the costs required to implement Common Core standards at the local level. Responses appear below unedited, but names and identifying details have been removed.

- I don't believe our school corporation hasn't paid much at all because we do our own PD. Yes, we bought textbooks, etc., but that is money we would have spent anyway.

- It is unfortunate that I have to tell you our school corporation has not spent any extra funds on the CCSS. The district has been in the red for some time. This caused us to not replace our curriculum director that left last year and with a new superintendent as well, many things are still just floating out there. All elementary schools implemented the CCSS in Kindergarten and first grade according to the state guidelines. The training for this was completed in routine district grade level meeting. All other training has been through building level staff meetings and grade level district meetings without extra expenses.

- Most of what has been invested into CCSS is professional development money that would have been invested in PD for other initiatives if not invested in CCSS. Certainly there are several thousand dollars spent exclusively to prepare for CCSS outside of that professional development stream. This remains a small fraction of our budget. Possibly the overriding issue is seen when we ask the question, "What PD did not occur because we invested so much of our resources into preparation for CCSS.

- Our district has put off making a formal transition with the exception of K-2 and there has been no formal training, etc at this time. However, I think under the circumstances that are evolving, it is getting more attention as we are working now on new curriculum maps to begin the transition at all grades. I am sure there is a cost...I just don't know how to break that down into $$$.

- I would say there was about $2000 in sub costs for the standards insight work around common core. Additionally, there has been about 3 hours per week (on average) of district administrator work in this area.

- If we calculate the PD for the district curriculum committee we spent the following approximately:
  - Day 1- $400. SIEC presenter, cost of subs for the group (8 teachers)
  - Day 2- Cost of subs for 8 teachers (?)
  - We had a planning day for K-1 teachers - 6 substitutes required.
  - Textbooks and technology upgrades would have happened regardless of INCCS.
  - The assistant superintendent provided 2- 2hour trainings this summer on it. Not for sure how to approximate the cost. We sent several teachers to the SIEC trainings on the common core. K-2 teachers. approximate cost. $2,500 would be my guess.

- Our school corporation has spent several thousands on this as a district. Most of this has gone to PD for the implementation.

- Our school corporation has spent $45,000.00 on new Every Day Math Teacher Manuals that are aligned with the common core. We have also spent $10,000.00 on trainers who provided professional development on the Common Core. We have put off the reading adoption until next year, however that will be a

substantial cost and we are hoping to have answers on if the state is planning to move forward with Common Core or not.

- Implementation Costs would involve direct costs and those for substitute teachers:
  - Sent 5 Principals to a State training in [deleted] - Cost factor mileage, meals and registration
  - Teachers have been trained during 5 faculty meetings and referred to the Website
  - Team leaders sent to a training workshop on CCSS
  - 2 - ½ Day trainings of ELA / Math teachers in district.

- Activity:
  - Embedding Literacy Standards for SCI/Soc. Stud./Tech 6-12 (Subs - $2,779)
  - Deconstructing Standards K-1 LA and Math (Subs - $646)
  - Training for Deconstruction Standards (Registration - $250)
  - Workshops at Region [deleted] for Implementing CC (15) (Registration and Mileage - $3,139)
  - Curriculum Director Days Involved in CCSS - Training, Curriculum Updates, State & Regional
    - 15 days per year x. 2 years = 30 days **($12, 270)**
  - TOTAL = **$19,084**

- Several cumulative days of in-service have been conducted in grades K-2 across the district. Also, a new math adoption was completed with specific attention given to the common core standards/requirements. I would add immeasurable hours of teacher time has also been spent planning and considering the transition to the new standards. I don't know how to attach a "cost" that I could defend, however I'd say it must be in the thousands of dollars when I consider the man-hours spent.

- The $391,008 amount that our school corporation has spent includes textbooks (Math and LA based on Common Core), supplies, stipends paid to teachers working on converting our 3 week assessments, and substitutes for professional development days for the past 3 years.

- This is a rough estimate here...The largest chunk of money we spent for new professional development was for middle/high teachers to train on the new CCSS writing standards ($25,000) and for FACS teachers to develop curriculum ($2400) and for media specialists to develop curriculum ($5400). We have incorporated CCSS training into other professional development like reading adoption and STEM training but we would have done that training anyway. So perhaps $35,000.00 is a good number from professional development grant funding

- At the high school level, we have spent a great deal of time preparing for the transition (through curriculum realignment)...however, it would be tough to put a price on that time.

- Most of our common core expenses have been with attending conferences and paying elementary teachers to work on curriculum in the summer. Our conference attendance on common core literacy standards was approximately $2500 dollars and we paid a $200 dollar stipend to all elementary teachers for two days of alignment work (approximately $2800 dollars).

- I would estimate that we have spent over 40 hours planning the implementation and involving 10-20 people in those discussions. Additionally we have trained the entire staff (450 people) for 2 full days on which those people are paid. We have offered summer trainings $65 per ½ day for the staff. (4 days this summer, 4 last)

K-1-2 have each had 2 full planning days (paid.) We have probably spent about $1000 on reading materials and conferences to gather information.

APPENDIX V: (Notes, Phone Interviews with Superintendents)

- In short, we worked some additional hours in order to implement the standards but did not spend more than we would normally because we implemented the standards as part of our normal adoption cycle. Professional development is done in-house and would have taken place regardless of ICCS. We took existing materials and aligned them to ICCS. We adopted a math program aligned to the ICCS as part of our regular adoption schedule. Next year, we will again select an English/language arts program aligned with ICCS. However, we have not found one program fully aligned with ICCS, including text sets with novel and nonfiction related into a theme. Many hours of additional work are expected any time a regular adoption cycle comes up.

- Two summers ago, we rewrote our curriculum. We spent many dozens of hours. We used grant money to pay stipends and had no additional expense beyond the ordinary. Looking at the PARCC assessments, it is a different kind of assessment from the current ISTEP tests. Everyone expects the test scores to decline until students are adjusted to the new format. There will be a new push to improve scores and will be a high need for remediation, which will have an expense. Implementation will happen through existing teacher meetings. No new technology will be required to implement the ICCS. Assessments will not be a new cost other than remediation.

- There are some costs for any profession needed to stay current. We are not sure there is a huge cost difference. We have done some work up to the pause, mostly with English/language arts to prepare teachers to adopt a new reading program. We would do professional development anyway. Adopting a new reading program is a huge cost but part of the normal 6 year cycle. We simply adopted a program aligned with the ICCS. Teachers have invested time into developing assessments. The way teachers will ask students for information has changed. As with any change, we worked hard to do online testing.

- We are constantly reviewing the items related to standards and constantly tweaking and improving them. The ICCS, like any set of standards, did not cause us to throw out everything we had previously and start fresh. We just modified our existing items and made changes as we learned about the ICCS. We spent many additional hours transitioning to the ICCS but did not spend significantly more than we would normally spend on ever-changing materials. Many hours and materials were redirected toward the ICCS that would have been spent elsewhere. If ICCS had been implemented in one year rather than having one year for preparation and three years to phase-in implementation, there could have been significant costs. Additional time was spent finding or creating materials that meet the new ICCS standards and also met the goals of the school corporation. We had two textbook adoption cycles during the transition to ICCS and just focused on ICCS without any additional cost, as we would have gone through the process anyway. We did conduct some additional training and went to additional conferences for ICCS. However, we would normally conduct training and attend conferences so our efforts were just redirected.

APPENDIX VI: (TECHNOLOGY READINESS REPORT)

SOURCE – IDOE

Schools 100% online 2012		
No	1,210	
Yes	606	33%
Grand Total	1,816	
Schools 100% online 2013 with 2012 usable workstations		
No	244	
Yes	1,572	87%
Grand Total	1,816	
Schools tested online 2011		
n/a	55	
No	391	
Yes	1,370	78%
Grand Total	1,816	
school tested online 2012		
No	191	
Yes	1,625	89%
Grand Total	1,816	
Network Bandwidth 2013 with additional workstations		
Good	1,760	97%
Review	56	
Grand Total	1,816	
Additional workstations needed to be 100% online?	2,924	
Sum of Total Enrolled ISTEP+ Students 2012		
	490,054	
Sum of # Students Tested Online 2012		
	331,014	68%

Beginning with the 2009 administration of the ISTEP+ test, Indiana has been transitioning to online administration. The percentage of students taking the test online was quite small in 2009 and 2010, but it was 36 percent in 2011, 71 percent in 2012, and 95 percent in 2013. That rate of transition has not been constant across the grades, however. In 2012, 92 percent of the grade 8 students took the test online, while only 34 percent of the third graders did. The most typical pattern has been to transition one grade per year, and for the highest grades to start the transition first. As a result, grade 3 in the elementary grades had the largest percentage of students transitioning this year, and grade 6 in the middle school grades.

APPENDIX VII: (Review of Literature)

(a) State Fiscal Impact Reports[1]

(i) Montana

In January 2012, the Montana Legislative Fiscal Division published a fiscal analysis of statewide Common Core implementation costs.[65] The study determined whether costs for local school districts would be "substantial," defined as more than 1% of the general fund budget for the district, or whether the district had sufficient reserves to cover the added costs. If costs were substantial, and therefore not readily absorbable by the local school districts, then Montana's Board of Public Education would delay implementation of the standards and request increased funding from the legislature. Montana identified five areas where costs might be incurred by local school districts:

1. Professional development,
2. Curriculum development,
3. New textbooks,
4. Additional mathematics teachers, and
5. Additional computers

Exact costs varied by district based on existing technology capabilities (having sufficient bandwidth to support online assessments and an adequate student-to-computer ratio), professional development requirements and rates for substitute teachers to cover for teachers training during school hours, existing mathematics requirements (to determine whether additional teachers or classes would be necessary), and the timing of the district's curriculum and textbook update cycles. The analysis concluded that most districts would require additional mathematics teachers to add an extra year of instruction for all high school students.

Montana broke the cost estimates into one-time and ongoing expenses. In determining the one-time costs, Montana estimated that one full day of curriculum-based professional development would be required for each new subject area, based on feedback from local school districts. The analysis included costs to reimburse teachers for curriculum committee work not included in their contracts, as well as hiring substitutes for teachers training outside the classroom. Montana assumed that textbooks would need to be replaced for all K-12 students in English/language arts and K-11 in mathematics, and supplementary instructional materials would be required at each grade level. The report also determined that at least one computer was necessary for every four students.

In determining the ongoing costs, Montana found that 27 high schools lacked sufficient teachers for all freshmen, sophomores, and juniors to take high school mathematics, a Common Core requirement. Ongoing costs included salaries and benefits for these new teachers and administration of the Smarter Balanced assessment. The report notes that a major benefit of participation in the Smarter Balanced consortium is access to a digital library with curricular materials specifically designed for each grade level, professional development modules to train educators, and supplemental instructional materials. These items are available to educators at no charge, reducing or eliminating the need for Montana to develop its own materials.

[1] Common Core Fiscal Impact Statements of other states are predominately useful as a source of methodology comparison. Comparison in outcomes of the reports with this analysis is less useful, as states vary greatly in legal and funding structures of public education as well as the overall population of students served.

The report concluded that, at a minimum, Montana would spend approximately $6.3 million to implement Common Core standards – approximately $3.4 million in one-time costs and $2.8 million in ongoing costs. Montana estimated that almost 94% of school districts would be able to easily absorb the estimated costs. The analysis did not distinguish costs at the state and local levels, which is perhaps a difference in how Indiana and Montana fund local school corporations.

(ii) Washington

In December 2011, the Washington Office of Superintendent of Public Instruction produced a report on Common Core implementation.[66] The analysis included a timeline, cost estimate, and public feedback on enhancing the standards, particularly in mathematics. Washington provisionally adopted the Common Core in July 2010, and after a year of review, the standards were formally adopted in July 2011.

Like Indiana, Washington planned a multi-year phase-in approach with full implementation coinciding with the readiness of a new state assessment in the 2014-15 school year. The report noted that shifting to Common Core was similar to previous shifts in academic standards, and that the main components for a successful transition were a deep understanding by educators of the difference in old and new standards, collaborative professional development time, and the knowledge and ability to implement an assessment well aligned to the new standards. Washington's long implementation period was designed to give local school districts ample time to prepare for the Common Core and ensure success of the new standards.

In determining the fiscal impact, the analysis assumed that the State and local school districts continually worked to tie instructional practices and curriculum to standards, and that necessary changes like updates in curriculum and textbooks would occur gradually over the four year timeline. Thus, many of the expenses involved in adopting new standards were anticipated, absorbable expenses. Furthermore, the report noted that savings could be found in economies of scale because of the large number of other states that had adopted Common Core standards.

Washington's cost estimates included statewide communication efforts to increase awareness and understanding of the Common Core, curriculum and professional development, additional English/language arts teachers, and new assessments. The report analyzed costs by time period – planning costs during the 2010-11 school year and implementation costs in the 2011-13 and 2013-15 biennia. The totals are summarized as follows:

- 2010-11 School Year: Planning and design – $75,000
- 2011-13 Biennium: Implementation – $8.4M
- 2013-15 Biennium: Implementation – $14.4M

Initial planning costs included meetings of educators to conduct comparisons of Washington's old standards with Common Core, as well as bias and sensitivity review. Educator outreach, including workshops and symposia for school district leadership teams, was conducted during the 2011-12 school year to orient teachers to the new standards. Additional professional development was also required, which is not offered by many Washington school districts due to budgetary constraints. The report does not specifically mention which type of assessment Washington planned to used, but as a member of the Smarter Balanced consortia, the state has access to the Smarter Balanced assessment.

The report does not include costs of purchasing new Common Core-aligned textbooks and instructional materials because of the variance in local school districts' textbook adoption cycles. Costs at the district level will depend on

how closely existing materials are aligned with Common Core and the price and availability of supplemental materials.

