

### Fiscal Estimate - 2015 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>15-2320/1</b>	<b>Introduction Number</b> <b>AB-0196</b>
<b>Description</b> Achievement gap reduction contracts requiring participating schools to implement strategies for improving academic performance of low-income pupils in reading and mathematics, granting rule-making authority, and making an appropriation	
<b>Fiscal Effect</b>  <b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>
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	<b>Date</b>
	5/5/2015

## Fiscal Estimate Narratives

DPI 5/5/2015

LRB Number	15-2320/1	Introduction Number	AB-0196	Estimate Type	Original
<b>Description</b> Achievement gap reduction contracts requiring participating schools to implement strategies for improving academic performance of low-income pupils in reading and mathematics, granting rule-making authority, and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

Summary: AB 196 creates a program entitled "Achievement Gap Reduction" (AGR) under a new section of the statutes. The AGR program incorporates many of the existing aspects of the Student Achievement Guarantee in Education (SAGE) Program. However, the bill prevents the Department of Public Instruction (DPI) from entering into any new SAGE contracts or renewing any existing SAGE contracts.

The new AGR program differs from the existing SAGE program in the following key aspects:

The AGR program allows a school to meet its obligations under the contract by using one of three strategies, or a combination of these strategies: (a) one-to-one tutoring provided by a licensed teacher; (b) instructional coaching for teachers provided by a licensed teacher; or (c) maintaining 18:1 or 30:2 classroom ratios and providing professional development on small group instruction. Unlike SAGE, the AGR program does not require all participating grades to meet the 18:1 or 30:2 classroom ratios in order to receive funding.

- The AGR program requires a participating school to create performance goals, including reduction of the achievement gap between low-income students in that school and students in the same grade and subject statewide.
- The AGR program requires school board review of implementation and progress toward achieving performance objectives in each participating school every semester.
- The AGR program is funded by a sum sufficient appropriation at the per-pupil amount received by SAGE participants for the 2013-14 school year.(\$2,027)
- Under AB 196, schools not currently in SAGE would not be able to participate in the ARG programs.

A related bill (AB 195) has been introduced which would allow DPI to provide a one-year extension on existing SAGE contracts set to expire at the end of the current 2015 school year. That bill also prevents DPI from renewing 5-year SAGE contracts expiring at the end of the 2014-15 school year or any school year thereafter. The intent of that legislation is to provide a one year transition period to allow for legislative passage and DPI implementation of the AGR program.

#### Local Fiscal Impact:

Indeterminate. It is unknown whether schools that are currently participating in the SAGE program would continue under the AGR. There is potential for loss of revenue (State aid) if a school does not renew, but it is not possible to estimate the amount at this time.

#### State Fiscal Impact:

While the bill does not increase the state's aid appropriation, the change in the appropriation from a sum certain to sum sufficient could result in total state expenditures increasing, depending on the number of low-income pupils for whom the schools could be reimbursed.

### Long-Range Fiscal Implications

Given that 353 of the 423 school SAGE contracts expire at the end of this school year, the following issues are of concern:

The window to process these contract renewals already began in March 2015 so there may be timing issues depending on the date this legislation is enacted. Should this legislation be enacted (AB 195 & AB 196) it is unclear how 5-year SAGE contracts renewed before the bill's effective date would be treated under the new law.

AB 196 includes additional reporting requirements for both DPI and schools which may increase administrative costs. Some of those reporting requirements are not clearly defined and may require additional clarification.

Schools district that currently have no schools participating in the SAGE program would be unable to participate in the ARG program in the future, thereby excluding the possibility of other schools with low-income students from participating and benefiting from the new program.

At the conclusion of the one-year extension provided under proposed AB 195, there will remain a small number of schools still operating under 5-year SAGE contracts, set to expire after the 2017-18 school year. As such there would be both SAGE and AGR schools operating at the same time under different rules which may cause confusion.