TO: Illinois State Board of Education
FROM: Dr. Robert E. Schiller, Superintendent
Dr. Christopher Koch, Director

Agenda Topic: Action Item:
Illinois GED Testing Program
Application Fee Increase

Materials: N/A
Staff Contact(s): Tanya Patton, Brenda Carmody

Purpose of Agenda Item
To consider the recommendation of the GED 2002 Fee Committee and approve the proposed GED application fee increase.

Expected Outcome(s) of Agenda Item
The Board will review and concur with the recommendation of the GED 2002 Fee Committee (representing the State Board of Education, Community College Board, Department of Corrections, Regional Offices of Education, adult education service centers, and adult education programs) to increase the GED application fee from $30 to $35 effective January 1, 2003.

Background Information
ISBE is responsible for policy implementation and jurisdictional administration of the GED Testing Program establishing fees (ISBE was granted the authority to set GED fees under Section 3-15.12 of the School Code (105 ILCS 5/3-3.37)), and supervision of all testing centers within Illinois. The Regional Offices of Education administers the GED Testing Program for ISBE at the local level (excluding Cook County). Funds to operate the program are received from GED candidates in the form of application, retest, duplicate certificate, and transcript fees, with excess costs absorbed by the Regional Offices of Education. Except for the funding provided to ISBE by the General Assembly for per person fees and completion of its GED responsibilities as the Chicago ROE in Cook County, the state provides no direct funding for the Illinois GED Testing Program.
The GED Testing Service (GEDTS) introduced a new series of tests on January 1, 2002. As a summative evaluation of what graduating seniors should know, the GED Tests changed to mirror the states’ evolving educational standards. The changes required a cost increase that is not negotiable, resulting in a potential financial crisis for the Illinois GED Testing Program. Additional costs of the 2002 Series GED Tests include an increase in leasing fees for test batteries, an increase in the per person fee assessed to jurisdictions for first-time examinees, and the establishment of a statewide electronic scoring system. In response to the increases, in July 2001, ISBE convened a GED 2002 Fee Committee to review Illinois’ options for handling the additional fees for testing and the cost of electronic scoring.

Funds to operate the GED Testing Program are received in the form of application ($30), retest ($5-30), duplicate certificate ($10), and transcript fees ($2) from the approximately 45,000 GED candidates that test annually in Illinois. These fees are used to secure the services of an examiner, provide clerical support and test security, archive/retrieve/distribute transcript information, issue certificates, purchase testing materials, and adhere to various programmatic and security guidelines as established by the GEDTS and ISBE. These costs vary by ROE depending on the number of examinees, the number of times testing is conducted, examiner fees, number of tests purchased, etc. Regular communication with the Regional Superintendents indicates that the existing GED funding system cannot accommodate additional increases because administrative costs have risen substantially in recent years. These rising costs include, but are not limited to, examiner/proctor fees, facility expenses, postage, support staff, and electronic scoring equipment.

Appropriation

ISBE receives $210,000 each fiscal year from the General Assembly to offset costs associated with the GED Testing Program as a result of the per person fee for first-time examinees the GEDTS instituted in 1997.

Recommendations of the GED Fee Increase Committee to ISBE

The Committee examined the fiscal structure of the testing program and developed a plausible solution. It was determined that test takers could and should incur some of the cost however, assigning the entire cost to the GED candidate seriously could limit a candidate’s opportunity to take the test and become productive employees or pursue postsecondary education. As a result, the Committee recommended sharing the various additional costs with the applicant and the State of Illinois. The following recommendations were suggested: (1) a nominal increase in the application fee for test takers, (2) utilizing remaining funds to pay a portion of the test rental fees, and (3) an additional state appropriation.
Committee Recommendation #1 - Test Taker Fee Increase
It is recommended that the initial applicant fee be increased by $5 (from $25 to $30) effective January 1, 2002. The modest increase would offset rising administrative costs associated with the new test that were outlined above.