(b) National Fiscal Impact Reports

(i) Fordham Institute

In May 2012, the Thomas B. Fordham Institute published a report analyzing the costs of "smart implementation" of the Common Core standards.[67] Fordham developed state-level estimates for the gross implementation costs using three hypothetical approaches that states might use, depending on the availability of financial resources. The three approaches are explained as follows:

- **Business as Usual** – An expensive "traditional" approach using hard-copy textbooks, annual paper assessments, and in-person professional development for educators
- **Bare Bones** – A minimal, low-cost approach using free open-source materials, annual online assessments, and online professional development
- **Balanced Implementation** – A cost-effective blend of traditional and money-saving strategies, using a mix of instructional materials (e.g., teacher and district-produced materials along with open source materials), annual and three interim online assessments, and online and in-person professional development

Fordham focused its analysis on transitional costs for textbooks, assessments, and professional development, as these areas were found to be the primary cost drivers in implementing new standards. The analysis excluded technology and infrastructure costs to administer online assessments. The study found that the greatest cost savings between the three approaches was moving away from traditional paper textbooks and conducting online, instead of in-person, professional development. Fordham also recommended that states take advantage of the "common-ness" of the Common Core standards and collaborate with other states whenever possible to increase buying power and share resources.

Fordham estimated that Indiana currently spends $93.9 million annually on instructional materials, assessments, and professional development, and the analysis notes that states can repurpose many of their existing expenditures to shift to Common Core. To implement the new standards, the report estimated that Indiana would expend $290.7 million on a Business as Usual approach, $70.8 million on a Bare Bones approach, and $122.6 million on a Balanced Implementation approach. Net transitional costs would be $196.8 million for Business as Usual, $-23.2 million for Bare Bones, and $28.7 million for Balanced Implementation. These implementation figures assume a transition period of one to three years, so these figures reflect total, not annual, costs.

(ii) Pioneer Institute[2]

The Pioneer Institute produced a report in February 2012 estimating the nationwide cost to adopt and implement Common Core standards.[68] The report showed a "mid-range" projection of incremental costs that included only the

[2] This report does not account for Indiana's progress in implementing Common Core or "college and career ready" standards, so many of the costs it describes have already been incurred. Additionally, these reports estimated school-level expenditures with the assumption that such expenses were not already part of the schools' ongoing operating expenses. Indiana school corporations' budgets already allocate significant resources towards standards implementation on an ongoing basis, so the actual fiscal impact on local Indiana schools is necessarily lower than these estimates show.

basic expenditures required for Common Core implementation, not all possible costs for raising student achievement levels. Pioneer did not complete a specific analysis of each state, but rather derived average nationwide implementation figures and allocated the costs based on each state's population in a specific area (teachers, students, or student-to-computer ratio, for example).

The report divided nationwide costs into one-time costs, first year operational costs, and ongoing operating costs. One-time costs included preparation and planning taking place prior to implementation. First year operational costs included technology training and administration of online Common Core assessments. Ongoing costs included everything else that might be required in a normal revision of state standards and textbooks.

Pioneer noted that a lack of phase-in time was a challenge for many states and school districts, as quickly ramping up technology infrastructure and staff capacity can be difficult. The report projected that states would see significant added costs in three key areas: assessments, professional development, and instructional materials. Additionally, Pioneer estimated that most states and local school corporations would face substantial increases in technology and infrastructure costs.

Pioneer assumed that all educators would require additional professional development training implement the Common Core standards, estimated at approximately $120 million over several years for Indiana. The report assumes that teachers of all subjects, not only English/language arts and mathematics, would require the same amount of training. Pioneer estimated that all students would require new textbooks by the 2014-15 school year, totaling approximately $60 million for Indiana, a figure adjusted slightly to account for textbook purchases that would have occurred anyway. Additionally, Pioneer assumed that a 4:1 student-to-computer ratio was necessary for online assessments, which would require approximately $175 million in new computer purchases for Indiana classrooms. The report noted that some states had adequate student-to-computer ratios, but many of those computers could not support online assessments due to age, disrepair, or access (such as being located individually in classrooms versus in computer labs where students could complete the assessments).

Appendix VIII: (ISTEP+/ECA Phase-out & Ongoing Costs)

ISTEP+ & ECA Continuation Including Science & Social Studies

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	
ISTEP - Total Students	508,870.0	509,017.0	509,164.0	346,962.7	348,293.3	349,624.0	350,954.7	
ISTEP - Total Tests	1,443,909	1,445,043	1,446,176	428,687.3	429,526.7	430,366.0	431,205.3	
CTB McGraw Hill ISTEP (Actual Expenditures)	$ 24,013,163	$ 24,020,100	$ 24,027,037	$ 5,764,502	$ 6,119,514	$ 6,142,894	$ 6,166,273	
CTB McGraw Hill ISTEP (State Expenditures)	$ 24,013,163	$ 24,020,100	$ 24,027,037	$ 5,764,502	$ 6,119,514	$ 1,880,602	$ 1,888,089	*includes ESEA Grant beginning 2017-2018
ISTEP Preventative Remediation	$ 2,942,230	$ 2,943,080	$ 2,943,930	$ 2,944,780	$ 2,945,629	$ 2,946,479	$ 2,947,329	
Cost per Student (Weighted avg)	$ 47	$ 47	$ 47	$ 18	$ 18	$ 18	$ 18	*1 exam in final 4 years
Cost Per Test (Weighted Avg)	$ 17	$ 17	$ 17	$ 18	$ 18	$ 18	$ 18	
ISTEP - TOTAL COST	$ 26,955,393	$ 26,963,180	$ 26,970,967	$ 8,709,282	$ 9,065,143	$ 4,827,082	$ 4,835,418	

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	
ECA - Total Students	85,151	84,460	83,768	83,077	82,385	81,694	81,002	
ECA - Total Tests	358,038	359,681	361,323	362,966	364,608	81,694	81,002	
ECA, Questar (2013 Actual Expenditures)	$ 8,661,355	$ 8,591,017	$ 8,520,680	$ 8,450,342	$ 8,380,004	$ 1,877,611	$ 1,861,718	*Negotiated on a per student basis
ECA, Questar (2013 State Expenditures)	$ 2,521,453	$ 2,451,115	$ 2,380,778	$ 2,310,440	$ 2,240,102	$ -	$ -	
ECA, Remediation (2013 Actual Expenditures)	$ 4,904,384	$ 4,864,556	$ 4,824,728	$ 4,784,900	$ 4,745,072	$ 4,705,244	$ 4,665,416	
Cost Per Test (Bio)	$ 14.58	$ 14.58	$ 14.58	$ 14.58	$ 14.58	$ 14.58	$ 14.58	
Cost per Student (Weighted Avg)	$ 102	$ 102	$ 102	$ 102	$ 102	$ 23	$ 23	
Cost per Test (Weighted Avg	$ 24	$ 24	$ 24	$ 23	$ 23	$ 23	$ 23	
ECA - TOTAL COST (State)	$ 13,565,739	$ 13,455,573	$ 13,345,407	$ 13,235,242	$ 13,125,076	$ 4,705,244	$ 4,665,416	

P.L. 107-110 NCLB ESEA Federal Grant for Assessments	$ 6,139,902	$ 6,139,902	$ 6,139,902	$ 6,139,902	$ 6,139,902	$ 6,139,902	$ 6,139,902	
P.L. 107-110 Remaining Balance	$ -	$ -	$ -	$ -	$ -	$ 4,262,291	$ 4,278,184	*Remaining balance applied to ISTEP Costs

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Total Students	594,021	593,477	592,932	430,039	430,678	431,318	431,957
Total Cost Per Test (Weighted Average)	$ 18	$ 18	$ 18	$ 18	$ 18	$ 16	$ 16
Total Cost Per Student (Weighted Average)	$ 55	$ 55	$ 55	$ 33	$ 34	$ 19	$ 19

APPENDIX IX: (PARCC)

PARCC

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
3-8 Total Students	508,870	509,017	509,164	509,311	509,458	509,605	509,752
Total Tests	-	-	1,018,328	1,018,622	1,018,916	1,019,210	1,019,504
Cost Per Student	-	-	$ 29.50	$ 29.50	$ 29.50	$ 29.50	$ 29.50
Cost Per Test	-	-	$ 14.75	$ 14.75	$ 14.75	$ 14.75	$ 14.75
3-8 TOTAL Cost	$ -	$ -	$ 15,020,338	$ 15,024,675	$ 15,029,011	$ 15,033,348	$ 15,037,684
PARCC ECA Total Students	83,199	82,707	168,130	168,002	167,873	167,744	167,615
PARCC ECA - Total Tests	-	-	561,750	568,006	574,262	580,518	586,774
Cost Per Student	-	-	$ 29.50	$ 29.50	$ 29.50	$ 29.50	$ 29.50
Cost Per Test	-	-	$ 14.75	$ 14.75	$ 14.75	$ 14.75	$ 14.75
PARCC ECA - TOTAL Cost	$ -	$ -	$ 8,285,813	$ 8,378,089	$ 8,470,365	$ 8,562,641	$ 8,654,917
Total Students	592,069	591,724	677,294	677,313	677,331	677,349	677,367
Total Annual Cost	$ -	$ -	$ 23,306,151	$ 23,402,763	$ 23,499,376	$ 23,595,988	$ 23,692,601
DELAYED Total Annual Cost	-	-	-	$ 23,402,763	$ 23,499,376	$ 23,595,988	$ 23,692,601
Total Annual Cost in Millions	$ -	$ -	$ 23.3	$ 23.4	$ 23.5	$ 23.6	$ 23.7
DELAYED Total Cost in Millions	-	-	-	$ 23.4	$ 23.5	$ 23.6	$ 23.7
GRAND TOTAL (W/ISTEP+ & ECA Phaseout)	$ 34.3	$ 34.3	$ 57.4	$ 39.2	$ 39.4	$ 33.1	$ 33.2
DELAYED GRAND TOTAL (W/ISTEP+ & ECA Phaseout)	$ 34.3	$ 34.3	$ 34.1	$ 39.2	$ 39.4	$ 33.1	$ 33.2

Appendix X: (Smarter Balanced)

Smarter Balance

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
3-8 Total Students	508,870	509,017	509,164	509,311	509,458	509,605	509,752
Total Tests	-	-	1,018,328	1,018,622	1,018,916	1,019,210	1,019,504
Cost Per Student	-	-	$ 27.3	$ 27.3	$ 27.3	$ 27.3	$ 27.3
Cost Per Test	-	-	$ 13.65	$ 13.65	$ 13.65	$ 13.65	$ 13.65
3-8 TOTAL Cost	$ -	$ -	$ 13,900,177	$ 13,904,190	$ 13,908,203	$ 13,912,217	$ 13,916,230
SBAC ECA Total Students	-	-	168,130	168,002	167,873	167,744	167,615
SBAC ECA - Total Tests	-	-	561,750	568,006	574,262	580,518	586,774
Cost Per Student	-	-	$ 27.3	$ 27.3	$ 27.3	$ 27.3	$ 27.3
Cost Per Test	-	-	$ 13.65	$ 13.65	$ 13.65	$ 13.65	$ 13.65
SBAC ECA - TOTAL Cost	$ -	$ -	$ 7,667,888	$ 7,753,282	$ 7,838,676	$ 7,924,071	$ 8,009,465
Total Students	-	-	677,294	677,313	677,331	677,349	677,367
Total Annual Cost	-	-	$ 21,568,065	$ 21,657,472	$ 21,746,880	$ 21,836,287	$ 21,925,695
DELAYED Total Annual Cost	-	-	-	$ 21,657,472	$ 21,746,880	$ 21,836,287	$ 21,925,695
Total Annual Cost in Millions	-	-	$ 21.6	$ 21.7	$ 21.7	$ 21.8	$ 21.9
DELAYED Total Annual Cost in Millions	-	-	-	$ 21.7	$ 21.7	$ 21.8	$ 21.9
GRAND TOTAL (W/ISTEP+ & ECA Phaseout)	$ 34.3	$ 34.3	$ 55.7	$ 37.5	$ 37.6	$ 31.3	$ 31.4
DELAYED GRAND TOTAL (W/ISTEP+ & ECA Phaseout)	$ 34.3	$ 34.3	$ 34.1	$ 37.5	$ 37.6	$ 31.3	$ 31.4

APPENDIX XI: (STATE-DEVELOPED, COMMON CORE-ALIGNED)

State Model (Common Core-Aligned)

