



## Fiscal Estimate Narratives

DPI 12/17/2013

LRB Number	13-2910/3	Introduction Number	SB-286	Estimate Type	Original
<b>Description</b> Student information system, a school and school district accountability system, low-performing schools and school districts, and charter school contracts					

### Assumptions Used in Arriving at Fiscal Estimate

Current law directs the Department of Public Instruction (DPI) to develop a proposal for a multiple-vendor student information system (SIS). DPI must submit the proposal to the Joint Committee on Finance (JCF) for its approval. If JCF approves the proposal, DPI must implement it and must ensure that information about pupils enrolled in charter schools and about pupils enrolled in private schools participating in a parental choice program (PCP) is collected and maintained in the SIS. Current law also provides that if the SIS is established, DPI must ensure that within five years, every school district and every charter school is using the SIS, and that every private school participating in a PCP is either using the SIS or is using a system that is interoperable with the SIS. Current law authorizes DPI to promulgate rules establishing a fee for use of the SIS.

This bill provides that if the SIS is established, DPI must ensure that within five years, every school district and every charter school, other than an independent charter school, is using the system. The bill also provides that, beginning in the 2014–15 school year, DPI must ensure that every independent charter school and every private school participating in an SIS is either using the SIS or is using a system that is commercially available, capable of providing the information required, able to obtain pupil identification numbers, and compatible with the most recent version of the Schools Interoperability Framework. If the SIS is established, the bill allows DPI to promulgate rules establishing a fee for using the SIS. Finally, the bill specifies that a private school participating in a PCP is not required to include in the SIS it is using information about pupils who are not attending the private school under the PCP.

### SCHOOL AND SCHOOL DISTRICT ACCOUNTABILITY

Current law directs DPI, annually by September 1, to publish a school and school district accountability report that includes the following components:

1. Multiple measures to determine a school's performance or a school district's improvement, including pupil achievement and growth in reading and mathematics; measures of college and career readiness; and gaps in pupil achievement and graduation rates categorized by various factors.
2. An index system to identify a school's level of performance and annually place each school into one of five performance categories.

Current law provides that one year after an independent charter school or a private school participating in a PCP begins using the SIS or a system that is interoperable with the SIS, DPI must include the school in its school accountability report.

This bill eliminates all of the above provisions and establishes a school and school district accountability system, initially effective in the 2014–15 school year, that is applicable to public schools, charter schools, and private schools participating in a PCP. The bill directs DPI to determine a school's and school district's performance in the following areas:

1. Pupil achievement in reading and mathematics.
2. Growth in pupil achievement in reading and mathematics, calculated using a value-added methodology.
3. College and career readiness.
4. Gap closure in pupil academic achievement and graduation rates.
5. Pupil engagement in school.

The bill specifies the information about a school or school district that DPI may use to measure performance in each of the above areas. For a private school participating in a PCP, the bill directs DPI to use for each area only information that pertains to pupils attending the private school under the PCP.

The bill requires DPI to issue an annual accountability report for each school and school district that indicates the school's or school district's overall performance on the following scale:

1. Significantly exceeds expectations.
2. Exceeds expectations.
3. Meets expectations.
4. Meets few expectations.
5. Fails to meet expectations.

The bill directs the Legislative Audit Bureau annually to study DPI's methodology for calculating the performance of schools and school districts and report its findings each January to the appropriate standing committees of the legislature.

## LOW-PERFORMING SCHOOLS AND SCHOOL DISTRICTS; INTERVENTIONS

Current law requires a school board and DPI to take certain steps if a school or school district is in need of improvement or among the lowest performing, as follows:

1. If DPI determines that a school district has been in need of improvement for four consecutive school years, the school board must:
  - a. Employ a standard, consistent, research-based curriculum that is aligned with the state's model academic standards.
  - b. Use pupil academic performance data to differentiate instruction to meet individual needs.
  - c. Implement a system of academic and behavioral supports and early intervention for pupils.
  - d. Provide additional learning time to address the academic needs of pupils who are struggling academically.
2. If DPI determines that a particular public school has been in the lowest performing 5 percent of all public schools in the state in the previous school year and is located in a school district that has been in need of improvement for four consecutive school years, the school board must do the following in the school:
  - a. Use rigorous and equitable performance evaluation systems for teachers and principals.
  - b. Adopt a policy establishing criteria for evaluating whether the distribution of teachers and principals within the affected schools relative to the distribution of teachers and principals throughout the school district, based on their qualifications and effectiveness, is equitable. If the school board determines that the distribution is inequitable, the school board must eliminate those policies and constraints that prevent low-performing schools from recruiting, placing, and retaining effective teachers and principals, and provide additional support to teachers and principals.
  - c. Establish teacher and principal improvement programs.
  - d. Adopt placement criteria for principals that include performance evaluations and measures of pupil academic achievement.
3. If DPI determines that a school district has been in need of improvement for four consecutive school years, DPI may direct the school board to do one or more of the following in the school district:
  - a. Implement or modify activities enumerated for low-performing school districts above.
  - b. Implement a new or modified instructional design.
  - c. Implement professional development programs.
  - d. Implement changes in administrative and personnel structures.
  - e. Adopt accountability measures to monitor the school district's finances or to monitor other interventions.
4. If DPI determines that a public school is located in a school district that has been in need of improvement for four consecutive school years, and that the school has been in need of improvement for five consecutive school years or was among the lowest performing 5 percent of all public schools in the state in the previous school year, DPI may direct the school board to do one or both of the following in the school:
  - a. Implement a new or modified instructional design.
  - b. Create a school improvement council to make recommendations to DPI regarding improving the school.

