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Joint Committee on Finance

Paper #531

School and School District Accountability Reports (DPI -- District Operations and Standards)

[LFB 2015-17 Budget Summary: Page 362, #2]

CURRENT LAW

DPI is required to publish school and school district accountability reports by September of each year. The reports include all public schools and districts, and are also required to include independent "2r" charter schools and private schools participating in a private school choice program beginning one year after the charter or private school begins using the state student information system. All independent "2r" charter schools and private choice schools are required to begin using the student information system by the 2015-16 school year.

GOVERNOR

Modify the components required to be included by DPI in the school and school district accountability reports as follows: (a) categorize all measures by English language proficiency, disability, income level, and race or ethnicity; (b) calculate growth in pupil achievement in reading and mathematics using a value-added methodology; (c) delete the measures of college and career readiness for high school pupils and measures indicative of being on track for college and career readiness in the elementary grades; (d) indicate gap closure in pupil achievement in reading and mathematics in addition to graduation rates, when graduation rates are available; (e) include rates of attendance or of high school graduation; and (f) identify a school's level of performance and a school district's level of improvement using a letter grade. Specify that the letter grades would include "A" to indicate that a school or school district significantly exceeded expectations, "B" to indicate that a school or district exceeded expectations, "C" to indicate that a school or district met expectations, "D" to indicate that a school or district met few expectations, and "F" to indicate that a school or district failed to meet expectations. Require that the

accountability report include a qualitative definition for each of the five grade levels.

Require that DPI exclude data from the following when determining a school's performance or improvement: (a) a pupil who was enrolled in a private school under a private school choice program in the eighth grade and transferred to a public school, including a charter school, for the ninth grade; (b) a pupil who was enrolled in a public school, including a charter school, in the eighth grade and transferred to a private school under a private school choice program in the ninth grade; and (c) a pupil in a grade other than ninth grade who was enrolled in the school or school district for less than one year prior to taking the pupil assessment.

Require that if DPI used pupil assessment scores to determine a school or school district's accountability grade, a weighted formula would be used to account for the amount of time that a pupil was enrolled in the school or school district prior to taking the pupil assessment. Under the formula, scores would be weighted as follows: (a) multiply the pupil assessment score of a pupil who was enrolled in the school or school district for at least one year but less than two years by one; (b) multiply the score of a pupil who was enrolled in the school or school district for at least two years but less than three years by two; (c) multiply the score of a pupil who was enrolled in the school or school district for more than three years by three. Specify that the pupil assessment scores of ninth grade pupils could not be weighted.

Require that DPI use a formula to adjust the weight given to the measures of pupil achievement and pupil growth in reading and mathematics based on the number of economically disadvantaged pupils enrolled in the school or school district. Under the formula, scores would be weighted as follows: (a) weight pupil achievement at 90% and pupil growth at 10% if five percent or less of the school or school district membership is comprised of economically disadvantaged pupils; (b) weight pupil achievement at 10% and pupil growth at 90% if 65% or more of the school or school district membership is comprised of economically disadvantaged pupils; (c) if the percentage of economically disadvantaged pupils in the school or school district is greater than five percent but less than 65%, pupil achievement would be weighted by dividing 80 by 60, multiplying the quotient by the percentage of economically disadvantaged pupils in the school or district, and adding 3.35 to the result, and pupil growth would be weighted by subtracting the weight given to pupil achievement from 100. Define an economically disadvantaged pupil as one who satisfies either the federal income eligibility criteria for a free or reduced-price lunch or other criteria determined by DPI.

Require that accountability reports would be published for independent "2r" charter schools and private schools participating in a private school choice program beginning with the 2015-16 school year. Provide that the same criteria would be used to measure the performance of all schools included in the school accountability reports, including independent "2r" charter schools and private school choice program schools.