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	
3-8 Total Students	-	-	-	509,311	509,458	509,605	509,752	
Total Tests	-	-	-	1,018,622	1,018,916	1,019,210	1,019,504	
Cost Per Student	-	-	-	$ 30.54	$ 30.54	$ 30.54	$ 30.54	
Cost Per Test	-	-	-	$ 15.27	$ 15.27	$ 15.27	$ 15.27	*Cost derived from 2012 ISTEP
3-8 TOTAL Cost	$ -	$ -	$ -	$ 15,554,358	$ 15,558,847	$ 15,563,337	$ 15,567,826	
Alt ECA - Total Tests	-	-	-	568,006	574,262	580,518	586,774	
Cost Per Test	-	-	-	$ 15.27	$ 15.27	$ 15.27	$ 15.27	
Alt ECA - TOTAL Cost	$ -	$ -	$ -	$ 8,673,452	$ 8,768,981	$ 8,864,510	$ 8,960,039	
State Diagnostic/Evaluation /Design & Dev (July 1 Vote)	$ -	$ -	$ 11,749,524	$ 11,749,524	$ -	$ -	$ -	* $23,499,048 split due to timing uncertainty (Virginia comparable cost)
State Diagnostic/Evaluation /Design & Dev (Jan. 1 Vote)	$ -	$ 7,833,016	$ 15,666,032	$ -	$ -	$ -	$ -	* $23,499,048 split over 18 months (Virginia comparable cost)
Ongoing Item Replacement (July 1 Vote)	$ -	$ -	$ -	$ -	$ 815,510	$ 815,510	$ 815,510	*Cost of continuous test redevelopment
Ongoing Item Replacement (Jan. 1 Vote)	$ -	$ -	$ -	$ 815,510	$ 815,510	$ 815,510	$ 815,510	*Cost of continuous test redevelopment
Total Students	-	-	-	592,388	677,331	677,349	677,367	
Interim Assessment (July Vote ONLY, ISTEP Presumed)	-	-	-	$ 18,822,389	-	-	-	*Cost of ISTEP ELA and math, excluding ECA
Total Annual Cost (July 1 Vote)	-	-	$ 11,749,524	$ 11,749,524	$ 25,143,338	$ 25,243,357	$ 25,343,375	
Total Annual Cost (Jan. 1 Vote)	-	$ 7,833,016	$ 15,666,032	$ 24,227,810	$ 25,143,338	$ 25,243,357	$ 25,343,375	
Interim Assessment (ISTEP Presumed) in millions	-	-	-	$ 18.8	-	-	-	*Applies Only to July Vote
Total Annual Cost in millions (July 1)	-	-	$ 11.7	$ 11.7	$ 25.1	$ 25.2	$ 25.3	
Total Annual Cost in millions (Jan. 1)	-	$ 7.8	$ 15.7	$ 24.2	$ 25.1	$ 25.2	$ 25.3	
GRAND TOTAL (W/ISTEP+ & ECA Phaseout) (July 1 Vote)	$ 34.3	$ 34.3	$ 45.8	$ 46.4	$ 41.0	$ 34.7	$ 34.8	
GRAND TOTAL (W/ISTEP+ & ECA Phaseout) (Jan. 1 Vote)	$ 34.3	$ 42.1	$ 49.8	$ 40.0	$ 41.0	$ 34.7	$ 34.8	* Removes Interim testing requirement

Explanation of cost per test derivation - 2012 ISTEP tests cost $16.46. A refund of approximately $1 million was given due to Indiana exceeding the percentage of online testing assumed in the initial contract. Using the assumption that Indiana will generally test 100% online in 2017, the future estimated test cost is proportionally reduced to $15.27 based on the refund for the previous increase in online testing. Online testing avoids additional costs required for shipping and receiving; printing, scanning, scoring, distributing, and securing the paper test.

The cost of continuous redevelopment is due to the replacement cost of items that have been used and released. The released items cannot be reused and so must be replaced with new items which have undergone careful review. It is assumed that college and career ready requirements will result in an increase in the number of items that must be replaced, which leads to an increased ongoing cost.

APPENDIX XII: (STATE-DEVELOPED, COMMON CORE – INDEPENDENT)

State Model (Common Core Independent)

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	
3-8 Total Students	-	-	-	509,311	509,458	509,605	509,752	
Total Tests	-	-	-	1,018,622	1,018,916	1,019,210	1,019,504	
Cost Per Student	-	-	-	$ 30.54	$ 30.54	$ 30.54	$ 30.54	
Cost Per Test	-	-	-	$ 15.27	$ 15.27	$ 15.27	$ 15.27	*Cost derived from 2012 ISTEP
3-8 TOTAL Cost	$ -	$ -	$ -	$ 15,554,358	$ 15,558,847	$ 15,563,337	$ 15,567,826	
Alt ECA - Total Tests	-	-	-	568,006	574,262	580,518	586,774	
Cost Per Test	-	-	-	$ 15.27	$ 15.27	$ 15.27	$ 15.27	
Alt ECA - TOTAL Cost	$ -	$ -	$ -	$ 8,673,452	$ 8,768,981	$ 8,864,510	$ 8,960,039	
tate Diagnostic/Evaluation /Design & Dev (July 1 Vote)	-	-	$ 9,571,530	$ 9,571,530	-	-	-	* $19,143,060 split due to timing uncertainty (CTB McGraw Estimate)
tate Diagnostic/Evaluation /Design & Dev (Jan. 1 Vote)	-	$ 6,381,020	$ 12,762,040	$ -	-	-	-	* $19,143,060 split over 18 months due to timing uncertainty (CTB McGraw Estimate)
Ongoing Item Replacement (July 1 Vote)	-	-	-	-	$ 644,340	$ 644,340	$ 644,340	*Cost of continuous test redevelopment
Ongoing Item Replacement (Jan. 1 Vote)		-	-	$ 644,340	$ 644,340	$ 644,340	$ 644,340	*Cost of continuous test redevelopment
Total Students	-	-	-	592,388	677,331	677,349	677,367	
Interim Assessment (ISTEP Presumed)	$ -	$ -	$ -	$ 18,822,389	$ -	$ -	$ -	*Cost of ISTEP ELA and math, excluding ECA (July Vote Only)
Total Annual Cost (July 1 Vote)	$ -	$ -	$ 9,571,530	$ 9,571,530	$ 24,972,168	$ 25,072,187	$ 25,172,205	
Total Annual Cost (Jan. 1 Vote)	$ -	$ 6,381,020	$ 12,762,040	$ 24,227,810	$ 24,327,828	$ 24,427,847	$ 24,527,865	
Interim Assessment (ISTEP Presumed) in millions	-	-	-	$ 18.8	-	-	-	*Applies Only to July Vote
Total Annual Cost in millions (July 1)	$ -	$ -	$ 9.6	$ 9.6	$ 25.0	$ 25.1	$ 25.2	
Total Annual Cost in millions (Jan. 1)	$ -	$ 6.4	$ 12.8	$ 24.9	$ 25.0	$ 25.1	$ 25.2	
GRAND TOTAL (W/ISTEP+ & ECA Phaseout) (July 1 Vote)	$ 34.3	$ 34.3	$ 43.7	$ 44.2	$ 40.9	$ 34.6	$ 34.7	
GRAND TOTAL (W/ISTEP+ & ECA Phaseout) (Jan. 1 Vote)	$ 34.3	$ 40.7	$ 46.9	$ 40.0	$ 40.2	$ 33.9	$ 34.0	* Removes interim testing requirement

Explanation of cost per test derivation - 2012 ISTEP tests cost $16.46. A refund of approximately $1 million was given due to Indiana exceeding the percentage of online testing assumed in the initial contract. Using the assumption that Indiana will generally test 100% online in 2017, the future estimated test cost is proportionally reduced to $15.27 based on the refund for the previous increase in online testing. Online testing avoids additional costs required for shipping and receiving: printing, scanning, scoring, distributing, and securing the paper test.

The cost of continuous redevelopment is due to the replacement cost of items that have been used and released. The released items cannot be reused and so must be replaced with new items which have undergone careful review. It is assumed that college and career ready requirements will result in an increase in the number of items that must be replaced, which leads to an increased ongoing cost.

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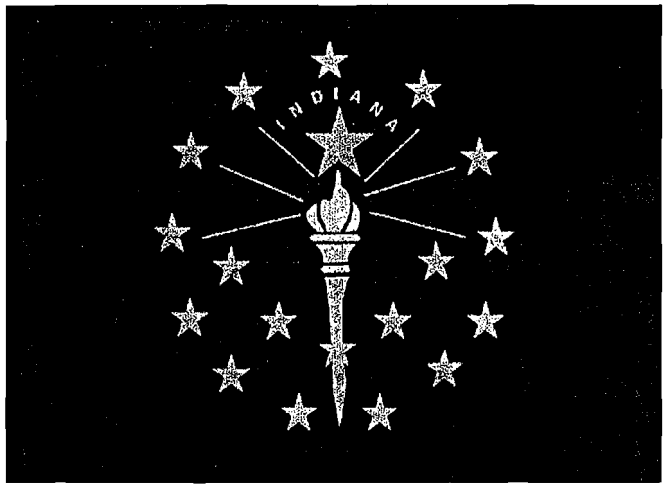
Exhibit B
Interim Study Committee on Common Core Educational Standards
Meeting #3, 10/1/2013

INDIANA COMMON CORE IMPLEMENTATION

FISCAL IMPACT REPORT



INDIANA OFFICE OF MANAGEMENT AND BUDGET
CHAD TIMMERMAN

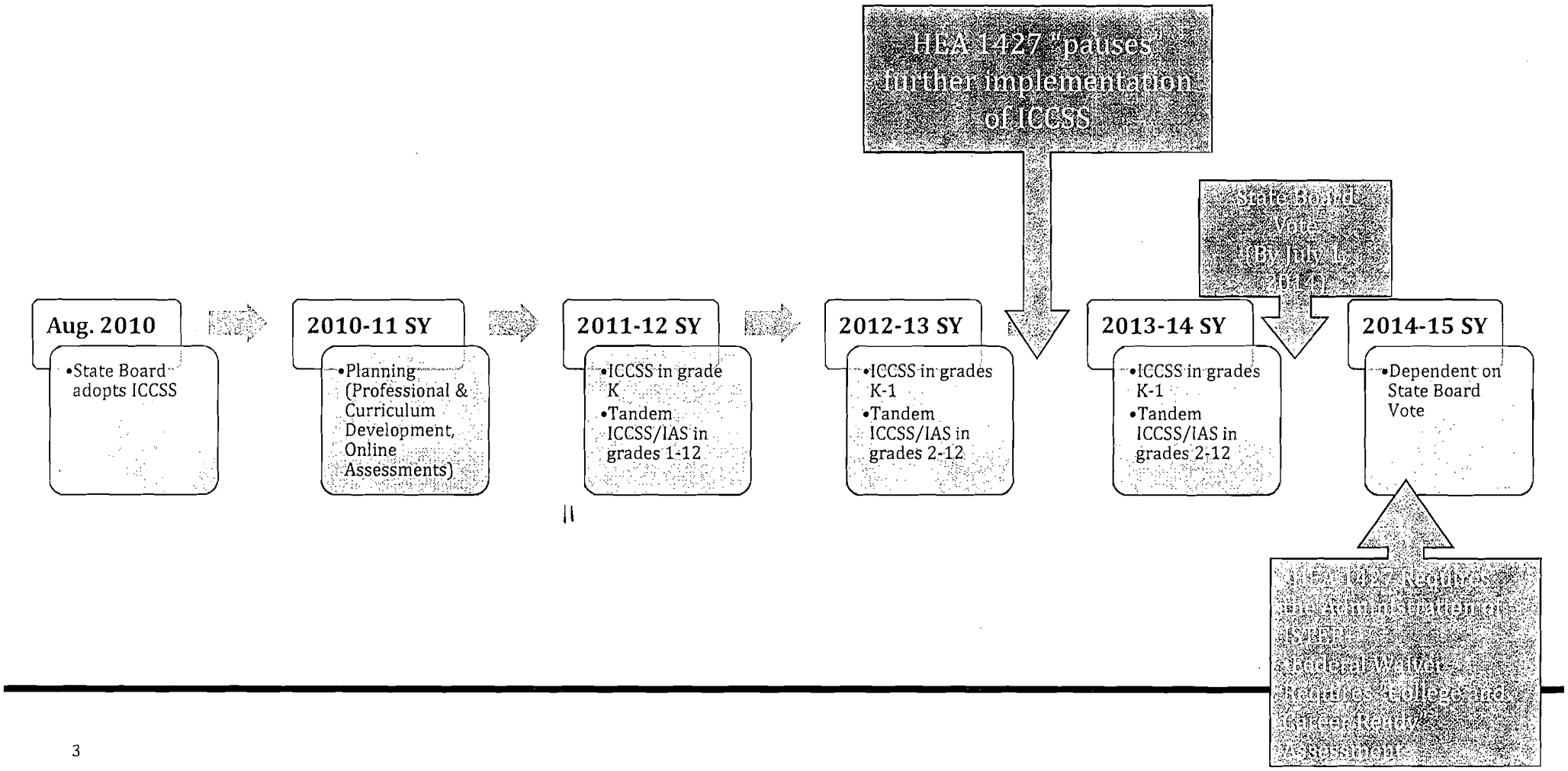
LEGISLATIVE AUTHORITY

- Section 13 of House Enrolled Act 1427 (2013)
- Before September 1, 2013, the office of management and budget established by IC 4-3-22-3, in consultation with the state board, shall provide an opinion concerning the fiscal impact to the state and school corporations if the state board:

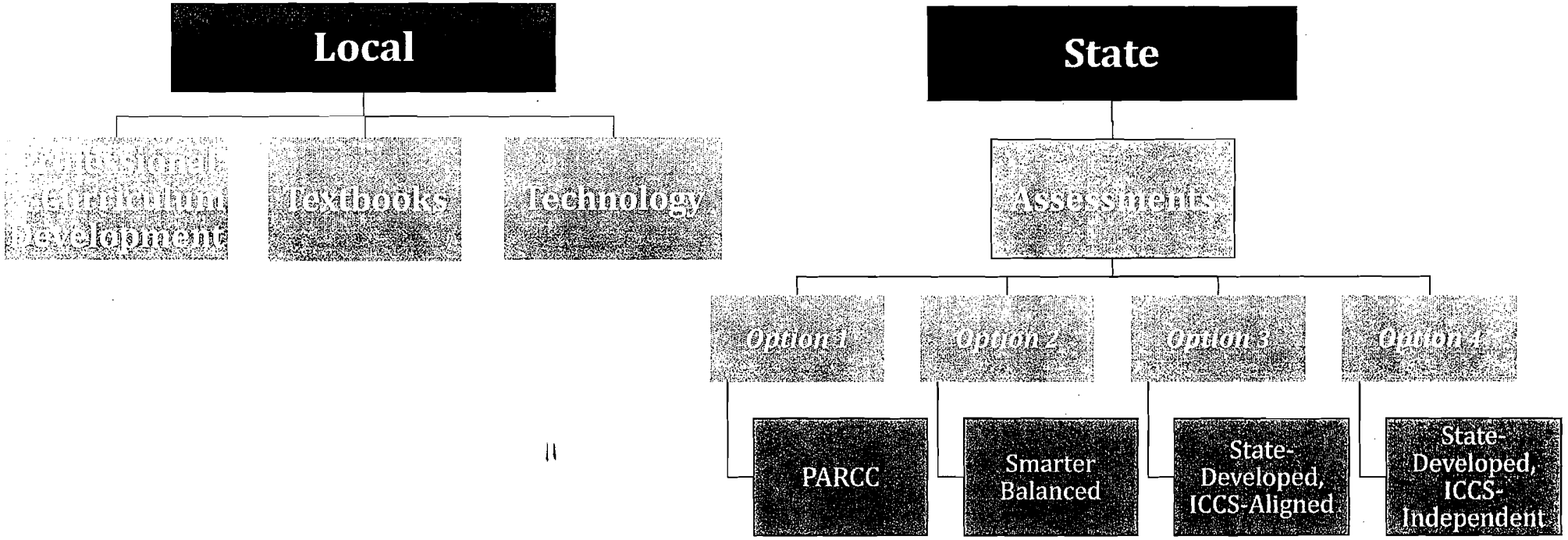
  (1) fully implements the common core standards; and

  (2) discontinues the implementation of the common core standards.

