

FISCAL NOTE

Requested by Legislative Council
12/14/2000

Bill/Resolution No.: SB 2036

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

| | 1999-2001 Biennium | | 2001-2003 Biennium | | 2003-2005 Biennium | |
|-----------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Expenditures | \$0 | \$0 | \$0 | \$30,000 | \$0 | \$90,000 |
| Appropriations | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

| 1999-2001 Biennium | | | 2001-2003 Biennium | | | 2003-2005 Biennium | | |
|--------------------|--------|------------------|--------------------|--------|------------------|--------------------|--------|------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$320,000 | \$0 | \$0 | \$1,120,000 |

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

SB 2036 proposes to establish state content standards, to require the adoption of local content standards, and to require the alignment of state standards to local curriculum. The proposed legislation would enact the following provisions:

1. Content standards are to be developed by the state and set at benchmark grades 4, 8, and 12.

2. Content standards would be phased in over a span of two successive school years, beginning with 2002, until all of the following disciplines were fully implemented: English language arts, mathematics, science, social studies, health, the arts, physical education, world languages, and technology.

3. State content standards in every discipline would be continuously updated every five years to remain current with accepted practices.

4. Local districts and nonpublic schools would either adopt the state content standards or develop alternative content standards that meet or exceed the rigor of the state standards, as validated by the state superintendent of public instruction.

5. Local districts and nonpublic schools would align their curriculum to the approved content standards for each discipline. This alignment process would be phased in over a span of three school years, beginning in 2002.

A. Logistical and budgetary impacts to the state.

Within SB 2036, a requirement is placed on the state superintendent to develop state content standards at benchmark grades 4, 8, and 12, in nine discipline areas. These standards are to be updated on a five-year cycle.

Content standards development costs.

The Department of Public Instruction has developed detailed protocols concerning the development and continual revision of state content standards. Given the product and timeline requirements of SB 2036, the Department of Public Instruction will meet all product deadlines as stipulated. The Department's product protocols will accommodate any future scheduled updates. Scheduled revisions to current standards will begin in 2001-2002.

All products have been produced with the use of federal Goals 2000 and Title VI funds. The use of federal funding to revise future updates to the state content standards is contingent on the pending reauthorization of the Elementary and Secondary Education Act. In the event that future federal funding is inadequate, any future updating of state standards would need to shift to state funding. It is estimated, based on well-established practices, that the cost of updating each discipline will approximate \$30,000. An estimated breakdown of development costs to be incurred by the state is provided below.

State Impact to Develop State Content Standards, Benchmark Grades 4, 8, 12
2002-2003

ELA-Revision-\$30,000

Math-Complete-0

Science-Complete-0

Soc Studies-Complete-0

2003-2004

Health-Complete-0

Arts-Complete-0

Phy Ed-Complete-0

World Languages-Complete-0

Math-Revision-\$30,000

2004-2005

Science-Revision-\$30,000

Health-Revision-\$30,000

B. Logistical and budgetary impacts to local districts and nonpublic schools.

Within SB 2036 a requirement is placed on local districts and nonpublic schools to (1) adopt or adapt the state content standards and (2) to align local curriculum to the approved standards.

In establishing estimates to local districts and nonpublic schools, a clear understanding of the proposal's stated requirements is required.

1. Adopting state content standards.

SB 2036 states that local districts and nonpublic schools can minimally adopt the state's content standards at benchmark grades 4, 8, 12. Since the state assumes the full cost and responsibility for developing state content standards at grades 4, 8, and 12, a local district or nonpublic school need assume no cost in adopting state content standards. A district or nonpublic school need only enact through a formal resolution of its school board the adoption of the state's content standards to be in compliance with this provision. It is assumed, however, that the district will incur minimal costs associated with reviewing, publishing, and distributing the standards. These costs are currently absorbed by districts as they regularly review their curriculum guides. The estimated financial impact per local district or nonpublic school, however, for the actual development of the content standards is \$ 0, local funds.

2. Developing alternate academic content standards.

SB 2036 allows local districts or nonpublic schools, at their voluntary discretion, to develop alternate content standards that meet or exceed the rigor of the state's content standards as determined by the state superintendent. Any such standards must minimally address the benchmark grades 4, 8, and 12.