Require that DPI specify the percentage of pupils attending a private school under a private school choice program on the accountability report of the private school. If a private school submitted achievement data only for pupils attending the school under a private school choice program, require that DPI identify the resulting grade as the choice pupil grade. If a private school submitted achievement data for pupils attending the school under a private school

choice program in addition to all other pupils attending the private school, require that DPI include two grades for that school: (a) a choice pupil grade including data from choice pupils only; and (b) a private school grade derived from all pupils attending the school, including pupils attending under a private school choice program.

Require that each school provide a copy of the school's accountability report to the parent or guardian of all pupils enrolled in the school. Specify that this requirement would apply to all public schools, including charter schools, and all private schools participating in a private school choice program. Require that school boards include the most recent grade level assigned to each school within the school district boundaries, including independent "2r" charter schools and private schools participating in a private school choice program, in its annual notice and letter regarding educational options available in the school district.

Require that the appropriate standing committees of the Assembly and Senate conduct a review of school and school district accountability reports beginning in the 2017-18 school year and every two years thereafter.

DISCUSSION POINTS

1. The 2002 reauthorization of the Elementary and Secondary Education Act of 1965 (ESEA), commonly known as the "No Child Left Behind Act," required each state to annually review the performance of each school and school district to determine if they were achieving adequate yearly progress (AYP). AYP was based on four objectives: (a) test participation; (b) graduation rate or attendance rate; (c) achieving a designated proficiency rate in reading; and (d) achieving a designated proficiency rate in mathematics.

2. Although reauthorization of the ESEA is normally due every five years, no reauthorization of the ESEA been passed since 2002. As a result, the federal Department of Education announced in 2011 that state educational agencies would be invited to request flexibility waivers under the ESEA, as allowed under current provisions of the federal law that had been little utilized previously. Regulatory flexibility would be offered in exchange for comprehensive state plans for education reforms. The federal Department of Education approved Wisconsin's flexibility waiver in July, 2012, which allows Wisconsin to use different metrics for measuring pupil and school performance rather than AYP.

3. Wisconsin's school and school district report card system was developed as part of the ESEA waiver application. The first school report cards were published in Fall, 2012, and the first school district report cards were published in Fall, 2013. The report cards provide data on multiple indicators in four areas: (a) pupil achievement, which includes performance on the statewide assessment in reading and mathematics compared to state and national standards; (b) pupil growth, or improvement over time on the statewide assessment in reading and mathematics; (c) closing gaps, or the progress of pupil subgroups in closing gaps in reading and mathematics performance and graduation rates; and (d) on track and postsecondary readiness, including performance on indicators of college or career readiness. For achievement, growth, closing gaps, and some on track and postsecondary readiness calculations, only those pupils who have been enrolled in a school or

district for at least one full academic year are included. Additionally, the report cards show performance on three pupil engagement indicators, including: (a) test participation rate, with a goal of 95% participation for all pupils and each pupil subgroup; (b) absenteeism rate, with a goal of 13% or less; and (c) dropout rate, with a goal of 6% or less.

4. The indicators are used in determining the school or school district's overall accountability score, which places the school or district into one of five performance categories: (a) significantly exceeds expectations; (b) exceeds expectations; (c) meets expectations; (d) meets few expectations; and (e) fails to meet expectations. Cut-off scores for the five categories are shown in Table 1. Each report card displays the school or district's numerical overall accountability score and performance category in addition to the cut-off scores for each of the five categories.

TABLE 1

Accountability Performance Category Score Cut-Offs

<u>Accountability Rating Category</u>	<u>Score Range</u>
Significantly Exceeds Expectations	83-100
Exceeds Expectations	73-82.9
Meets Expectations	63-72.9
Meets Few Expectations	53-62.9
Fails to Meet Expectations	0-52.9

5. Additionally, federal requirements under the ESEA waiver require DPI to develop an alternate accountability process for schools for which sufficient data is not available to calculate standard accountability scores. These schools include the following: (a) schools with fewer than 20 full academic year pupils enrolled in tested grades; (b) schools without tested grades; (c) schools exclusively serving at-risk pupils; (d) new schools; and (e) K-2 schools without a direct feeder pattern. These schools complete a self-evaluation process describing how they are measuring pupil progress using indicators of their choice and indicate whether performance is improving, maintaining, or declining based on the measures chosen. In 2013-14, 196 schools and one school district used the alternate accountability process.