INDIANA COMMON CORE TIMELINE & HEA 1427



FISCAL IMPACT CATEGORIES



PROFESSIONAL & CURRICULUM DEVELOPMENT

LOCAL-LEVEL EXPENDITURES

Professional Development:

Training educators in the new standards and updating instructional methods

Curriculum Development:

Updating or evolving existing classroom content

PROFESSIONAL & CURRICULUM DEVELOPMENT

SCHOOL FINANCIAL REPORT DATA

- Reviewed actual expenses in local school corporations' "Improvement of Instruction" accounts
- From FY 2009 – FY 2012, school expenditures as a percent of total revenue were flat

SURVEY OF PRINCIPALS/SUPERINTENDENTS

- Schools redirected existing professional development programs to align with new Common Core standards
- Educators requested enhanced training opportunities to support the new standards

FINDINGS

Feedback from school leaders and historical expenditure data indicates that professional and curriculum development costs to shift from Indiana Academic Standards to Common Core were absorbable by local school districts.

The IDOE has already undertaken and continues to provide professional development resources to schools.

TEXTBOOKS & INSTRUCTIONAL MATERIALS

LOCAL-LEVEL EXPENDITURE

Textbook & Instructional Materials:

Cost of transition to "college and career ready" classroom material, such as textbooks, supplements, workbooks, and other related supplies

TEXTBOOKS & INSTRUCTIONAL MATERIAL

SCHOOL FINANCIAL REPORT DATA

- Reviewed expenses related to textbook purchases and rentals, workbooks, instructional materials, and computers purchased in lieu of paper textbooks
- From FY 2009 – FY 2012, expenditures varied as follows:
  - 2009: $112.1 million
  - 2010: $88.7 million
  - 2011: $72.4 million
  - 2012: $133.7 million

SURVEY OF PRINCIPALS/SUPERINTENDENTS

- Schools followed their regular textbook adoption cycles and purchased Common Core-aligned textbooks instead of those aligned with the old standards
- Schools that did not purchase new textbooks obtained supplemental materials, either online or created by teachers in the district, to help align existing instructional materials to the ICCS

FINDINGS

Textbook and instructional material costs were determined to be absorbable as an ongoing expense.

Indiana's 6 year textbook adoption cycle provides sufficient time to adopt the appropriate materials. The availability of free or low cost "college and career ready" software and digital content provides opportunities for schools to absorb transitional costs. Feedback from school leaders further supports the conclusion, while the analysis of historical expenditures provides no evidence to the contrary.

TECHNOLOGY

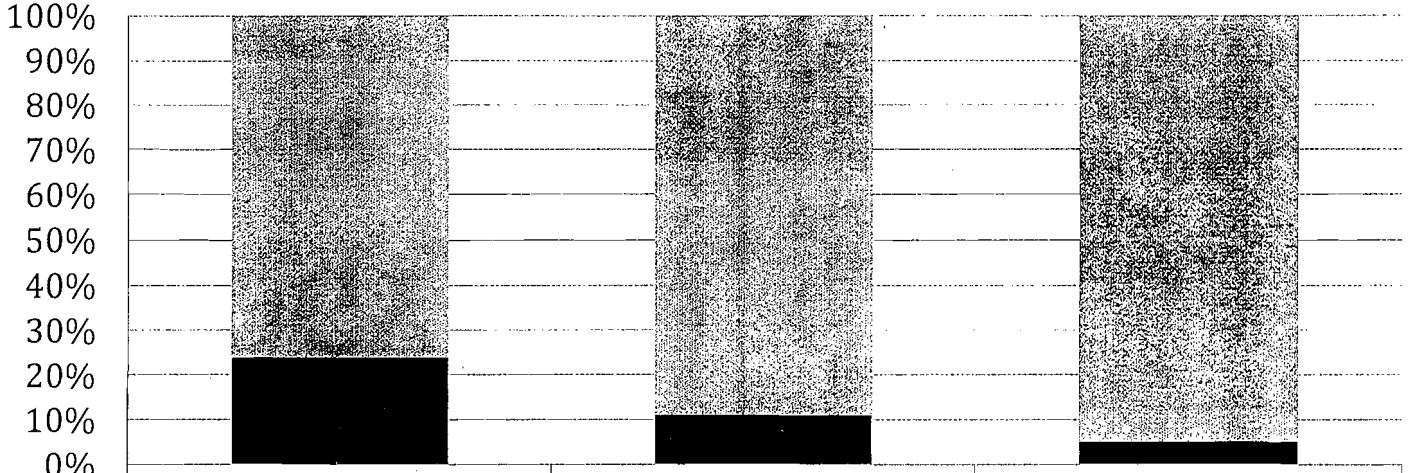
LOCAL-LEVEL EXPENDITURE

Technology:

Includes computers, software, internet bandwidth, and related infrastructure necessary for online assessments and instruction

TECHNOLOGY

Indiana Schools Testing Online



	2010-11	2011-12	2012-13
All Students Tested Online	10%	33%	88%
Some Students Tested Online	66%	56%	7%
No Students Tested Online	24%	11%	5%

Source: IDOE Assessment Staff

TECHNOLOGY

SCHOOL FINANCIAL REPORT DATA

- Reviewed instruction-related technology expenses
- From FY 2009 – FY 2012, expenditures increased as follows:
  - 2009: $118.7 million
  - 2010: $132.1 million
  - 2011: $131.8 million
  - 2012: $149.2 million

SURVEY OF PRINCIPALS/SUPERINTENDENTS

- School officials reported no cost increase due to technology requirements of the new standards, while one remarked specifically that upgrades would have occurred regardless

FINDINGS

Technology costs of transitioning to "college and career ready" standards have already been absorbed or will be absorbable through the continuation of previous initiatives.

Based on IDOE data, most Indiana schools are estimated to have the technological capacity to offer online assessments and are currently testing the vast majority of students online.

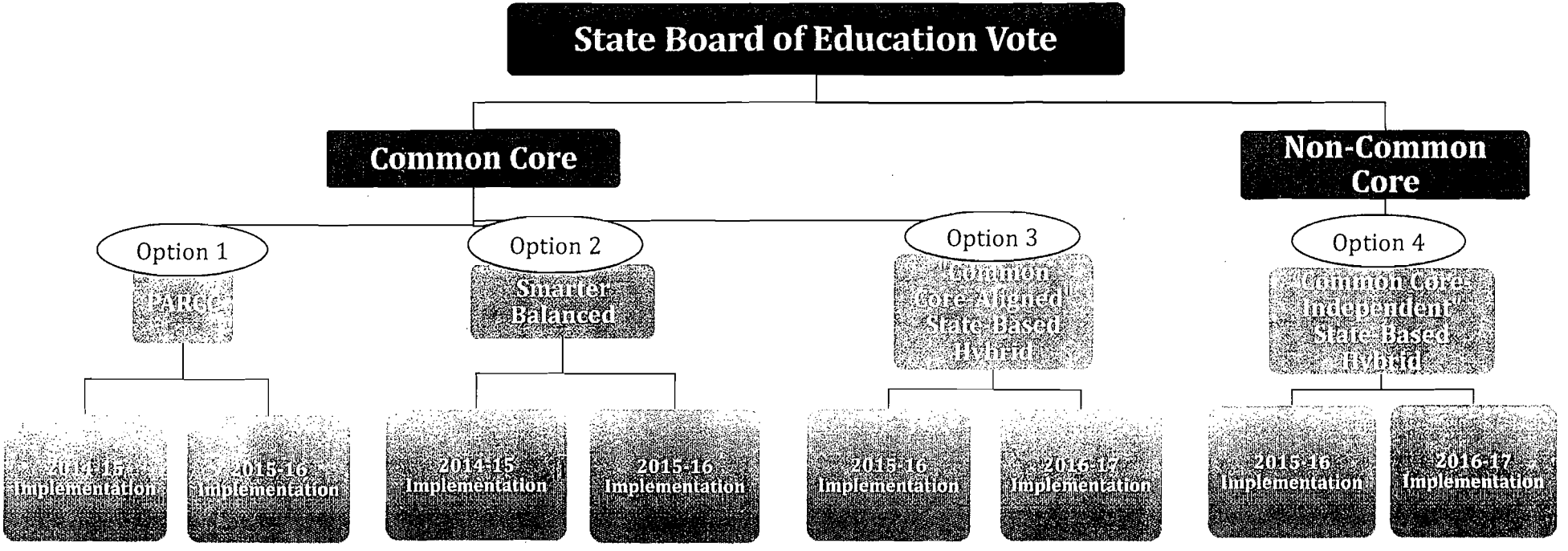
ASSESSMENTS

STATE-LEVEL EXPENDITURE

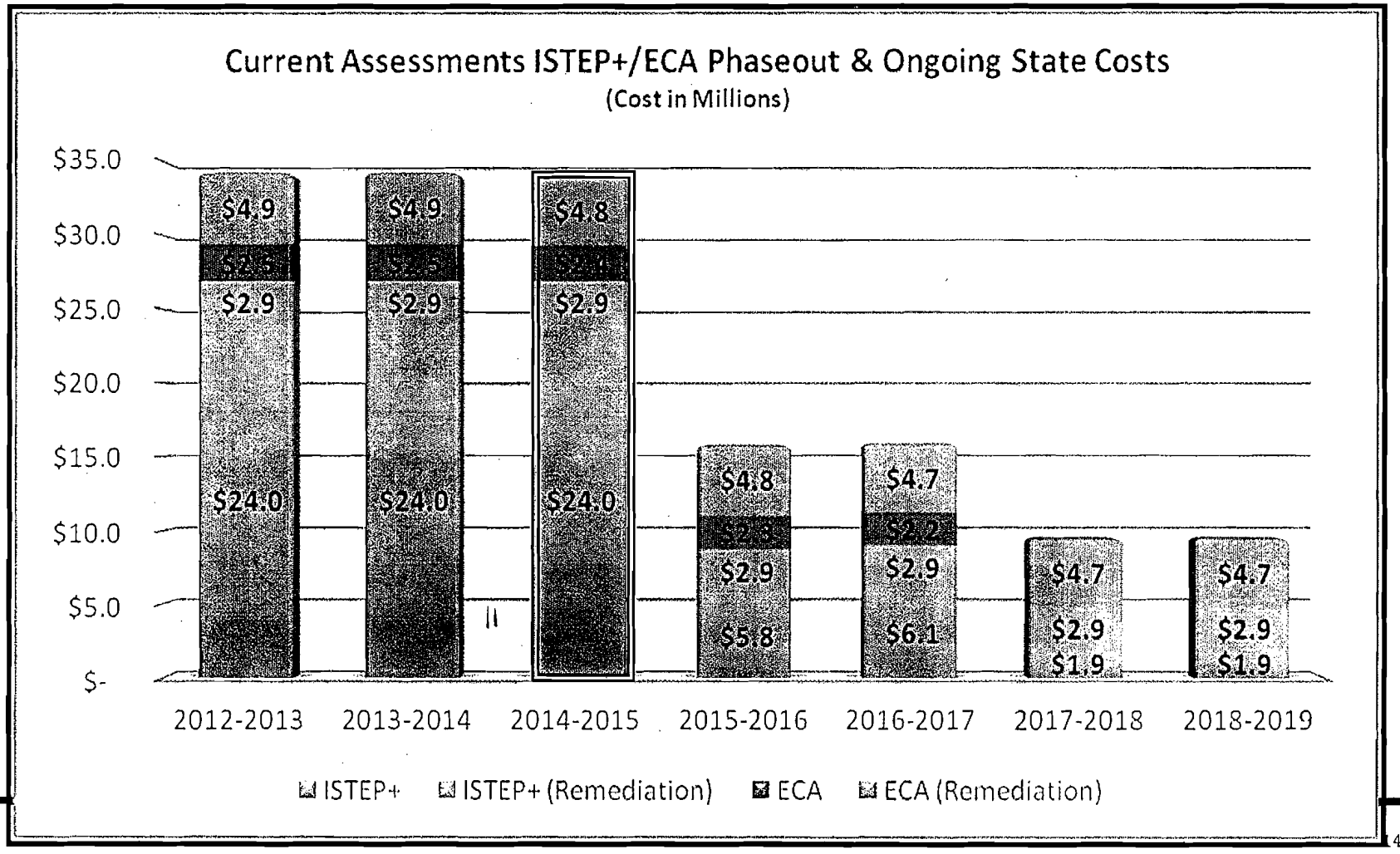
Assessments:

The examinations used to measure student comprehension of academic standards. (Indiana currently assesses students using ISTEP+ in grades 3-8 and End-of-Course Assessments (ECA) in grade 10.)