This bill makes various changes to the above provisions, including the following:

### School districts

If DPI determines that a school district has performed at the lowest performance level for three consecutive school years, the school board must:

1. Complete a DPI-approved diagnostic review of the school district.
2. Employ a standard, consistent, research-based curriculum that is aligned with the state's model academic standards.
3. Use pupil academic performance data to differentiate instruction in order to meet individual pupil needs.
4. Implement a system of academic and behavioral supports and early intervention for pupils.

5. Provide additional learning time to address the academic needs of pupils who are struggling.

In addition, DPI must direct the school board to do one or more of the following:

1. Modify one or more of the activities performed by the school board, described above.
2. Implement a new or modified instructional design.
3. Implement professional development programs.
4. Implement changes in administrative and personnel structures.
5. Adopt accountability measures to monitor the school district's finances or to monitor other interventions.

The bill provides that on its effective date, DPI must treat the Milwaukee Public Schools as if it had performed at the lowest performance level for the three immediately preceding school years.

#### Public schools

If DPI determines that a public school, other than a charter school, has performed at the lowest performance level for three consecutive school years, the school board must complete a DPI-approved, diagnostic review of the school and, based on the results of the review, do one of the following:

1. Implement DPI-approved improvement activities that significantly transform the school.
2. Convert the school to a charter school.
3. Close the school.

In addition, if the school board implements DPI-approved improvement activities, DPI must direct the school board to do one or more of the following:

1. Modify one or more of the activities performed by the school board, described above.
2. Implement a new or modified instructional design in the school.
3. Implement professional development programs in the school.
4. Implement changes in administrative and personnel structures in the school.
5. Adopt accountability measures to monitor the school district's finances or to monitor other interventions.

If the school board implements DPI-approved improvement activities, as described above, but the school fails to improve to at least the performance level of "meets few expectations" within three school years, the school board must convert the school to a charter school or close the school.

#### Charter schools

The bill provides that a contract for the establishment of a charter school must provide that if DPI determines that a charter school has performed at the lowest performance level for three consecutive school years, the school board or other entity that has contracted for the operation of the charter school must require that a remediation plan, approved by the school board or other entity, be implemented by the charter school operator.

If the charter school operator implements a remediation plan but the school's performance fails to improve to at least the level of "meets few expectations" within three school years, the school board or other entity must revoke the school's charter. If a charter school's charter is revoked, the bill prohibits it from participating as a private school in a PCP.

#### Choice schools

If DPI determines that a private school participating in a PCP has performed at the lowest level for three consecutive school years, the bill requires the private school to notify its accrediting agency of the determination. If the private school's performance fails to improve to at least the level of "meets few expectations" within three school years of DPI's determination, DPI must issue an order barring the private school from participating in a PCP. A private school barred from participating in a PCP may not reopen as a charter school.

### CHARTER SCHOOLS; CONTRACTS

Under current law, an entity authorized to establish an independent charter school may do so itself or by contracting with a third party. This bill allows charter schools to be established by contract only.

Currently, school districts, and private schools participating in a PCP, are subject to various requirements relating to the transfer of a pupil's records when the pupil transfers to another school. This bill subjects independent charter schools to the same requirements.

#### Local Fiscal Effect:

The bill requires a public school that has performed at the lowest performance level for three consecutive years to develop and implement a DPI-approved diagnostic review of the school. Based on the results, the school must implement DPI-approved improvement activities, convert the school to a charter school, or close the school. If the school fails to improve within three years, the school must be closed or converted to a charter school. It is unknown how many schools will meet the requirements under this bill. The cost of improvement activities will vary by school based on the exact challenges each school faces. The cost to convert a school to a charter school or close a school will also vary by location. In addition, it is also unknown how many school districts will decide to close schools or convert them to charter schools following the first three years of lowest category performance. Therefore, the overall cost to school districts is indeterminate.

The bill requires a charter school that has performed at the lowest performance level for three consecutive years to develop and implement a remediation plan. It is unknown how many charter schools will meet the requirement to develop and implement a remediation plan. The cost of remediation plans will also vary between charter schools based on the exact challenges each school faces. Therefore the overall fiscal impact of this provision on charter schools is indeterminate.

The bill requires a private school participating in a parental choice program that has performed at the lowest performance level for three consecutive years to develop and implement a remediation plan. It is unknown how many private schools participating in a parental choice program will meet the requirement to develop and implement a remediation plan. The cost of remediation plans will also vary between private schools participating in parental choice program based on the exact challenges each school faces. Therefore the overall fiscal impact of this provision on private schools participating in a parental choice program is indeterminate.

The bill requires 2r charter schools and private schools participating in a parental choice program to use a commercially available student information system that meets specific standards. It is unknown how many of these schools already have a system that meets these standards. Schools that need to acquire a new system will incur costs. The fiscal effect on 2r charter schools and private schools of this provision is indeterminate.

The bill prohibits authorizers of 2r charter schools from directly operating 2r charter schools. No existing 2r charter schools are operated by the authorizer. There is no fiscal effect to this change.

State:

The bill requires the department to establish and implement an accountability system, including reporting and consequences as identified in the bill. The cost to the department is indeterminate.

### **Long-Range Fiscal Implications**