6. The 2013-15 biennial budget (2013 Act 20) codified aspects of the accountability system in state law. The act included requirements that DPI publish school and school district report cards annually by September, that the report cards place each school or district into one of five performance categories, and that multiple measures are used to determine a school or school district's performance. The measures must include the following: (a) pupil achievement and growth in reading and mathematics; (b) measures of college and career readiness for high school pupils and measures indicative of being on track for college and career readiness in the elementary grades; and (c) gaps in pupil achievement and rates of graduation, categorized by race, English language proficiency, disability, and income level.

7. Report cards using data from the 2013-14 school year were released in September, 2014. In 2013-14, 1,693 out of 1,917 rated schools, or 88.3%, scored in the "Meets Expectations"

accountability category or higher. The statewide average accountability score for a school was 71.4. In the same year, 415 out of 423 school districts, or 98.1%, scored in the "Meets Expectations" accountability category or higher, with a statewide average accountability score of 72.2. Table 2 shows the number of schools and districts that scored in each of the five accountability categories, as well as the number that were rated as achieving satisfactory and unsatisfactory progress under the alternative assessment process.

TABLE 2
2013-14 Report Card Summary

<u>Accountability Rating</u>	<u>Schools</u>	<u>Districts</u>
Significantly Exceeds Expectations	116	9
Exceeds Expectations	752	159
Meets Expectations	825	247
Meets Few Expectations	158	7
Fails to Meet Expectations	66	1
Alternate Accountability Process		
Satisfactory Progress	177	1
Needs Improvement	19	0

8. Under the bill, a number of changes would be made to the data required to be included in school and district report cards under state law. All information would be required to be categorized by English language proficiency, disability, income level, and race or ethnicity, and DPI would be required to indicate gap closure in pupil achievement in reading and mathematics as well as in graduation rates, in addition to indicating rates of attendance or high school graduation. These elements have been included on report cards in previous years, but were not required under state law. The bill would also delete the requirement to include college and career readiness benchmarks on the report cards, although DPI would not be prohibited from including this information.

9. The bill would also modify the methodology used to calculate pupil growth. Currently, DPI calculates growth by comparing the change in each pupil's assessment scores from one school year to the next with that of an academic peer group composed of pupils with similar score histories. Under the bill, DPI would be required to calculate pupil growth using a value-added methodology, which differs from the current method by taking into account factors that are beyond the school or district's control, such as pupil demographic characteristics. Value-added methodology is currently used as one measure of educator effectiveness under the educator effectiveness system, and DPI annually provides each school with value-added information calculated by the UW-Madison Value Added Research Center (VARC) for this purpose.

10. Additionally, under the bill, DPI would be required to use letter grades to identify a school's level of performance and a school district's level of improvement, rather than the numerical scores and categories used under current law. Some have expressed concern that using letter grades to rate schools could cause parents and other members of the public to view schools as underperforming based on their letter grade, even if their performance is average compared to other

schools in the state. Based on accountability scores from 2013-14, the letter grade that would be given to the greatest number of schools and districts in the state would be a "C," which may be perceived as a below average grade. It may be preferable to continue using numeric ratings and categories to avoid the potential for the performance of these schools and districts to be perceived as lower than it may actually be relative to others in the state. [Alternative 3a]

11. The bill would require DPI to weight pupil achievement scores based on the length of time each pupil has been enrolled in a school or district. Under the bill, pupil achievement scores would be multiplied by one for a pupil enrolled for at least one year but less than two years, two for a pupil enrolled for at least two years but less than three years, or three for a pupil enrolled for more than three years. DPI would be required to exclude the achievement scores of pupils who have been enrolled in a school for less than one year, who are also excluded from report card calculations under current practice. The weighting formula would have the effect of assigning a school or district additional responsibility for pupils who have been enrolled for a greater number of years.