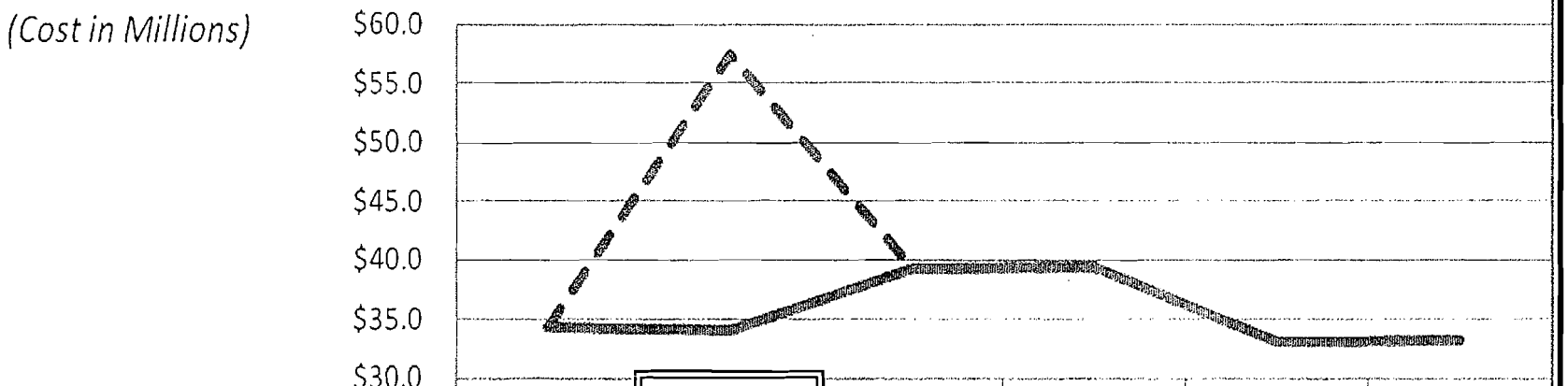
ASSESSMENTS



ISTEP+ & ECA ASSESSMENT PHASE-OUT



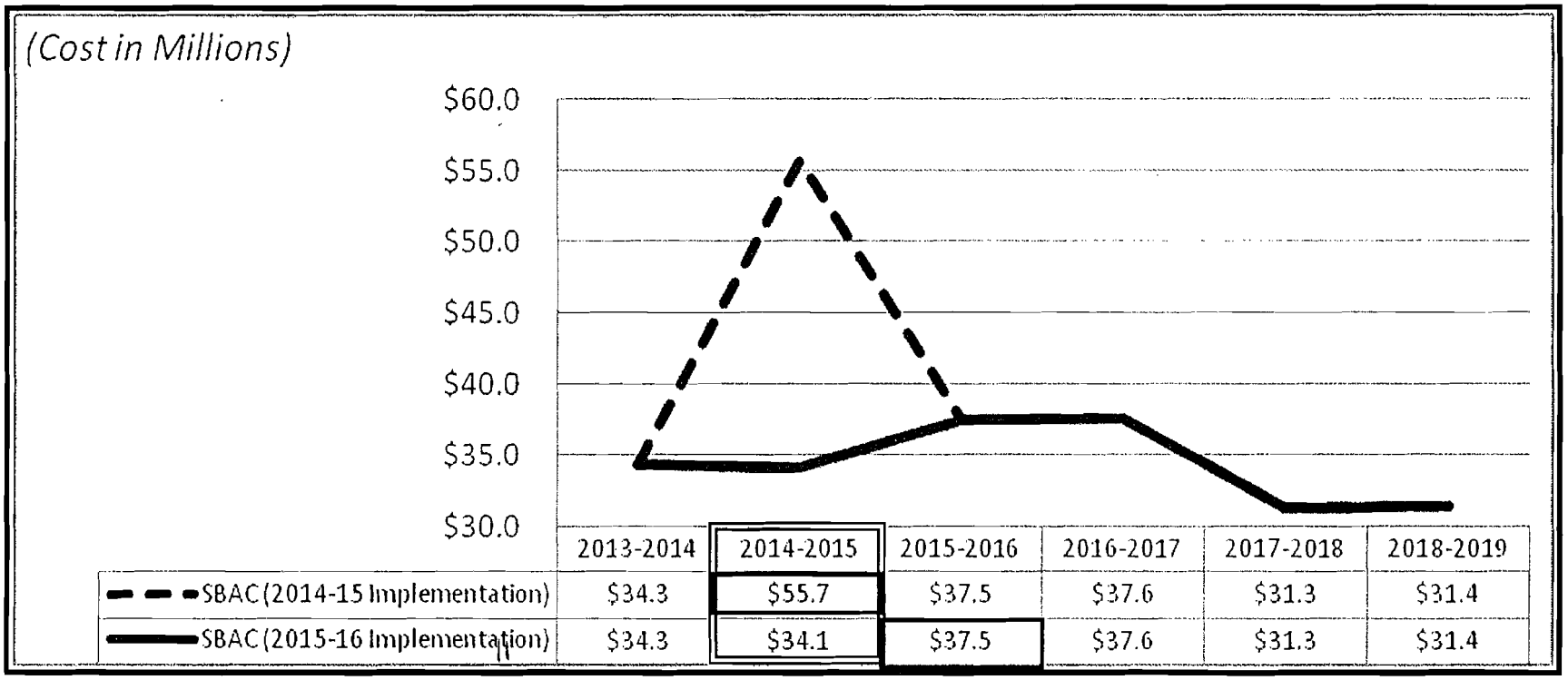
OPTION 1 – PARCC



	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
PARCC (2014-15 Implementation)	$34.3	$57.4	$39.2	$39.4	$33.1	$33.2
PARCC (2015-16 Implementation)	$34.3	$34.1	$39.2	$39.4	$33.1	$33.2

Estimated Cost of Development	Estimated Annual Ongoing Costs
$0	$33.2

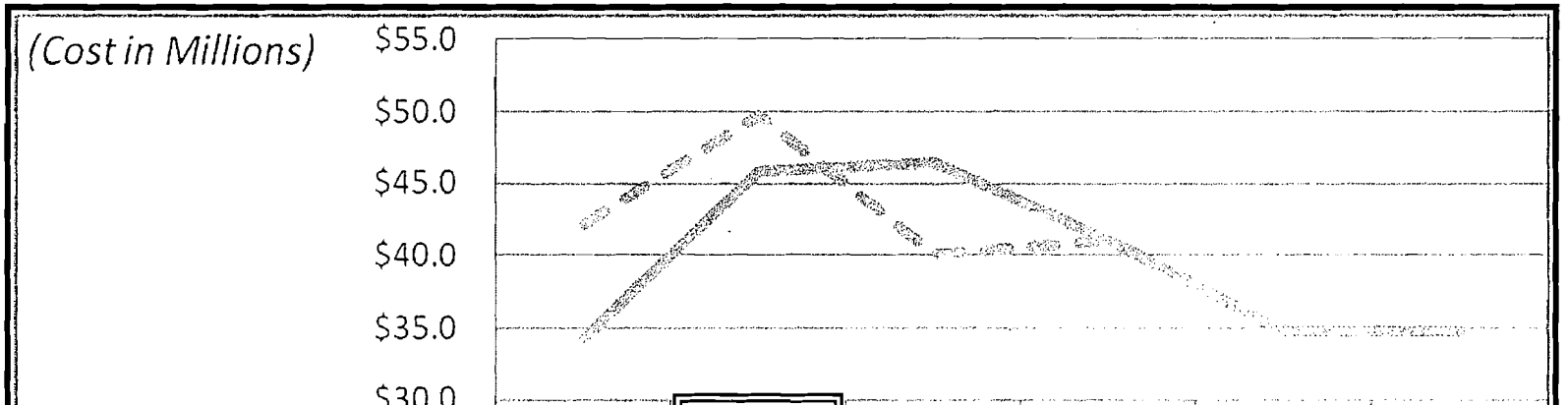
OPTION 2 – SMARTER BALANCED



	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
SBAC (2014-15 Implementation)	$34.3	$55.7	$37.5	$37.6	$31.3	$31.4
SBAC (2015-16 Implementation)	$34.3	$34.1	$37.5	$37.6	$31.3	$31.4

Estimated Cost of Development	Estimated Annual Ongoing Costs
$0	$31.4

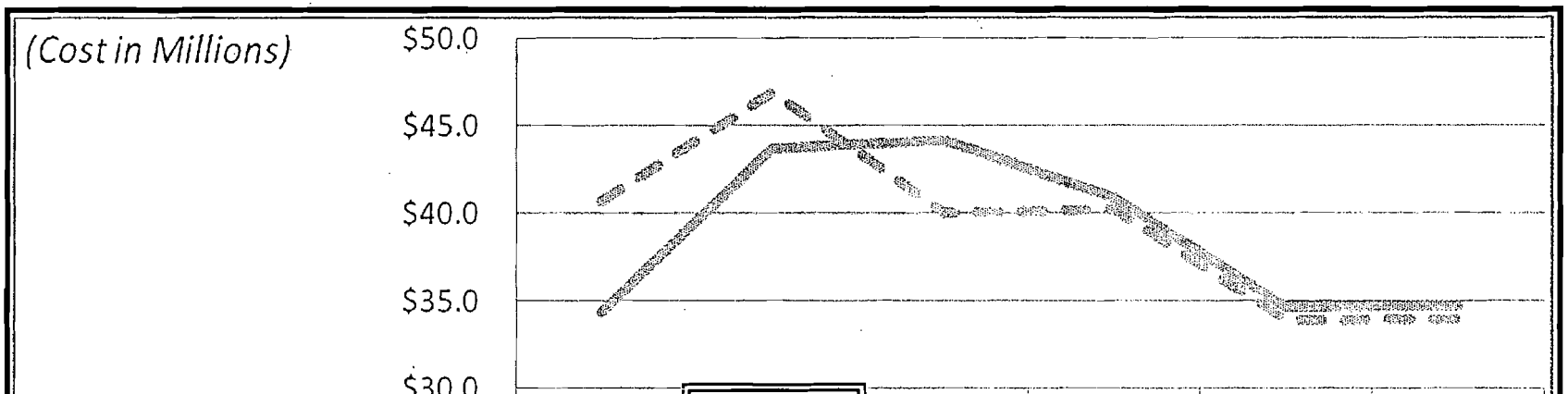
OPTION 3 – STATE-DEVELOPED HYBRID (COMMON CORE-ALIGNED)



	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
State Model, ICCSS-Aligned (2015-16 Implementation)	$42.1	$49.8	$40.0	$41.0	$34.7	$34.8
State Model, ICCSS-Aligned (2016-17 Implementation)	$34.3	$45.8	$46.4	$41.0	$34.7	$34.8

Estimated Cost of Development	Estimated Annual Ongoing Costs
$23.5	$34.8

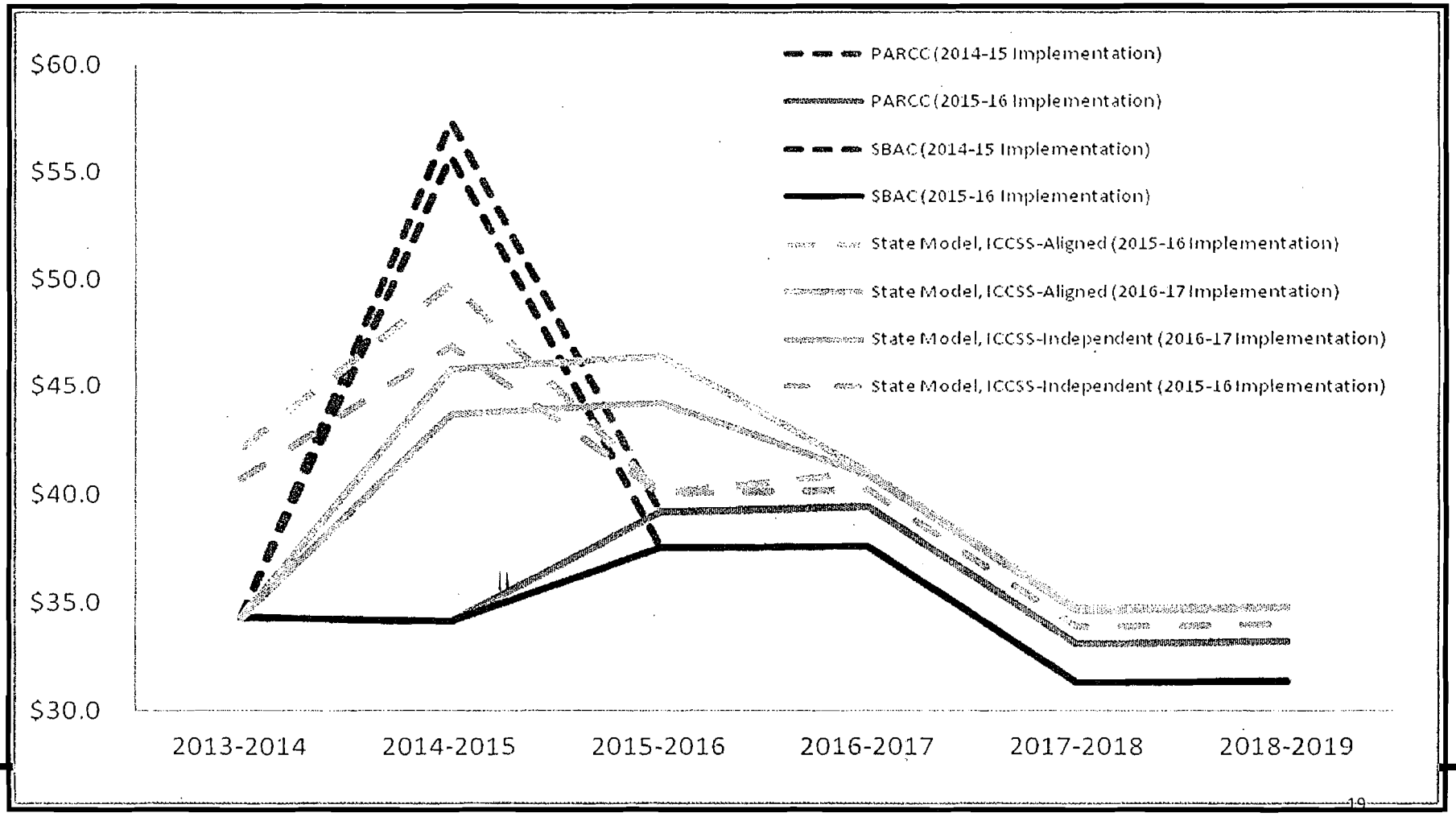
OPTION 4 – STATE-DEVELOPED HYBRID (COMMON CORE INDEPENDENT)



	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
State Model, ICCSS-Independent (2015-16 Implementation)	$40.7	$46.9	$40.0	$40.2	$33.9	$34.0
State Model, ICCSS-Independent (2016-17 Implementation)	$34.3	$43.7	$44.2	$40.9	$34.6	$34.7

Estimated Cost of Development	Estimated Annual Ongoing Costs
$19.1	$34.7

OPTIONS 1-4 COMBINED



CONCLUSION

- School corporation costs for professional and curriculum development, textbooks, and technology have been or will be substantially absorbable if the SBOE votes for implementation of new "college and career ready" standards
- Primary cost to implement any new standards is assessments
  - Implementing Options 1 and 2 in the 2014-15 school year would increase costs through double testing of ISTEP+ and the new selected assessment
  - State-developed Options 3 and 4 would present one-time costs associated with development
  - Costs for each option vary based on the year of implementation
- Ongoing costs do not vary significantly between the four assessment options

ACKNOWLEDGEMENTS

Thank you to Superintendent Ritz and the Indiana Department of Education Assessment staff for providing data and information for this analysis.