The costs incurred by a district to develop alternate content standards can vary considerably, depending on the scope of grade levels within the project and the depth of research undertaken by the district. A review of historical, local Goals 2000 curriculum development grants indicates that a local district can spend between \$5,000 and \$40,000 to develop alternate content standards per discipline. Although, it must be noted, higher-priced projects cover expanded k-12 grades and incorporate additional curricular alignment and extensive professional development into the costs of such projects.

ESEA and Goals 2000 funding have been available to local districts and consortia for the past six years and has afforded many districts the opportunity to develop their own comparable content standards and curriculum alignment. Within SB 2036, any such projects are strictly voluntary with costs to be incurred by the district or nonpublic school that seeks such an option. Federal funds are readily available to local districts and nonpublic schools through various professional development and curriculum development programs.

If a district were to develop its own alternate content standards at a minimal benchmark level using various outside documents for validation, it may, based on historical documentation, anticipate a cost of \$5,000. This cost would only cover the alternate content standards and not curriculum alignment. However, since an alternate standard is not required by SB 2036, it would not be an appropriate state cost. Therefore, the estimated, required, financial impact to local districts and nonpublic schools regarding alternate content standards, is \$ 0, local funds.

3. Aligning curriculum to content standards.

SB 2036 provides that the state superintendent require local districts or nonpublic schools to align their curriculum to approved content standards at the benchmark grades 4, 8, and 12. The process of aligning curriculum to approved standards is to be phased in over the course of three school years.

Because content standards, by their nature, are high-level content guides, they cannot stand alone as a legitimate curricular tool ready for classroom use. Content standards, instead, serve as a foundation upon which any curriculum is built. And it is expected that any such alignment process will cost money. Any alignment activity must minimally address the benchmark grades 4, 8, and 12. To align additional grades beyond the benchmark is strictly voluntary.

The costs incurred by a district to align curriculum to standards can vary considerably, depending on the scope of the project's grade levels and the depth of research undertaken by the district. As itemized above regarding standards development, a review of historical, local Goals 2000 curriculum development grants indicates that local district can spend between \$5,000 and \$40,000 to align curriculum to standards per discipline. Although, it must be noted, higher-priced projects cover expanded k-12 grades and incorporate extensive professional development into the costs of such projects.

ESEA and Goals 2000 funding have been available to local districts and consortia for the past six years and have afforded many districts with the opportunity to align curriculum to standards. Federal funds are readily available to local districts and nonpublic schools through various professional development and curriculum development programs.

Based on historical grant documentation and a budget survey of three districts engaged in extensive curriculum alignment, the establishment of content standards, and the alignment of curriculum to standards combined at grades

4, 8, and 12 would cost districts or consortia approximately \$5,000 per discipline to conduct. A \$5,000 estimate is considered liberal to accomplish the minimal requirements of SB 2036. The chart below offers an overview of the estimated costs per year per district/consortium to be in compliance with SB 2036. It must be noted, that many schools conduct curriculum development and professional development within consortia. It is reasonable to assume, based on historical practice, that the vast majority of districts would develop curriculum alignment within a consortium.

Local District/Consortium Impact for Curriculum Alignment At Benchmark Grades 4, 8, 12

2003-2003

ELA-\$5,000

Math-\$5,000

2003-2004

Science-\$5,000

Soc Studies-\$5,000

2004-2005

Health-\$5,000

Arts-\$5,000

Phy Ed-\$5,000

Technology-\$5,000

World Languages-\$5,000

Based on the table above, a district/consortium that would conduct its own curriculum alignment would incur a cost of approximately \$45,000 to accomplish the requirements of SB 2036 over a three-year span. It is estimated, based on previous curriculum development activity, that approximately 20 districts might participate in independent curriculum development activities and the remaining districts might participate within approximately 40 curriculum development consortia. Therefore, if each district or consortium pursued its own independent curriculum alignment activities, 65 district/consortium centers combined would generate separate curriculum alignment activities at an estimated cost of \$325,000 per discipline.

