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FISCAL IMPACT STATEMENT

LS 6755
BILL NUMBER: SB 526

NOTE PREPARED: Jan 13, 2009
BILL AMENDED:

SUBJECT: School Performance Consequences.

FIRST AUTHOR: Sen. Lubbers
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that certain consequences apply to schools in either of the two lowest categories or designations of school improvement. (Current law provides that the consequences apply to schools within the lowest category or designation.) The bill shortens the period before the consequences apply.

Effective Date: July 1, 2009.

Explanation of State Expenditures: The bill would require five modifications to the time line and consequences of schools in the lowest two categories of improvement.

1. Schools initially placed in the lowest 2 categories, academic watch or academic probation, would be notified by the State Board of Education, (Board), of the placement. Schools would then be required to hold a public hearing concerning the lack of improvement. The school board would be required to make changes to the school improvement plan that could include shifting resources, changing personnel, or requesting the Board to appoint an outside team to manage or assist in the development of the new plan. Currently, this requirement is only for schools in the academic probation category. In 2007 there were 127 schools in the academic probation and 678 schools in the academic watch category. The state impact would probably be minor. Locals would also incur some expense with the modification of the school improvement plan and possible shifting of resources.
2. Currently, the Board is required to send management teams to assist with the revision of the school's improvement plan after the school is in academic probation for four years. There are about 37

schools that were in their third year of probation in 2007. The bill would require the teams to assist probation schools in the second year of probation. There were 127 academic probation schools in 2007. The state impact would depend on the size of the management teams and what per diem might be paid to the members. If a team of five members spent 10 days in the school and received a per diem of \$300 per day, the cost would be \$15,000 per school. The additional 90 schools (127 probation schools minus the 37 third-year probation schools) would then cost about \$1.35 M. The local impact would be providing space for the management team, meeting with the team, and implementing recommendations. The impact is unknown.

3. The bill would also requires the Board to send management teams to assist with the revision of the school's improvement plan after the school is in academic probation or watch for four years. Since the Board was required to send a management team in the second year of academic probation the impact is mainly for schools who are in academic watch category for three years. There were 678 academic watch schools in 2007. There would also be an expense for schools that had been on academic watch for three years. For the 2007 school year 418 schools had been in academic watch for 2 years. If teams were sent to those schools, like the academic probation schools at \$15,000, then similar costs might be about \$6.3 M. The local impact would be providing space for the management team, meeting with the team, and implementing recommendations. The impact is unknown.
4. Currently the Board is required to conduct at least one hearing to solicit testimony on possible options for the school including merging the school or assigning a special management team to operate the school after the school is placed in academic probation for six years. The bill would reduce the time line to three years. The state impact of conducting the public hearing would probably be minor. The local impact would depend on the recommendation of the Board and is unknown.
5. The bill would also require the Board to conduct at least one hearing to solicit testimony on possible options for the school including merging the school or assigning a special management team to operate the school after the school is placed in academic watch or probation for six years. The bill would increase the number of public hearings the Board would have to conduct. For the 2007 school year 418 schools had been in academic watch for 2 years. The cost of conducting the meeting would probably be minor. The local impact would depend on the recommendation of the Board and is unknown.

Background: Schools are placed in one of five categories based on improvement. The two lowest categories are academic watch and academic probation. A school with an ISTEP passing score of 66% and improvement in the passing score of 2% or more would be placed in academic progress. Otherwise, the school would be in academic probation.

Improvement (Average passing rate improvement over 3 years)					
Performance (% passing ISTEP)	Exemplary Progress	Commendable Progress	Academic Progress	Academic Watch	Academic Probation
>= 90%					
>= 80%	>=1%	<1%			
>= 70%	>=3%	>=2%	>=1%	<1%	
>= 60%	>=4%	>=3%	>=2%	<2%	
>= 50%	>=5%	>=4%	>=3%	<3%	<0%
>= 40%	>=6%	>=5%	>=4%	>=1%	<1%
<40%		>=6%	>=5%	>=3%	<3%

Currently, if a school is in academic probation for four years, then the State Board of Education has to appoint an outside team to assist the school in revising its school improvement plan and recommend changes in the school that will promote improvement. The expert teams must include representatives of the community and may include school superintendents, members of school boards, or teachers from schools that are in high categories. After six years the State Board of Education has to conduct at least one hearing to solicit testimony on possible options for the school including merging the school or assigning a special management team to operate the school.

There were approximately 37 schools that have been on probation for the third year in 2007. The Department of Education has requested \$5 M for FY 2010 and \$3 M for FY 2011 in the state budget to implement the current requirement. Since the categories are based on improvement over a 3-year period, the first year schools would be subject to the consequences is the 2009-2010 school year.

Explanation of State Revenues:

Explanation of Local Expenditures: *See Explanation of State Expenditures.*

Explanation of Local Revenues:

State Agencies Affected: Department of Education.

Local Agencies Affected: Schools.

Information Sources:

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