Thank you to the Indiana Association of School Principals and members who responded to OMB's survey, as well as the educators and administrators statewide who provided information about their experiences in the classroom.

Exhibit C
Interim Study Committee on Common Core Educational Standards
Meeting #3, 10/1/2013

Testimony to Senate Committee on Common Core
By Karen Renner, October 1, 2013

Chairman Behning, Chairman Kruse, Members of the Committee, and Citizens of Indiana:

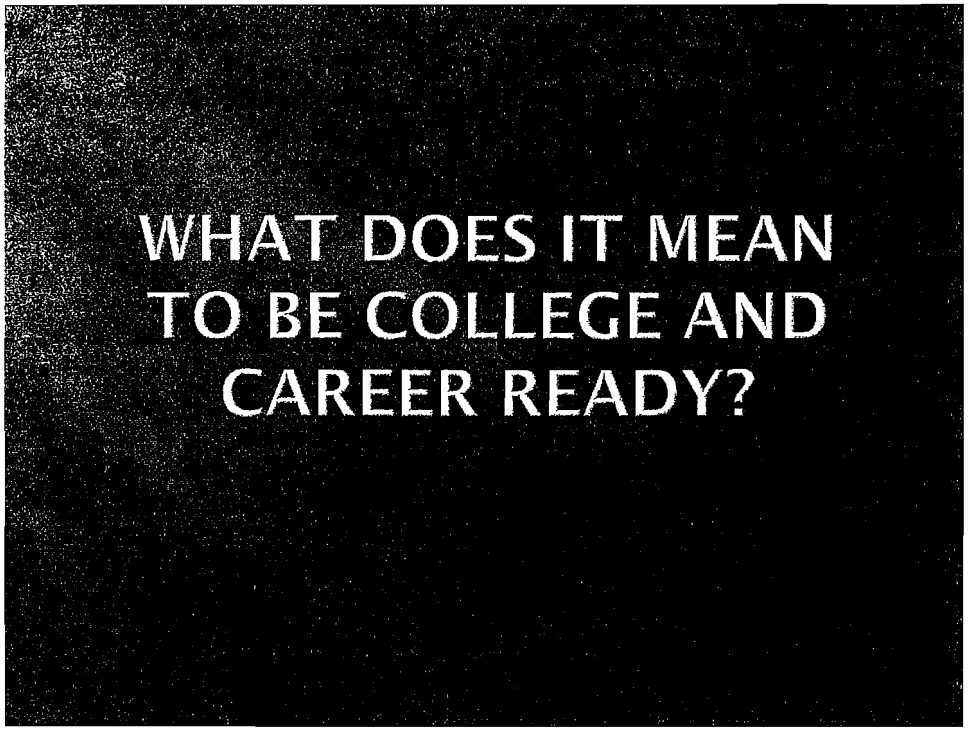
I am appearing before you as educator with unique experience. I have been a private school teacher, but I also homeschooled my own children. I am also a licensed Mental Health Counselor. Over my career, I have been involved in the following: I was a founding member of the *Systems of Care Board* in Marshall County, and a 20-year *Dollars for Scholars* board member. I have served as the Department Chair of the Student Services Department K-12, a counselor mentor, an adjunct professor, and have conducted professional development for teachers. I wrote a grant application to fund the first alternative school in one district and also was instrumental in writing a *High Schools that Work Grant*. Both grants were subsequently awarded to the corporation. As Director, I took the guidance department through the Indiana Gold Star Counseling program and the school was awarded that designation. At the present time, I am a counselor in a public school in Indiana. I am not testifying as a representative of the corporation where I am employed but as an educator with over twenty years experience.

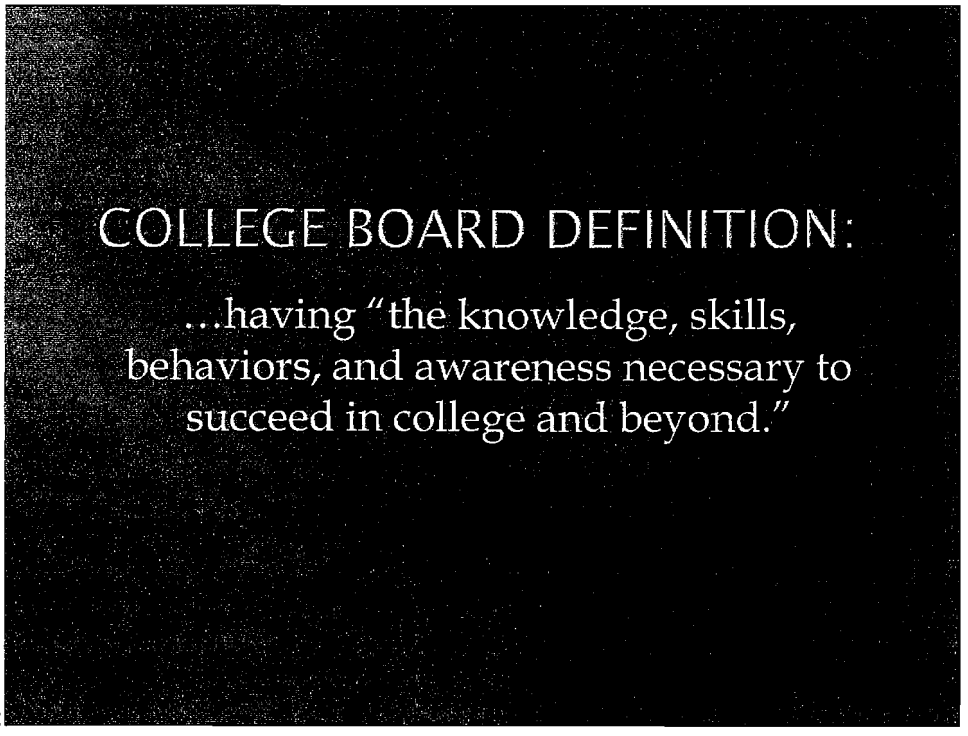
The conclusion of the *Indiana Common Core Implementation Fiscal Impact Report* on page 15 states the following: "...although availability of data and informational resources limits the ability to reasonably estimate the prior and future level of expenses...the cost of adoption would be largely absorbable." (End Quote) I went through all of the four options and added up the yearly expenses and realized that the price tag is estimated to be between $206,000,000 and $243,000,000.

As a high school counselor, I am one of the individuals who stand between Indiana students and reality... whether it is college or career. High School Counselors across the State have been noticing over

INTERIM STUDY COMMITTEE ON COMMON CORE EDUCATIONAL STANDARDS
1 OCTOBER 2013
EXHIBIT C

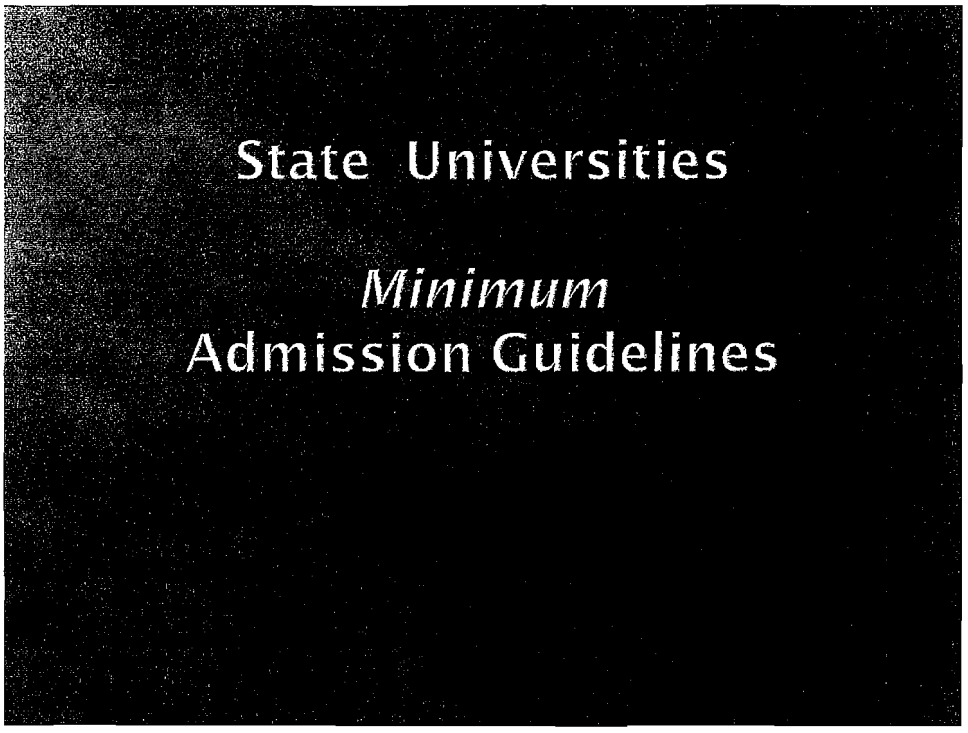
recent years that even some of the very best students at Indiana high schools are being denied admission to our own State's public universities. I began my own research. I wanted to know...





(Ensuring College and Career Readiness for All Students: The College Board Resource Guide 2013-2014, pg 5)

I discovered through my research that for students to make a successful transition into college, they must have a **rigorous high school schedule,** high grades and class rank (if the high school ranks students) and above average SAT scores. Due to the constraints of time, I will only be able to address one of these components: the high school schedule.



Purdue University
Minimum Admission Guidelines

At least two credits of math higher than algebra II from the following courses:

- Calculus
- Discrete Math
- Finite Math
- Pre-Calculus
- Probability and Statistics
- Trigonometry
- Etc.

Students interested in applying for technical programs (engineering, science, health-related majors, technology, and agriculture, etc.) should take as much advanced coursework as possible in math and science (pre-calculus, AP/IB Calculus, AP/IB Biology, AP/IB Chemistry, and AP/IB Physics). Other courses students could consider:

AP Computer Science
AP Statistics
AP/IB English
AP/IB social science courses
Speech

Indiana University
Minimum Admission Guidelines

7 credits (semesters) of mathematics, including 4 credits of algebra and 2 credits of geometry (or an equivalent 6 credits of integrated algebra and geometry) and 1 credit of pre-calculus, trigonometry, or calculus.

REALITY FROM DR. JAMES MILGRAM'S PERSPECTIVE:

College ready should mean that a student has a good chance of graduating from college.

Dianeravitch.net/2013/09/11/james-milgram-on-the-commoncore-math-standards/ accessed 09/27/2013

Dr. Milgram gave the percentages of college graduates who attained different levels of high school mathematics:

Students who only complete Algebra II in high school have only a 39.3% chance of actually graduating from college.

The reality is: students who graduate from high school having only earned credit in Algebra I, Geometry, and Algebra II, will not be admitted to IU or Purdue and have only a 39.3% chance of graduating from any college.