**STATUS:** ISBE concurred with Recommendation #1 and the proposed fee increase was implemented on January 1, 2002.

Committee Recommendation #2 - Utilizing Remaining Funds
In FY02 the two areas of increased costs that will occur between January 1, 2002 and June 30, 2002 are test battery rental fees and per person initial test taker fees. Based on the number of test takers in past years, it is projected that ISBE will have enough funds remaining in the $210,000 appropriation to cover the increases. It is recommended that ISBE utilize these remaining funds to support the FY02 increases listed above.

**STATUS:** ISBE concurred with Recommendation #2 and the remaining funds from the FY02 $210,000 appropriation were used to offset the increased costs for test battery rental.

Committee Recommendation #3 - Additional Appropriation
There are further increases associated with test rental fees and per person fees that began in FY03 and remain fixed through FY06. Based on the number of test takers in past years, the current appropriation of $210,000 will not cover the increased costs the committee recommended the State of Illinois should assume. Projected estimates indicate an additional $100,000 will be required to offset the increased costs. Therefore, it is recommended that the GED Testing line item be increased from $210,000 to $310,000 in the budget request for FY03 – FY06.

If additional funds were not appropriated to cover the increased costs, the committee determined another application fee increase of $5 (from $30 to $35) would be necessary effective January 1, 2003.

**STATUS:** ISBE did not seek additional funding from the General Assembly for FY03 – FY06. The GED Testing line item remained level funded at $210,000 in FY03.
ISBE Approved GED Fee Increases
Below are the fee increases that have been implemented since ISBE was granted the authority to set GED fees by rule in 1998.

- The application fee was restructured in 1998 by combining the existing $15 test fee and $10 diploma fee. Effective September 1, 1998, the application fee for taking the GED Tests was $25. Retest fees remained the same ($2 for all tests except the writing test, which was $5).

- The retest fees were increased on September 1, 2000 (from $5 to $10 for writing, and from $2 to $5 for the other tests). The application fee remained the same ($25).

- On January 1, 2002, the application fee increased from $25 to $30 to cover rising administrative costs associated with the release of the 2002 series GED Tests. The retest fees remained the same.

Analysis and Implications for Policy, Budget, Legislative Action and Communications

Policy Implications
The statutory authority for Illinois state GED responsibilities are outlined in the School Code. ISBE has the responsibility for coordinating a statewide system for the issuance of high school equivalency certificates. In addition, ISBE has rulemaking and standard-setting authority. The ROEs have administrative and certificate insurance authority in all regions of the state, except Cook County. In Cook County, ISBE directly operates the GED program.

Budget Implications
The proposed increase will provide the additional revenue necessary for the Regional Offices of Education to administer the GED Testing Program without imposing an extraordinary burden for the test takers. To increase the application fee will generate additional revenue for the lockbox in Cook County and help offset the cost of the contract to ISBE and possibly reduce the agency’s need to request state funds to support the Cook County GED Testing Program.

Legislative Action
ISBE was granted the authority to set GED fees, therefore legislative action is not required to implement the proposed fee increase.

Communication
There is a critical need to communicate the GED fee increase in a timely manner so that the Regional Offices of Education and adult education community have sufficient opportunity to inform GED candidates of the change in policy.
Pros and Cons of Various Actions

Pro: The GED Testing Program remains a low cost high school completion program and provides tremendous value for individuals who seek to earn an Illinois High School Equivalency Certificate. A recent review of the rate structure indicates Illinois GED application and retest fees are among the lowest in the nation.

Con: Some advocates in the adult education community may object to a fee increase because it could limit testing opportunities for GED candidates that lack sufficient funds.

Superintendent’s Recommendation

The Superintendent will recommend that the Board accepts the recommendation of the GED 2002 Fee Committee to increase the GED application fee from $30 to $35 effective January 1, 2003.

Next Steps
There will be a need to review the fiscal structure of the Illinois GED Testing Program again in FY05. The recent fee increases instituted by GEDTS will remain constant through calendar year 2006, at which time GEDTS in Washington will review the existing fee structure to determine if additional increases are necessary.