

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

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6024**

**BILL NUMBER: HB 1052**

**DATE PREPARED:** Nov 1, 2000

**BILL AMENDED:**

**SUBJECT:** ISTEP waiver for children with disabilities.

**FISCAL ANALYST:** David Hoppmann

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

**IMPACT:** Local

**Summary of Legislation:** This bill changes certain requirements for a student with a disability to receive a waiver to graduate from high school without passing the criterion referenced grade 10 Indiana Statewide Testing for Educational Progress (ISTEP+) examination (the Examination). It requires a student who seeks a waiver to: (1) attain the goals established by the student's individual educational program rather than to attain the academic standard in a subject area; and (2) to maintain a passing grade rather than a "C" average.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Local school corporations (via case conference committees for students with disabilities) would have more flexibility in deciding whether or not certain students could be awarded a high school diploma based on goals established by the student's individual educational program, and on passing grades determined by case conference committees.

The specific effects of this bill are currently indeterminable, and would vary from school corporation to school corporation dependant upon local action.

*Background Information:* ISTEP+ is Indiana's statewide student assessment program which is currently given in grades 3, 6, 8, and 10. ISTEP+ includes both norm- and criterion-referenced components, is administered in the fall, and is based upon proficiencies from the previous year.

The norm-referenced component of ISTEP+ compares a student's performance to the performance of a statistically representative sampling of U.S. students. The criterion component of ISTEP+ (which includes

English/Language Arts and Mathematics subject areas), measures student performance against the Indiana Academic Standard (an expectation of student achievement developed by the State Standards Task Force).

Beginning with the graduating class of the 1999-2000 school year, students who expected to graduate with a diploma were required to either: 1) complete all high school graduation credit requirements in addition to receiving a score at or above the Indiana Academic Standard on the Examination; 2) successfully complete all components of the CORE 40 curriculum; or 3) successfully appeal the Examination test results in accordance with current law. A student who does not receive a score at or above the Indiana Academic Standard, may retake the Examination during each semester of each grade following the grade in which the student is initially tested.

For FY 2001, \$37,715,197 was appropriated from the State General Fund and State Dedicated Funds for ISTEP+ testing and remediation (grades 3, 6, 8, and 10). Of this amount, approximately \$25 M was distributed to eligible school corporations for preventative and regular remediation, while approximately \$12 M was distributed for test development and test administration.

#### Students With Disabilities

Students with disabilities may also appeal the Examination test results in accordance with current law. A student's case conference committee may determine that the student is eligible to graduate with a diploma if certain criteria have been met.

Of the students with disabilities in the graduating class of the 1999-2000 school year who have taken the Examination, 55.5% received a score at or above the Indiana Academic Standard. Approximately 23% of the remaining 44.5% graduated high school with a diploma, nonetheless, via the existing appeal provision.

#### **Explanation of Local Revenues:**

##### **State Agencies Affected:**

**Local Agencies Affected:** School Corporations.

**Information Sources:** State of Indiana, List of Appropriations (July 1, 1999 to June 30, 2001); Bob Marra, Division of Special Education, Department of Education (317) 232-0570.