As already proven through earlier testimony, CCSS will not prepare students for even minimum admission to either IU or Purdue. It would be disastrous both financially and educationally to move forward with this initiative. **In this presentation, I am connecting the theory of this initiative to the reality of the world in which I live: the public high school.**

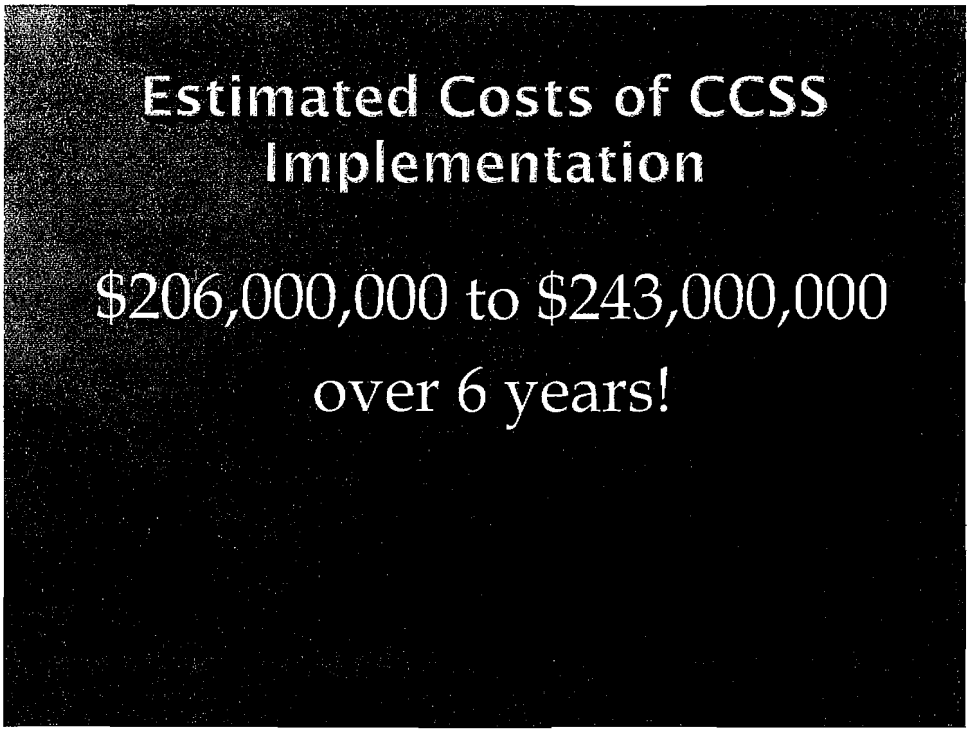
CCSS is not a new idea. In 1994, higher education, business, industry, labor, and K-12 communities came together to design a curriculum to raise standards. At that time a CORE curriculum was created for all Indiana students. It was called CORE 40 and remains in place at this time. When originally designed, the five Indiana universities agreed that if a student would earn a CORE 40 diploma with a C average, those students would be accepted into any of State universities. It was quickly determined by State universities that these standards were too low, and this plan has been updated frequently. All college bound students are now encouraged to excel in high rigor classes...classes that far surpass CORE 40 and earn **Academic or Technical Honors.**

This committee has heard from Dr. Sandra Stotsky and Dr. James Milgram. Both are experts in their field and members of the CCSS Validation Committee who refused to sign-off on the standards. As their testimony revealed, Common Core does not raise standards; it is, in fact, a rush to mediocrity!

I have heard at least two representatives of Purdue University testify before this committee. Both indicated that they were supporting CCSS, because they wanted Indiana students to be able to compete with students from other States; however, when I spoke with the Office of Admissions at Purdue, I heard a different story. Purdue has the luxury of picking from the best and the brightest from all over the world. They do not consider admission for average students. Purdue statistics prove that point. For example, for the freshman class that began in August 2013, there were over 1000 applicants

for 95 seats in the nursing program. I was told by the Associate Director of Admissions, Cathy Sleeth, that only the very best students...with the most rigorous coursework ...coupled with the best ACT or SAT scores are accepted. The reality is... students who only master Common Core Standards will not be able to compete in that arena.

This multimillion dollar expenditure will only result in a plan that is highly inferior to Indiana's existing educational system. Spending this money will create false hope. This initiative does not begin to address the existing curricular, psychological, economical, or social issues that are the actual factors that hinder student progress toward college readiness.



It is ludicrous to spend this amount of money in implementing a hopelessly flawed plan.

Testimony to:

INTERIM STUDY COMMITTEE ON COMMON CORE EDUCATIONAL STANDARDS, INDIANA LEGISLATURE

Richard G. Innes
Staff Education Analyst
Bluegrass Institute for Public Policy Solutions
(www.bipps.org)
October 1, 2013

1

Overview

- Why Kentucky's Experiences Can Tell Us About Common Core
- How Common Core Type Reforms Drove Up Costs in Kentucky
- How Previous Kentucky CCSS-Like Assessments Failed – TWICE!
- What Performance CCSS-Like Programs Produced in Kentucky

2

Kentucky's Education Reform Program from 1990 Can Provide Insights into Common Core

3

Look at These Education Reports

Report A

- *Students work in small groups, engage in discussion, take responsibility for their own learning, and learn from each other, often by examining each other's work.* (Pg. 5)

Report B

- *...students taking responsibility for setting the direction of their own learning...*(Pg. 11)
- *Cooperative learning is an extensively researched instructional method in which students are divided into small groups (2 - 6 members) to achieve a common goal or task.* (Pg. 93)

4

Look at These Education Promises

Report A

- *...the Common Core State Standards expect literacy instruction to be included in a number of subjects outside of ELA, including science and social studies/history.* (Pg. 8)

Report B

- *The elements of reading and writing are viewed as integrated processes and are integrated into all disciplines rather than being isolated within the language arts curriculum.* (Pg. 133)

5

Look at These Education Promises

Report A Is:

The 2010 "Supporting Instruction" monograph from the Bill and Melinda Gates Foundation

Report B Is:

The 1993 "Transformations : Kentucky's Curriculum Framework, Volume II"

6

The Point

- Kentucky was doing CCSS "stuff" over two decades ago
  - Kentucky provides an important history lesson about what could happen with implementation of the philosophies driving Common Core State Standards.

7

Considering Costs

With a Standards Driven System, you are not just talking about increased test costs

- You are adopting a new system
- And, a system like the one Kentucky adopted in 1990 isn't cheap

8

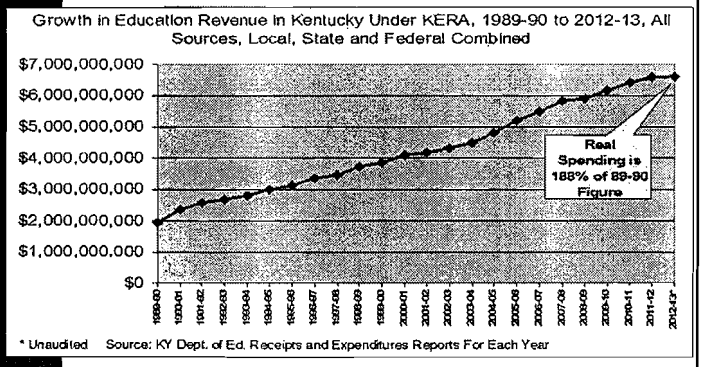
The new standards-based system requires new:

- Professional Development
- Textbooks
- Curriculum
- Assessments
- Digital Technology

9

- Digital Technology – May be Essential to Support CCSS Assessments
  - New Equipment
  - Added IT Staff
  - Maintenance Costs
  - Security Issues
  - Facility Rewiring and Air Conditioning Upgrades, too

10



11

How Kentucky's CCSS-Like Assessments Failed – TWICE!

12

Kentucky's First Reform Assessment

- Kentucky Instructional Results Information System (KIRIS)
- Launched in 1992
- Very Much Like Proposals from the Partnership for Assessment of Readiness for College and Careers (PARCC) and Smarter-Balanced Assessment Consortium (Smarter-Balanced)

13

KIRIS

- Open-Response Question Tests (Multiple Choice Never Counted)
- Performance Events
- Assessed Writing Portfolios
- Assessed Mathematics Portfolios

14

KIRIS

- Scores inflated dramatically
- Performance Events failed in 1996 due to sustainability issues
- Math Portfolios removed from assessment in 1996 due to validity and value issues
- Entire KIRIS program was ended by the Kentucky Legislature in 1998

15

KIRIS Replaced with Commonwealth Accountability Testing System (CATS) in 1999

- Major Flaw – CATS was not changed enough from KIRIS to overcome issues.
- Scores continued to inflate, especially on continued Writing Portfolios
- CATS ended in 2009.

16

Performance Event Sustainability (PARCC and Smarter-Balanced Are Considering)

- Problems must be changed frequently as they are dramatic and easy to remember/teach to.
- But, it's incredibly difficult to come up with new problems that test same subject to same level of difficulty and that maintain the trend lines for longitudinal analysis faithfully.

17

- Similar problems exist to lesser degree for open-response questions.

18

The Key Question Becomes:

Can PARCC and Smarter-Balanced overcome Kentucky's lessons about very similar assessments?

- Don't forget: Performance Events crash cost millions

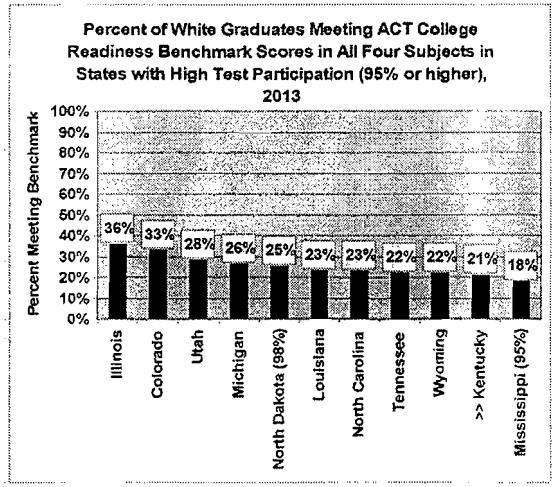
19

What Does Kentucky's Performance Look Like?

ACT Results – States with High Participation Rates

2013

20



Number of Graduates, Percent of All Graduates by Race/Ethnicity, Average ACT Composite Score and Percent of Students in State Getting Extended Time to Take the Test, Class of 2013, Southern States with At Least 95% Graduate Participation on the ACT

Racial Group	Kentucky			Louisiana			Mississippi			Tennessee			North Carolina		
	N	%	Avg	N	%	Avg	N	%	Avg	N	%	Avg	N	%	Avg
All Students	49,551	100	19.6	45,305	100	19.5	27,749	100	18.9	69,641	100	19.5	95,782	100	18.7
Black/African American	4,327	9	16.4	14,378	32	17.0	11,183	40	16.5	13,403	19	16.3	20,927	22	15.6
American Indian/Alaska Native	474	0	17.1	318	1	18.1	124	0	17.5	253	0	17.7	1,119	1	16.2
White	37,834	76	20.2	23,239	51	21.0	13,834	50	20.7	46,429	67	20.5	50,942	53	20.3
Hispanic/Latino	1,853	4	19.4	2,093	5	19.5	664	2	19.1	3,535	5	18.1	9,428	10	17.0
Asian	620	1	21.8	820	2	22.4	309	1	22.8	1,179	2	22.2	2,403	3	21.0
Native Hawaiian/Other Pacific Islander	64	0	18.3	38	0	18.6	17	0	19.1	81	0	18.6	159	0	17.4
Two or more races	1,502	3	19.6	1,256	3	20.2	565	2	19.8	1,867	3	20.0	3,774	4	18.8
Prefer not to respond/No response	3,147	6	18.6	3,193	7	18.7	1,023	4	19.3	2,954	4	19.0	7,030	7	18.2
Percent of All Grads Taking Extended Time on Test		7%			6%			2%			5%			5%	
Percent of State's Grads Taking ACT		100%			100%			96%			100%			100%	

Score exceeds Kentucky for this group

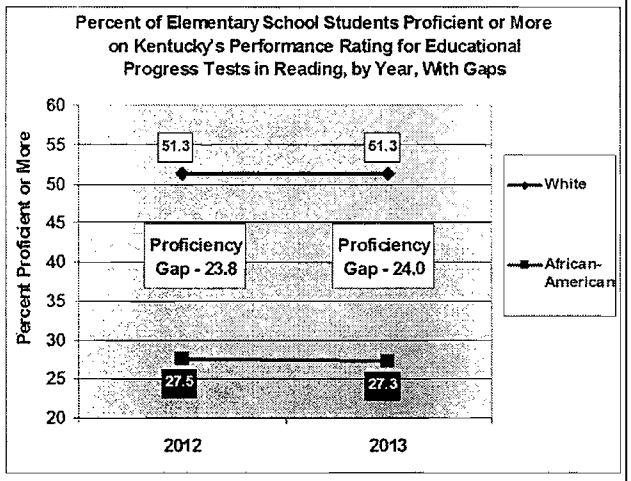
Data from Tables 1.5 and 1.7 from each state's 2013 ACT Profile Report, on line here: http://www.act.org/news/data/2013/readiness.reports.html

Note. North Carolina shifted to 100% testing with ACT in 2013. In 2012 only 20% of this state's students took the ACT, and there is probably low experience with this test in that state.

Results from Kentucky's new CCSS-Aligned K-PREP Tests

K-PREP READING

- Both whites and African-Americans failed to meet the AMO for reading at all school levels in 2013 (Elementary, Middle and High Schools)
- White minus African-American proficiency rate gaps grew in all three school levels



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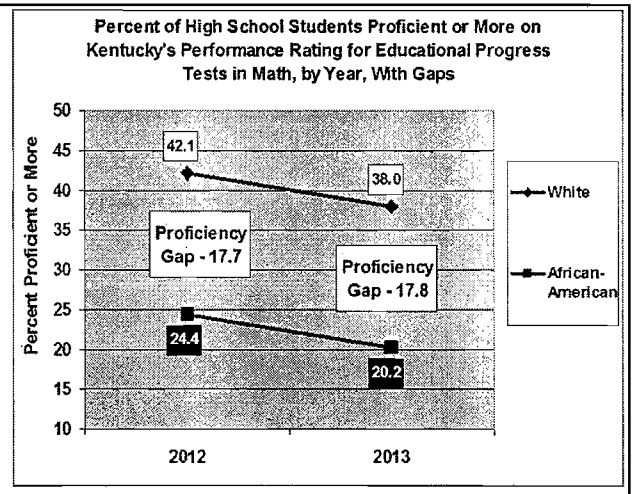
K-PREP MATH

- Both whites and African-Americans failed to meet the AMO for math at all school levels in 2013 (Elementary, Middle and High Schools)
- White minus African-American proficiency rate gaps grew in all three school levels

26



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National Assessment of Educational Progress (NAEP) Results to 2011

28

NAEP Grade 4 Math, 1992 and 2011, Jurisdictions (States Plus DC) Scoring Higher, Not Different and Lower Than Indiana and Kentucky, White Students

Year	Jurisdiction	Cross-jurisdiction significant difference	Number of Jurisdictions Scoring Significantly			average scale score
			higher	not different	lower	
1992	Indiana	>	16	18	7	224
1992	Kentucky		34	7	0	217
2011	Indiana	>	10	27	13	249
2011	Kentucky		40	8	2	243
2011	Massachusetts	>	1	2	47	258

NAEP Grade 8 Math, 1992 and 2011, Jurisdictions (States Plus DC) Scoring Higher, Not Different and Lower Than Indiana and Kentucky, White Students

Year	Jurisdiction	Cross-jurisdiction significant difference	Number of Jurisdictions Scoring Significantly			average scale score
			higher	not different	lower	
1992	Indiana	>	16	15	9	273
1992	Kentucky		32	7	1	264
2011	Indiana	>	24	18	8	290
2011	Kentucky		40	7	3	284
2011	Massachusetts	>	1	4	45	304

NAEP Grade 4 Math, 1992 and 2011, Jurisdictions (States Plus DC) Scoring Higher, Not Different and Lower Than Indiana and Kentucky, Black Students

Year	Jurisdiction	Cross-jurisdiction significant difference	Number of Jurisdictions Scoring Significantly			average scale score
			higher	not different	lower	
1992	Indiana	x	0	28	6	196
1992	Kentucky		0	23	11	200
2011	Indiana	x	8	29	7	223
2011	Kentucky		4	27	13	225
2011	Massachusetts	>	0	8	36	235

NAEP Grade 8 Math, 1992 and 2011, Jurisdictions (States Plus DC) Scoring Higher, Not Different and Lower Than Indiana and Kentucky, Black Students

Year	Jurisdiction	Cross-jurisdiction significant difference	Number of Jurisdictions Scoring Significantly			average scale score
			higher	not different	lower	
1992	Indiana	x	1	27	4	241
1992	Kentucky		2	26	4	241
2011	Indiana	x	4	30	9	264
2011	Kentucky		11	28	4	261
2011	Massachusetts	>	0	16	27	275

Why No NAEP Reading Results?

