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FISCAL IMPACT STATEMENT

LS 7779

BILL NUMBER: HB 1838

NOTE PREPARED: Jan 26, 2005

BILL AMENDED:

SUBJECT: Academic standards assistance pilot program.

FIRST AUTHOR: Rep. Porter

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

(A) The bill requires the Department of Education to establish and administer an academic standards assistance pilot program.

(B) The bill provides for 30 schools selected by the State Superintendent of Public Instruction to serve as pilot schools.

(C) The bill requires the assessment of pilot school students in the early grades and the development of an academic standards progress report for each student assessed. The bill provides for the establishment of an academic standards progress plan for each student in a pilot school who does not meet certain educational standards. The bill requires each pilot school to revise its strategic and continuous school improvement and achievement plan and to implement an academic progress assistance plan that sets new goals and establishes new programs for the school.

(D) The bill provides for funding of the pilot program by the state and the school corporations of the pilot schools. The bill provides that the pilot program law expires July 1, 2010. The bill makes other provisions to improve academic achievement and establish educational responsibilities for students in prekindergarten through grade 12.

Effective Date: July 1, 2005.

Explanation of State Expenditures: (A), (C), & (D) *State Funding of Pilot Program:* Under the bill, the state would fund 30 school academic standards assist pilot programs. The state would be required to pay all costs attributable for the following:

- (1) Additional programs and staff;
- (2) Increases in salaries, wages, and facility maintenance/utilities;
- (3) Latch key programs that are attributable to children whose total household income is less than 200% of the federal income poverty level.

Assessments: The bill would require assessments for those students selected for the pilot program. Currently the state assessment, ISTEP, is given to Grades 3-10. Beyond what the state currently expends on ISTEP assessment, the state would have to fund the testing of Grades K-2 and the retesting of all students in a pilot school that do not pass the initial assessment. (Under current law, only grade 10 students that do not pass the GQE are allowed to retake.) The bill would require the development of an electronic assessment bank that assesses basic and applied skills and may be used to reassess student proficiencies. It is assumed that the bank would be developed with existing test questions which are no longer used. No additional cost is estimated for the bank development. The state receives approximately \$7.9 M annually from the federal government for implementation of the assessment requirements in the No Child Left Behind Act. The federal funds could be used to pay for the additional assessments.

Academic Progress Reports: The school would be required to provide the parent with an academic standards progress report that contains the student's most recent test results, grades, attendance record, and disciplinary record. The school would provide a report on the school's readiness, early literacy, or reading diagnostic aggregate mastery rates on the assessments broken down by grade, racial and ethnic group, students eligible for free lunch, students designated as limited English proficient, and special education students.

Student, Parent, and Teacher Meetings: The bill would require teachers, students that do not pass the assessment, and their parents to meet and develop a plan. If a teacher were to meet outside of school hours the cost for the teacher's time would increase. However, the cost could be mitigated if meetings were to occur during the school day.

Tutoring: The bill provides additional tutoring to students that fail to pass or just pass the assessments for Grades K-10. The amount of additional tutoring ranges from 16 hours to 128 hours depending on the student's performance on the assessments. The cost to provide the tutoring would depend on whether full-time teachers were hired for less than the estimated hourly rate for a teacher and the class size.

Reading Specialists: The bill would require a reading specialist for every 25 students that are more than 0.25 of one standard deviation below the passing score at the qualifying school. The estimated number of reading specialists would depend on the number of students participating.

Primetime II: The bill would reduce the student - teacher ratio in Grades 3-4 to 20 to 1, and Grades 5-8 to 24 to 1.

Student-Family Assistance Program: The bill would require qualifying schools to have a student-family assistance program conducted by certified counselors or social workers.

Latch Key Program: Qualifying schools would be required to offer a latch key program at school.

Professional Development: The bill would require 10 professional development days for all staff and an additional 20 days for 1/3 of the staff of qualifying schools.

Alternative Education: Qualifying schools would be required to provide an alternative education program.

English Language Proficiency: Under the bill, the Department of Education would be required to contract with pilot program schools or other providers to implement English language learning programs for students and parents that are not fluent in English.

The impact to state expenditure is indeterminable, as the schools selected and number of students involved is not known. The bill does not make an appropriation to cover these expenditures. Ultimately, the source of funds and resources required to satisfy the requirements of this bill would depend upon legislative and administrative actions.

(B) *Pilot Schools:* Under the provisions of the bill, in the 2005-2006 school year, the State Superintendent, under approval of the State Board of Education, would select 30 schools for the pilot program. The schools selected would include elementary, middle, and high schools. Additionally, the schools selected would represent rural, urban, and suburban school corporations.

Schools chosen to participate in the pilot program would need to have an average pass rate on the ISTEP examination of *not more than* 40% for both English and mathematics.

Background: Analysis of Department of Education statistics from school year 2003-2004 revealed that several schools exist with an ISTEP combined English and math pass rate at or below 40%. The following table illustrates the number of schools by grades (3,6,8, and 10) that were at or below the 40% pass rate.

Grade Tested	Number Of Schools By Grade At Or Below 40% Combined Pass Rate
3	99
6	67
8	63
10	52

Note: The above table does not depict the number of schools that may be eligible under the pilot program. The table depicts the number of schools that contained a grade found to be at or below a 40% ISTEP pass rate. Several school corporations consider grade 6 to be an elementary grade while other corporations consider grade 6 to be a middle school grade. The analysis found that there were 18 individual schools with grades 3 & 6 at or below the 40% pass rate during school year 2003-2004. Additionally, there were 33 school buildings with both grades 6 & 8 with an ISTEP pass rate at or below 40% during school year 2003-2004. The results were drawn from 1,990 public school buildings.

Explanation of State Revenues:

Explanation of Local Expenditures: (C) & (D) Under the bill, school corporations that would be selected to

participate in the pilot program would be required pay for the following expenditures:

- (1) Additional transportation costs to increase minimal instructional time (via the school's transportation levy.)
- (2) Expanded or improved instructional facilities to implement programs and services (via the school's capital projects fund excess levy.)

School Facilities: The addition of Primetime II would likely require the qualifying schools to have additional classrooms. The facilities' costs would be paid locally. The amount of new classrooms needed would depend on the schools selected for the pilot program.

Explanation of Local Revenues: See *Explanation of State Expenditures* for revenues the school would receive from the state.

Under the bill, a pilot school would be able to continue reception of state funding for five years if the school improved performance to the level at which 50% of the school's students:

- (1) Demonstrate mastery of school readiness, early literacy, or reading standards;
- (2) Achieve passing scores on assessments (determined appropriate by the Department of Education) under the direction of the bill.

State Agencies Affected: Department of Education; Student Assistance Commission.

Local Agencies Affected: Local schools.

Information Sources: DOE SAS AND ORACLE DATABASES.

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