12. The bill specifies that the score of a pupil who has been enrolled in a school or district for at least two years but less than three years would be multiplied by two, while the score of a pupil who has been enrolled in a school or district for more than three years would be multiplied by three. The language in the bill would have the effect of giving no weight to the achievement score of a pupil who had been enrolled for a length of time equal to three years. The Committee could choose to correct this issue by specifying that the score of a pupil who had been enrolled in a school for at least three years would be multiplied by three. [Alternative 3b]

13. Additionally, the bill would require that DPI exclude achievement data from pupils who transferred between a private choice school and a public school, including an independent "2r" charter school, between eighth grade and ninth grades. Under the bill, scores from these pupils could not be included in any grade following the pupil's transition to a private choice school or public school. Under another provision of the bill, pupils' achievement data would be excluded in their first year following a transition to a new school because they would have attended the school for less than one year before being assessed. Therefore, it may be preferable to delete the provision applying specifically to pupils transitioning from a public to a private choice school or vice versa in ninth grade, which would allow DPI to include the achievement data of these pupils beginning in their 10th grade year. [Alternative 3c]

14. The assessment scores of other ninth grade pupils would not be weighted, or in other words would be considered the same as those of a pupil who attended a school for one year, even if the pupil had previously attended school in the same district. No similar provision would apply to pupils undergoing other normal transitions from one school to another within the same district, such as pupils transitioning from elementary to middle school. Under current practice, DPI does not exclude the scores of pupils transitioning between schools within the same district in a natural progression of grades, such as from middle school to high school. The approach under the bill would treat the transition to ninth grade inconsistently with its treatment of other natural progressions from one school to another, and therefore, the Committee could choose to delete this provision. [Alternative 3d]

15. DPI staff conducted an evaluation of the proposal to weight achievement scores based

on the number of years a pupil has been enrolled in a school or district using data from the 2013-14 accountability reports. The evaluation found that the weighting system resulted in the accountability rating of 24 schools increasing by one category, while the rating of seven schools decreased by one category, out of 1,921 total schools with report card ratings. Schools that increased or decreased one category tended to have scores near a category cut-off on the current report cards, meaning that the weighting formula had a small effect on the overall accountability scores of most schools.

16. DPI staff note that based on several years of data, pupils tend to have slightly lower scores in their second year of enrollment at a particular school than in their first year of enrollment. Under the bill, the scores of pupils who had been enrolled in a school for two years would be weighted more heavily than the scores of pupils enrolled in the school for one year, and as a result, it could be argued that the lower scores of these pupils may disproportionately affect accountability ratings. To limit this effect, it may be preferable to assign the same weight to pupils who have been enrolled in a school for one or two years. Under this approach, the accountability scores of pupils who had been enrolled in a school for more than one year but less than three years would be multiplied by one and the accountability scores of pupils who had been enrolled for three years or more would be multiplied by two, while the scores of pupils who had been enrolled in a school or district for less than one year would continue to be excluded from the calculations. [Alternative 3e]

17. The bill would also weight pupil achievement and growth scores based on the percentage of pupils enrolled in each school or district who are economically disadvantaged. Current law does not specify the weight to be given to each of the four priority areas included in the report cards (pupil achievement, pupil growth, gap closure, and on track for graduation and post-secondary readiness); however, DPI indicates that its current practice is to weight each of the four priority areas equally unless a school or district has no rating in one or more areas. Under the bill, a formula would be applied that would result in pupil growth being given a greater weight at schools or districts at which more than 35% of pupils are economically disadvantaged, while pupil achievement would be given a greater weight at schools or districts in which fewer than 35% of pupils are economically disadvantaged. Economically disadvantaged pupils are defined under the bill as those who meet the income eligibility criteria for a free or reduced price lunch, or other measures of poverty determined by DPI. In 2013-14, approximately 41% of Wisconsin pupils qualified for a free or reduced price lunch.