- Kentucky led the nation for the highest exclusion rate for students with learning disabilities on the 2011 NAEP Reading Assessments in Grades 4 and 8.
- Even Kentucky's commissioner of education has admitted this calls the state's reading scores into question.

33

Why Kentucky Heavily Excludes on NAEP Reading

- Kentucky allows education plans for learning disabled students that require all tests, including reading tests, to be read to the student.
- Students can be carried from 1st to 12th grade as non-readers, all the time generating impressive scores for Kentucky's "reading" assessments.
- NAEP will not allow this deceptive practice

34

Of CCSS Interest

- BOTH PARCC and Smarter-Balanced will allow their reading tests to be read to students
- Under PARCC and Smarter-Balanced agreements, states that don't allow this practice today will be forced to change

35

Kentucky Performance Summary

- Kentucky has made a little progress over time, but so have other states
- It is difficult to impossible to form valid opinions about Kentucky's reading performance due to the reading accommodation/exclusion issues

36

In Closing

- Kentucky points to possible issues with a CCSS-driven education system
- Costs are high
- Assessments are problematic
- Results are not impressive

37

Questions?

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For More Information:

www.bipps.org

www.bipps.org/blog

www.freedomkentucky.org

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The Bluegrass Institute is totally supported by donations from private groups.

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Exhibit E
Interim Study Committee on Common Core Educational Standards
Meeting #3, 10/1/2013

Interim Study Committee on Common Core Educational Standards

Membership Roster

Senators
Dennis Kruse Co-Chairperson
Scott Schneider
Carlin Yoder
Earline Rogers
Timothy Skinner
Lonnie Randolph

Representatives
Robert Behning, Co-Chairperson
Rhonda Rhodes
James Lucas
Vernon Smith
Justin Moed
Clyde Kersey

Legislative Services Agency Staff

Chuck Mayfield, Fiscal Analyst
David Lusan, Fiscal Analyst
Allen Morford, Attorney
Irma Reinumagi, Attorney

November 1, 2013

A copy of this report is available on the Internet. Reports, minutes, and notices are organized by committee. This report and other documents for this Committee can be accessed from the General Assembly Homepage at http://www.in.gov/legislative/.

FINAL REPORT

Interim Study Committee on Common Core Educational Standards

I. LEGISLATIVE COUNCIL DIRECTIVE

Under IC 20-19-2-14.5, the Legislative Council established a legislative study committee to study issues relating to Common Core Educational Standards and other educational standards. The committee was charged with studying the following topics:

(A) Compare existing Indiana standards with the Common Core Educational Standards and other state and national education standards.

(B) Consider best practices in developing and adopting the standards, seeking information from a broad range of sources including the following:

(i) Subject area teachers from elementary and secondary schools in Indiana.

(ii) Subject area instructors.

(iii) National experts on SAT and ACT testing.

(iv) The office of the Superintendent of Public Instruction.

(v) Other persons knowledgeable about other state and national education standards.

(C) Evaluate the cost to the state or school corporations associated with implementing Partnership for Assessment of Readiness for College and Careers assessment or the Smarter Balanced assessment by schools.

(D) Evaluate the cost to the state or school corporations associated with implementing the Common Core Educational Standards.

(E) Review the reports from the Department of Education and the Office of Management and Budget to the Legislative Council required by HEA 1427-2013, SECTION 13.

II. SUMMARY OF WORK PROGRAM

The Interim Study Committee on Common Core Educational Standards (CCES) met three times during the summer/fall interim of 2013.

-The first meeting took place on August 5, 2013, at the State House, Indianapolis, and

lasted approximately seven hours and twenty-five minutes. During this time the committee heard testimony on the CCES.

-The second meeting took place on September 10, 2013, at the State House, Indianapolis, and lasted approximately eight hours and forty minutes. During this time the committee heard additional testimony on the CCES and also on assessments.

-The third meeting took place on October 1, 2013, at the State House, Indianapolis.

III. SUMMARY OF TESTIMONY

Glenda Ritz, State Superintendent of Public Instruction, stated that the Department of Education is fully committed to a thorough review (including public input) of the CCES. She explained the process for adopting new standards for Indiana, which, by statute, involves committees of teachers in the subject area for which the standard is being reviewed and adopted. She stated that one of the purposes of the review is to ensure that the CCES are more rigorous than the current standards. She also stressed that the standards must be accompanied by a good assessment system so teachers will know how well their students are doing. Superintendent Ritz will also be appointing advisory members to these committees, including business leaders, parents, and other interested parties. The goal is to have approved college- and career-ready standards available by July 1, 2014.

The superintendent pointed out that assessments cannot be designed until standards are determined, as tests must be aligned to the standards. State law requires the use of student growth and achievement, which will be measured by state assessments, to measure school accountability performance and teacher effectiveness.

Supporters of CCES stated that the standards are an improvement over the current Indiana standards and would produce graduates who are college- and career-ready. In their opinion, the CCES are more rigorous, address gaps in subject area mastery, enable children to become critical thinkers, and permit teachers to be flexible in instructing their students. This would probably minimize the need for remediation. The CCES would also enable teachers to access a large variety of educational resources. The use of nationally developed assessments would also reduce costs and would allow Indiana's students to compete nationally with other students.

Supporters also pointed out that Indiana could combine elements of its current standards with the CCES. States could supplement the CCES by up to 15 percent and can choose which content area to align with the standards. The standards would preserve local control over the curriculum enabling states to adopt those elements that meet their specific needs. Additionally, Indiana would not be obligated to submit data to an outside agency if it adopts the CCES.

The CCES have experienced widespread support, including support from professional organizations and the U.S. Department of Defense. In Indiana, some school corporations have already invested

time and money in adapting to the CCES. One school corporation estimated that it has spent over $1M over the past three years in implementing the standards for kindergarten through Grade 2.

Those who oppose CCES assert that the standards do not align well with international standards from highly ranked nations and are not as rigorous as those in top-performing nations. This is especially true for mathematics. According to one witness, the CCES in mathematics, as currently written, will not prepare students for university-level mathematics. This is because the standards neglect higher mathematics beyond Algebra 2. Those who oppose the standards also believe that they needlessly complicate mathematical concepts, provide less emphasis on application and practice for students, and provide poor instructional strategies for instructors.

A few witnesses also stated that the CCES were developed without any real input from the states or the public and could be considered an unconstitutional encroachment into the control of state and local authority over education. Some also believe that the standards violate parental rights. The use of federal grants by the consortia to develop curriculum and assessments that align with the CCES were also a cause for concern. Additionally, it was pointed out that implementing the CCES may be costly, one estimate being approximately $15.8 billion.

On the subject of assessments the committee heard testimony that it is important that they be aligned with whatever standards are adopted. Rigorous standardized assessments can be used as an indicator of the likelihood of success in higher education. Supporters also stated that according to the latest research current assessments such as ISTEP do not measure depth of knowledge as accurately as those developed by the Partnership for Assessment of Readiness for College and Careers (PARCC) and Smarter Balanced assessments, both of which are aligned to the CCES. They believe that PARCC and Smarter Balanced assessments are comprehensive, well-developed, and accurate measures of student achievement. The representatives from ACT and the College Board indicated that the ACT and SAT tests are also aligned with the CCES.

Questions were raised about the privacy and security of the student data under the PARCC and Smarter Balanced assessments. There was also some concern about the lack of accommodations for special education students and the content of some of recommended texts.

It was suggested that the CCES be phased in to allow adequate time for teacher training in how to implement them and the accompanying assessments. It was also stated that teachers should not be penalized for a drop in student scores when changing to new standards and assessments.

(For further detail about the work of the Interim Study Committee on Common Core Educational Standards, the minutes of the meetings may be found at:

http://www.in.gov/legislative/interim/committee/core.html)

IV. COMMITTEE FINDINGS AND RECOMMENDATIONS

The Committee made the following findings of fact:

The Committee made the following recommendations:

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WITNESSLIST

Mr. Jim Bauerly, Brig. General (ret), U.S. Army, Military Veterans Coalition of Indiana.
Mr. Dave Benak, Principal, Elkhart Area Career Center, Elkhart County.
Mr. Bob Bickerton, Partnership for Assessment of Readiness for College and Careers.
Ms. Mary Bouck, Purdue University.
Mr. Tim Brauch, Manchester University.
Ms. Rachel Burke, Indiana PTA.
Mr. Mike Cohen, President, ACHIEVE.
Mr. Chris Connell, Dept. of Mathematics, Indiana University.
Mr. J. T. Coopman, Indiana Association of Public School Superintendents.
Dr. Dena Cushenberry, Superintendent of MSD Warren Township, Marion County.
Mr. Richard Duke.
Mr. Layton Elliot, Department Chairman in Mathematics, Brebeuf Jesuit Preparatory Academy.
Mr. Bill Evers, Research Fellow, Hoover Institute.
Dr. Schauna Findlay, Chief Academic Officer, Indiana Network of Independent Schools.
Ms. Bonnie Fisher, Global Education Reforms Watch, Inc.
Ms. Lisa Froderman, Principal, Clay Community Schools.
Mr. Enrique Galindo, Hoosier Association of Mathematics Teacher Educators.
Ms. Jolee Garis, Teacher, Students First Elementary School.
Ms. Sue Gendron, Smarter Balanced Assessment Consortium.
Ms. Mary Giesting, Assistant Superintendent, Plainfield Community Schools.
Mr. Michael Gmutza, Asst. Principal, Evansville North Junior High School, Evansville.
Ms. Sherry Grate, Superintendent, DeKalb County Central United School District.
Ms. Erika Haskins, Director, Excel Center, Richmond.
Ms. Joan Herman, National Center for Research on Evaluation, Standards, and Student Testing.
Ms. Pamela Horn, Purdue University.
Mr. Glen Kissell.
Ms. Mary Kittinger...submitted written testimony.
Ms. Sarah Latdrik, Teacher, MSD Warren Township.
Ms. Christina Lear, Teacher, Herron High School.
Ms. Sue Lile.
Mr. Matthew Lisk, College Board.
Ms. Jacqueline Michelle, Lebanon.
Mr. James Milgram, Stanford University.
Mr. Eric Miller, Advance America.
Ms. Charity Mitchell, Parent.
Mr. Matthew Modleski, U.S. Air Force (ret).
Mr. Terence Moore, Professor, Hillsdale College.
Ms. Tressa Nichols, Warsaw.
Mr. John O'Neil, Indiana State Teachers' Association.
Ms. Kathleen Porter-Magee, Senior Director and Policy Fellow, Thomas B. Fordham Institute.
Ms. Tami Portolese, Teacher, Penn Harris Madison Schools, Mishawaka.

Ms. Joy Pullman, Heartland Institute.
Mr. Derek Redelman, Indiana Chamber of Commerce.
Ms. Flora Reichanadter, Superintendent of Franklin Township Schools, Marion County.
Ms. Glenda Ritz, State Superintendent of Public Instruction.
Ms. Janet Rummel, Director of Curriculum, Indiana Network of Independent Schools.
Mr. Mark Russell, Indianapolis Urban League.
Mr. Ryan Russell. Assistant Superintendent, MSD Warren Township, Indianapolis.
Ms. Heather Schilling, Manchester University.
Ms. Fatonia Shank, Teacher, MSD Warren Township.
Ms. Alison Slater, Indiana Home School Educators.
Ms. Sally Sloan, Indiana Federation of Teachers.
Mr. James Stergios, Pioneer Institute.
Mr. John Stoffel, Teacher, Huntington County.
Ms. Lori Storer, Principal, Mohawk Trails Elementary School, Carmel.
Ms. Megan Storer, Sophomore, Elwood High School.
Dr. Sandra Stotsky, University of Arkansas.
Ms. Cara Swinefurth, Principal, St. Thomas Aquinas Catholic School, Indianapolis.
Ms. Berniece Tirmenstein....submitted written testimony.
Mr. Scott Turney, Indiana Small and Rural Schools Association.
Ms. Michele Walker, Director of Student Assessment, Dept. of Education.
Mr. Mitch Warren, Director of Admissions, Purdue University.
Mr. Paul Weeks, ACT.
Ms. Shirley Wright, Indiana Middle Level Education Association.
Mr. Ze'ev Wurman, California.
Dr. Jason Zimba, Student Achievement Partners.

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