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FISCAL IMPACT STATEMENT

LS 6994

BILL NUMBER: SB 384

NOTE PREPARED: Feb 27, 2012

BILL AMENDED: Feb 27, 2012

SUBJECT: School Accreditation.

FIRST AUTHOR: Sen. Kruse

FIRST SPONSOR: Rep. Behning

BILL STATUS: CR Adopted - 2nd House

**FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL**

IMPACT: State & Local

Summary of Legislation: *(Amended) Accreditation:* This bill makes various changes, beginning in 2013, to the manner in which a school may be accredited under a performance based accreditation system. It provides that a school may be accredited under a performance based accreditation system approved by the Indiana State Board of Education (State Board) or by a national or regional accreditation agency that is approved by the State Board. The bill also provides that the State Board shall establish: (1) a system for approving agencies or entities that seek to accredit schools in Indiana under this chapter; and (2) a procedure for determining whether a school is making progress toward meeting the criteria for accreditation by a national or regional accreditation agency approved by the State Board.

The bill provides that the Indiana Department of Education (Department) shall establish a schedule for verifying compliance with legal standards and shall report noncompliance to the State Board. It requires the State Board to verify compliance with legal standards and to adopt rules to establish consequences of noncompliance. The bill requires the Department to publish on its Internet web site the accreditation status and legal compliance status of each school and school corporation. It also eliminates the probationary accreditation status. It provides that the Department shall determine when a school or a school corporation has complied with certain legal standards. The bill also provides that the Department may conduct an onsite evaluation of a school or school corporation to make a recommendation to the state board as to the legal compliance status of the school or school corporation.

Charter School 3rd Grade Reading Remediation: The bill provides that a reading deficiency remediation plan for a charter school is required to include and may only include a method for making determinant evaluations of reading skills by grade 3 and retention as a last resort for students reading below standard.

Nonaccredited Nonpublic School Transfer: The bill requires a student and a parent or guardian of the student to present an education plan to the principal if the student is a high school student transferring from a public school to a nonaccredited nonpublic school located in a private residence.

Turnaround Academy: The bill sets forth provisions for the operation of a turnaround academy.

Non-Public School Student Transportation: The bill provides that a school corporation that is required to provide transportation to a nonpublic school student is required to provide the transportation to or from the point on the regular route that is nearest or most easily accessible to the nonpublic school from which the student can safely walk to and from the nonpublic school.

The bill makes conforming amendments.

The bill makes technical corrections.

Effective Date: (Amended) Upon Passage; July 1, 2012.

Explanation of State Expenditures: *Accreditation:* The provision allowing schools to be accredited under a performance-based accreditation system approved by the State Board or by national or regional accreditation agencies approved by the State Board would depend on the number of systems the State Board might approve. Under current law, the State Board is to establish a performance-based accreditation system. The potential fiscal impact is probably minor.

Currently, there are two accreditation statuses: full accreditation status and probationary accreditation status. The bill would eliminate the probationary accreditation status and replace it with not fully accredited status. The provision should have no fiscal impact.

The legal requirements for accreditation are the same as current law. The provision should have no fiscal impact.

If a school has not met the legal requirements or school performance exceptions, current law requires a review panel consisting of a member of the Department, a classroom teacher, and a representative of the field of education to conduct an onsite evaluation. The bill would change the onsite evaluation to be conducted only by the Department and to review only the legal requirements. The provision could reduce the cost of onsite evaluations.

Background: Schools would have to comply with the following legal requirements:

1. Health and safety requirements.
2. Minimum time requirements for school activity.
3. Curriculum offerings.
4. Development and implementation of a staff evaluation plan.
5. Completion of a school improvement plan.
6. Local salary scale.

(Revised) *Charter School 3rd Grade Reading Remediation:* The requirement that the State Board of Education's plan for ensuring that charter school students are reading at grade level by the end of grade 3 to

include only an assessment of each student's reading level in grade 3 and retention of a student as a last resort should have no fiscal impact.

(Revised) *Turnaround Academy*: The bill would codify the rules the State Board of Education has promulgated on turnaround academies.

Background: After the management team takes over control of a school, the team's operating expenses are funded from the state tuition support formula by redirecting the dollars from the school corporation to the management team. For the 2012-13 school year, there are five schools that have been assigned management teams by the State Board of Education to operate the schools, and two teams as lead partners in assisting the school corporation in improving performance.

Explanation of State Revenues:

Explanation of Local Expenditures: *Accreditation*: The bill could provide schools with more accreditation options. They could either be accredited by an accreditation system approved by the State Board or by a national or regional accreditation agency approved by the State Board. Current law requires that the State Board establish a performance-based accreditation system.

(Revised) *Non-Public School Student Transportation*: The impact of clarifying that public schools who transport non-public school students to the nearest or most accessible point to the nonpublic school from which the student can safely walk should have minor impact.

(Revised) *Charter School 3rd Grade Reading Remediation*: The requirement that the State Board of Education's plan for ensuring that charter school students are reading at grade level by the end of grade 3 to include only an assessment of each student's reading level in grade 3 and retention of a student as a last resort should give charter schools greater flexibility in remediating 3rd grade students. This bill could reduce charter school remediation expenditures.

Background: Currently, Department of Education administrative rules require 3rd grade remediation to include, but is not limited to the following types of remediation:

1. Scientifically-based reading strategies that meet the student's needs.
2. Instruction by an effective teacher as measured by student performance results.
3. At least 90 minutes of reading instruction each day.
4. At least 1 of the following instructional options:
 - a. Tutoring before or after school.
 - b. Parent workshops and a parent-guided home reading program.
 - c. A mentor or tutor with specialized reading training and may include volunteers or school staff.
 - d. Extended-day programs.
 - e. Supplemental instruction services.

(Revised) *Nonaccredited Nonpublic School Transfer*: The bill requires the student's school principal to receive the proposed education plan of a high school student who is transferring to a nonaccredited nonpublic school located in a private residence. The principal is required to inform the student's parents minimum educational responsibilities for the student that failure to ensure compliance could result in a charge of neglect. If the student and parent do not provide an education plan to the principal, the principal is required to report the student to the Bureau of Motor Vehicles as a dropout. The impact on local schools would probably be minor.

Explanation of Local Revenues:

State Agencies Affected: Department of Education.

Local Agencies Affected: Local schools.

Information Sources:

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