18. The Governor's Budget in Brief document indicates that the intent of this weighting formula is to account for pupil poverty rates when measuring school performance. In general, pupil achievement scores are negatively associated with poverty, meaning that on average, low-income pupils receive lower scores on pupil assessments, and schools with high concentrations of poverty may tend to have lower accountability scores as a result. The bill attempts to account for this effect by giving a greater weight to pupil growth in schools with high levels of poverty, or in other words, rewarding low-income schools whose pupils improve even if their overall achievement scores are low. However, DPI staff indicates that all four priority areas used to calculate accountability scores are negatively associated with poverty, including pupil growth. Therefore, it could be the case that applying a greater weight to any measure may not have the desired effect of eliminating the impact of pupil economic status on accountability scores.

19. A technical correction is necessary to achieve the intent of the formula. As currently written, for schools or districts in which less than 65% and more than 5% of pupils are economically disadvantaged, the weight given to pupil growth would decrease as poverty increased, while the weight given to achievement would increase. The bill intends to give greater weight to growth in schools and districts with a higher percentage of economically disadvantaged pupils. The Department of Administration requested that this correction be made in the errata materials submitted to the Committee. [Alternative 2]

20. Based on an evaluation conducted by DPI staff using data from the 2013-14 accountability reports, the pupil achievement and growth weighting formula proposed in the bill would result in decreased accountability scores for approximately one-third of schools at which more than 35% of pupils are economically disadvantaged, while the scores of the remaining two-thirds of schools would increase or remain the same. Approximately 70% of the schools that would experience a decrease in their scores are located in towns or rural areas, compared to 47% of the schools whose scores would increase or remain the same.

21. Additionally, DPI indicates that the weighting formula introduces greater volatility into the accountability score, meaning that schools are more likely to receive a score that is not consistent with their score in the previous year. Therefore, it could be the case that the weighting formula would decrease score reliability and make it more difficult to compare scores between years or between schools.

22. Another provision of the bill would require that accountability reports would be published for independent "2r" charter schools and private schools participating in a private school choice program beginning with the 2015-16 school year. Report cards for that school year will be published in September, 2016. Under the bill, the same criteria would be used to measure the performance of independent "2r" charter schools and private choice schools as are used for public schools. However, private choice schools could choose to submit achievement data for choice pupils only, or for all pupils attending the private school. In either case, DPI would be required to calculate a separate accountability score including only choice pupils.

23. The bill specifies that DPI would be required to calculate a schoolwide accountability score for private schools that chose to submit achievement data for all pupils attending the school, rather than for choice pupils only. However, the bill does not specify that private schools would be required to submit other data elements that are used to calculate accountability scores, including enrollment, attendance and graduation rates, and pupil demographics, for pupils who were not attending under a choice program. Under current law, private schools will provide this information for choice program pupils via the student information system, but will not be required to include information about non-choice pupils in the system. The Committee may wish to specify that a private school that chose to submit data to calculate an accountability score for all private school pupils would be required to submit achievement data in addition to other data required by DPI. [Alternative 3f]

24. The bill would require all public schools, independent "2r" charter schools, and private choice schools to provide a copy of the school's accountability report simultaneously with a list of educational options to the parent or guardian of each pupil enrolled in or attending the school. The

bill does not specify whether this requirement would apply to the one-page report card summary, or the longer detailed report also published by DPI. It could be argued that this provision would make information available to parents that would help them make decisions about their children's education. On the other hand, this requirement could impose costs on public and private schools, and could be viewed as unnecessary given that the report cards are already publicly available on DPI's Internet site.

25. The Governor's Executive Budget Book indicates that the proposed changes to the accountability reports are intended to provide parents with additional information about their children's education to help them make informed decisions. The administration anticipates that the letter grades would increase transparency, while weighting school performance would more accurately account for factors that may affect the amount of influence a school or district may have over a pupil's academic progress.

26. On the other hand, it could be argued that increasing the complexity of the calculations included in the accountability reports could make the reports more difficult for schools and parents to understand. Because the use of weighting formulas or value added methodology would increase the complexity of the accountability score calculations, the results could be more difficult to interpret. Additionally, because the weighting formulas would have only a small effect based on the analysis conducted by DPI, one could argue that the formulas do not provide sufficient additional information to justify the resulting increase in the complexity of the reports. Other aspects of the proposal, such as requiring DPI to develop two accountability ratings for private choice schools that chose to submit data for all pupils attending the school in addition to choice pupils, could also complicate parents' understanding of the reports.

27. Both the Assembly and the Senate have considered bills in this session related to accountability, including school and school district accountability reports. Both bills would make significant changes to the school and school district report cards. Assembly Bill 1 was introduced on January 7, 2015, and referred to the Assembly Committee on Education, with a substitute amendment offered on March 10. Senate Bill 1 was introduced on January 16, 2015, and referred to the Senate Committee on Education Reform and Government Operations, with a substitute amendment offered on April 14. Both bills contain elements similar to those contained in the Governor's proposal. Given that bills currently in both the Assembly and the Senate address school and school district accountability reports, the Committee may wish to consider allowing standing committees of the Legislature to consider this issue through separate legislation.

28. The bill would require school boards to include the most recent accountability grade assigned to each school within the school district boundaries in a letter sent to parents under another provision of the bill. The bill includes a cross-reference to the other provision, which does not mention a letter to parents. In the errata materials submitted to the Committee, the Department of Administration requested that the reference to the letter sent to parents be removed. [Alternative 2]

29. DPI staff indicate that, following the transition to spring testing beginning in 2014-15, it may be preferable to require that the report cards are published annually in the fall, rather than specifying that they must be published in September, because data files with results from spring assessments are not available until the summer or early fall. The additional time would be

particularly beneficial for years in which a new assessment is administered, as is the case in 2014-15 and would also be the case in 2015-16 under the bill, because additional work is required to link data from new assessments with data from prior year assessments. DPI staff indicates that a later release would also be necessary in future years to allow time for a secure release of data to school districts to allow them to review their results and check for any data errors prior to the public release of the report cards. In 2014, preliminary report cards were released to schools and school districts approximately one month before they were publicly available. [Alternative 3g]

ALTERNATIVES

1. Approve the Governor's recommended changes to the school accountability reports. The changes would modify the components required to be included by DPI in the school and school district report cards, require DPI to use letter grades to rate the performance of schools and districts, use formulas to adjust the weight given to measures of pupil achievement and growth, and require all public schools, independent "2r" charter schools, and private choice schools to provide parents with a copy of the school's accountability report each year.

2. Approve the Governor's recommendations, with two technical corrections requested by the Department of Administration in the errata materials sent to the Committee: (a) correct the weighting formula for measures of pupil achievement and growth based on each school or district's percentage of economically disadvantaged pupils; and (b) delete a reference to a letter sent to parents by each school board regarding educational options.

3. Modify the Governor's proposal with one or more of the following changes:

a. Delete the provision requiring DPI to use letter grades to identify a school's level of performance and a school district's level of improvement.

b. Specify that the score of a pupil who had been enrolled in a school for at least three years would be multiplied by three.

c. Delete the provision requiring that, when calculating pupil achievement scores, DPI exclude achievement data from a pupil who moved from a private choice school in eighth grade to a public school, including an independent "2r" charter school, in ninth grade, or vice versa.

d. Delete the provision requiring that, when weighting pupil achievement scores based on the length of a pupil's enrollment in a school or district, DPI does not weight the achievement scores of ninth grade pupils.

e. Modify the provision requiring DPI to weight pupil achievement scores based on the length of a pupil's enrollment in a school or district to assign the same weight to pupils who have been enrolled in a school for one or two years. Under this approach, pupils who had attended a school for one or two years would have their scores multiplied by one, and pupils who had been enrolled for three or more years would have their scores multiplied by two.

f. Specify that a private school that submits data about all pupils attending the private

school would be required to submit achievement data in addition to other data required by DPI.

g. Specify that DPI would be required to release the report cards in the fall of each year, rather than by September.

4. Delete provision.

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