Three mitigating factors will lessen any such development costs that might be absorbed by the state's general fund.

First, several districts and consortia (e.g., Grand Forks, Bismarck, Wahpeton) have invested considerable financial and human resources, with the aid of federal grants, to generate grade-specific, k-12, content standards and aligned curricula in most disciplines. These products have undergone considerable validity reviews and are being made available to any interested districts or consortia, free of charge. Such free exchanges of products have greatly reduced development costs to districts. Even if a district were to develop its own curriculum alignment, it would do so at a reduced cost. Given the requirements of SB 2036, it is conceivable and permissible for a district to adopt the aligned curriculum of another district or consortium at no cost. Therefore, if a district were to adopt another district's curriculum alignment, it is possible for a district to meet the full requirements of SB 2036 for \$0.

Second, many districts have already invested into and completed their curriculum alignment activities. Although the Department of Public Instruction has not collected curriculum alignment data thus far, anecdotal reports from the field indicate increased alignment activity within the past three years. Curriculum development is an ongoing, historical activity of districts. It is something that simply must be done to be in compliance with state accreditation rules. As districts have rotated through their curriculum development work, they have done so increasingly with an eye on the state's content standards. If SB 2036 were to be enacted, by 2002 most districts will have begun some degree of alignment using federal funding and the collegial assistance of other districts or consortia.

Third, districts and consortia have accessed federal ESEA and Goals 2000 funding which has been dedicated largely to standards-related activities. Since 1994, the state's local districts have received approximately \$7,000,000 in Goals 2000 funding; \$7,000,000 in Title II Professional Development funding; \$8,000,000 in Title VI: Innovative Instruction funding; and an allowable portion of the Title VI: Class-Size Reduction funding, which now totals \$11,700,000. Although the reauthorization of ESEA is pending in Congress and its specifics are yet to be determined, there is every indication that federal funding for such professional activities will continue at comparable levels.

It is reasonable to assume for estimation purposes that by the year 2002, given the increasing number of curriculum alignment products available free to districts, approximately 50% of districts will meet the requirements of curriculum alignment. Those districts that do not comply by 2002 can adopt other districts' standards-aligned curriculum or develop their own. If the legislature were to underwrite such activities through the general fund, it is estimated that it would cost \$160,000 to fund 32 curriculum development efforts per discipline. Listed below is a chart that summarizes possible statewide costs within such a scenario.

Statewide Impact for Curriculum Alignment 32 District/Consortia Projects 2002-2003

ELA-\$160,000

Math-\$160,000

Total Cost-\$320,000

2003-2004

Science-\$160,000

Soc Studies-\$160,000

Total Cost-\$320,000

2004-2005

Health-\$160,000

Arts-\$160,000

Phy Ed-\$160,000

Technology-\$160,000

World Languages-\$160,000

Total Cost-\$800,000

It may be advisable to lessen any strains to local districts by stretching the implementation phase over four years versus the proposed three years. This may place world languages and technology in the fourth year. Introducing two disciplines per year on a district's curriculum agenda is an achievable task; four is not.

4. Sustained, supportive professional development costs.

The focus of SB 2036 lies in adopting local content standards and aligning curriculum to these standards. The preceding testimony outlines anticipated costs associated with this process, resulting in proficient compliance with the law. Inherent in any such endeavor is the cost of sustainable, long-term professional development. Because Proposal I entails activities required to establish compliance with the law, my testimony will not address the long-term professional development costs. Professional development costs, by their very nature, span many years in order to incorporate educational best practices into instructional and administrative activities. Sustaining professional development is also a fundamental reason that Congress appropriates millions of dollars annually to North Dakota schools. Federal ESEA, IDEA, and Goals 2000 funding is solely dedicated to these supplemental education improvement activities. If Proposal I were to be enacted there will exist a pool of federal funds for local schools to access in order to pursue ongoing professional development. What will be required of local schools is that they reprioritize activities in order to accomplish this aim.

This section has overviewed anticipated logistical and budgetary impacts related to SB 2036

· All funds expended are identified as federal curriculum or professional development funds.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

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Agency: Public Instruction
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Prepared: