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FISCAL IMPACT REPORT

ORIGINAL DATE 02/23/13
LAST UPDATED 03/14/13 **HB** _____

SPONSOR Sanchez, M.

SHORT TITLE School Rating Modified Assessment Formula **SB** 370/aSfI#1/aHEC

ANALYST Gudgel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

SUMMARY

Synopsis of HEC Amendment

The House Education Committee amendment to Senate Bill 370 clarifies that the supplemental accountability model school is a school that meets the 75 percent enrollment threshold with one or any combination of the demographics of students specified in the bill. The amendment corrects the placement of “one of” in the Senate Floor #1 amendment.

Synopsis of SFI Amendment #1

The Senate Floor #1 amendment to Senate Bill 370 clarifies that the supplemental accountability model school is a school that meets the 75 percent enrollment threshold with one or any combination of the demographics of students specified in the bill.

Synopsis of Original Bill

Senate Bill 370 (SB 370) amends the A-B-C-D-F Schools Rating Act to create a statutory framework for a “supplemental accountability model” (SAM) for grading schools, and establishes an alternative calculation for computing their grade.

FISCAL IMPLICATIONS

The Public Education Department (PED) analysis indicates the bill requires additional data collection, storage, and reporting, all of which would be absorbed into current the PED processes and would have no anticipated fiscal impact.

SIGNIFICANT ISSUES

The bill requires the Department to assign a letter grade to a SAM school based on the following modified assessment formula:

- 10 points for current standing of the school;
- 20 points for growth of the top 75 percent of students;
- 20 points for growth of the bottom 25 percent of students;
- 20 points for results from the opportunity to learn survey;
- 10 points for graduation rate; and
- 20 points for college and career readiness of students.

Currently, pursuant to Department adopted rules (Section 6.19.8.7 NMAC), SAM schools are schools that serve a student population where 10 percent or more of the students are 19 years old or older, or where 20 percent of the non-gifted students qualify for special education services. Additionally the school, when established, must have the primary mission to address the needs of students who are at risk of educational failure as indicated by poor grades, truancy, disruptive behavior, eligibility for special education services, or other factors associated with temporary or permanent withdrawal from school. Pursuant to this definition of a SAM school, in 2012 36 schools qualified as SAM schools, 34 of which were high schools.

The PED analysis indicates currently SAM schools can enhance their graduation rate through an additional calculation that values returning dropouts; allows demonstration of college and career readiness through additional assessments that recognize work skills; and allows leniency in bonus points for showing gains toward meeting missions specialized for non-traditional students. SAM school grades are based on the following formula:

Current All Schools	Elementary and Middle Schools	High Schools
Current Standing	40	30
School Growth	10	10
Student Growth	20/20*	10/10*
Opportunity to Learn	10	8
Graduation		17
College/Career Readiness		15
Bonus Points	5	5
* Lowest Quartile/Highest Three Quartiles		

The bill defines SAM schools as schools that have a student enrollment comprised of at least 75 percent of any combination of students who: have a history or family history of incarceration or involvement in the court system; have a history of gang involvement; are pregnant or parents; have a history of physical or mental health issues; have a history of school discipline issues; have a history of truancy; that withdrew from school for at least a semester; have a history of below-

grade-level academic performance; have a history of not meeting academic expectations pursuant to an individualized education plan; or have a disability or other special need.

The PED analysis indicates that the Department provides a method for any school to become a SAM school and any SAM school to request to exit the designation, if the percent of students with disabilities or the percent of students 19 years old or older does not accurately classify a school. Schools with a mission to serve high risk populations may quantify their student population using any of the criteria suggested in the alternate definition, and provide evidence to the PED to support their claim. The PED indicates not school has used this option to date to qualify as a SAM school. The PED analysis notes the definition included in SB 370 eliminates this flexibility.

The PED analysis indicates the primary change enacted by SB 370 would be to de-emphasize current year achievement and graduation, while placing heavier emphasis on growth, opportunity to learn, and college and career readiness for SAM schools. To revalue these components for a subset of schools implies that the PED holds different expectations for certain students, a tenet that has been heavily debated and in the end prohibited by the U.S. Department of Education in recent negotiations with New Mexico. It is not likely that these grading amendments would be allowed under the PED's ESEA Flexibility Request. The Legislative Finance Committee (LFC) staff notes **the current waivers are effective only through the end of school year 2013-14, however, and states will have to request an extension for future years.** A key question is whether progress in implementing redesigned accountability systems will come to a halt in the waiver states if a revamped Elementary and Secondary Education Act, or a new administration, introduces a different set of policies. Waiver states may end up devoting considerable time and energy to implementing accountability systems that are little more than interim measures, in effect for just a few years or less, that don't necessarily align with best-practices for each individual state.

The PED analysis also notes issues related to collection of personally sensitive information to be able to determine whether a school qualifies as a SAM school. The Department analysis states at the elementary or secondary level the collection of some information would require parental consent because it represents personal health information (PHI) covered under HIPAA privacy considerations. PHI collected by public schools may then become eligible for re-disclosure under the rules of FERPA. Specialized entities within the PED currently have rigorous levels of security in place for sensitive information, such as for special education students and high school health clinics. However, the expansion of this role to registrars and school personnel enrolling new students would broaden risk, and require extensive safety measures to be put in place to protect vulnerable students.

TECHNICAL ISSUES

The amendment inserts "one or" after "of" on page 2, line 14. However, the amendment does not specify after which occurrence of "of" to insert "one or".

The PED analysis indicates the modified formula to be applied to SAM schools in SB 370 does not recognize the presence of student growth and the absence of graduation and college and career readiness in the elementary and middle school model.