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FISCAL IMPACT STATEMENT

LS 7402

BILL NUMBER: HB 1514

NOTE PREPARED: Apr 27, 2021

BILL AMENDED: Apr 21, 2021

SUBJECT: Various Education Matters.

FIRST AUTHOR: Rep. Cook

FIRST SPONSOR: Sen. Raatz

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *Data Dashboard:* This bill requires the State Board of Education (SBOE) to: (1) establish a compilation of longitudinal data indicating school performance success in various selected and enumerated program areas; and (2) present the data for each school in a manner that is commonly known as an Internet dashboard. It requires each school to post on a web page maintained on the school's Internet web site the exact same data and in a similar format as the data presented for the school on the SBOEs Internet web site. It also allows a school to include custom indicators on the school's web page.

Studies and Reports: This bill provides that the Department of Education (DOE) shall conduct, in collaboration with the SBOE, a learning loss study regarding students in kindergarten through grade 10. It urges the Legislative Council to assign to an appropriate study committee for the 2022 interim and the 2023 interim the task of studying the information in the reports. It also provides that the DOE shall report the benchmark assessment data results from all of the providers in the state three times annually to the: (A) Governor; (B) SBOE; and (C) Legislative Council.

School Improvement, Assessments, and Repealing of Provisions: This bill provides that the performance of a school's students on the statewide assessment program test and other criterion referenced benchmark assessments recommended by the DOE and approved by the SBOE are the primary and majority means of assessing a school's improvement. (Current law provides that the performance of a school's students on the statewide assessment program test and other assessments recommended by the DOE and approved by the SBOE are the primary and majority means of assessing a school's improvement.)

It provides that the SBOE may assign each domain, indicator, or measure used to assess school performance a separate and distinct category or designation.

It provides that the SBOE shall assign to a school or school corporation (including adult high schools) a "null" or "no letter grade" for the 2020-2021 school year.

This bill amends requirements that a benchmark, formative, interim, or similar assessment must meet for approval by the SBOE. It provides that, if a student is determined to be at risk, or at some risk, for Dyslexia after a screening, the school corporation or charter school shall administer a level I Dyslexia screening of the student within 90 days of the date the student's school year commences. It provides that before the SBOE may approve a benchmark, formative, interim, or similar assessment, the assessment vendor must enter into a data share agreement with the DOE.

This bill also repeals provisions that: (1) provide consequences for failing schools; (2) provide consequences for failing charter schools or choice scholarship schools; and (3) authorize the establishment of turnaround academies.

Effective Date: Upon passage; July 1, 2020 (retroactive); July 1, 2021.

Explanation of State Expenditures: *Summary:* The creation of the data dashboard and the studies required in this bill will result in increased workload for both the Department of Education (DOE) and the State Board of Education (SBOE). However, the changes to school accountability, the assignment of "null" letter grades for 2020-2021 school year, and the repeal of consequences for failing schools may lead to a reduction in workload for the DOE and the SBOE over time. Overall, the requirements of this bill will initially represent an additional workload [and/or expenditure] on the DOE and the SBOE which are in addition to their routine administrative functions, with increases expected to be mitigated over time. Any additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

School Improvement, Assessments, and Repealing of Provisions: This bill requires the SBOE to approve criterion referenced benchmark assessments, as recommended by the DOE, as the primary and majority means of assessing a school's improvement. The SBOE may also include social studies and science as school improvement indicators, and may assign a separate and distinct category or designation for each domain, indicator, or measure used to assess school performance. Any fiscal impact resulting from this change to school performance grading will depend on which assessments and indicators are used, the weighting applied, and whether this will cause more or fewer schools to require remedial actions or programs.

This bill repeals the requirement that a charter school, after four consecutive years of being in the lowest grade designation, would have to close. It enables all charter schools to remain open regardless of their current performance grade designation. As a result, the charter school authorizer and the SBOE will not need to complete the required petitions and other actions, or hold hearings, which would otherwise be required when a charter school would close due to its performance grade.

The SBOE has various tasks it must complete when a school corporation receives an "F" grade. The number of tasks and the administrative burden of those tasks depends on how many consecutive years the school receives an "F" grade. This bill repeals the interventions for public school corporations and eligible

nonpublic schools based on their school performance grade. Repealing such requirements will eliminate the need for the SBOE to approve contracts necessary to implement such interventions and will result in less administrative duties for the DOE. The school improvement consequences repealed by this bill still allow schools, which would otherwise be subject to such consequences, to petition the SBOE, before July 1, 2021, to continue the assistance which would be provided to them by the SBOE if these provisions were not repealed.

This bill holds schools harmless for accountability grades during the 2020-2021 school year and will assign schools a grade of either “null” or “no letter grade”. This provision could also lead to more nonvirtual charter schools being eligible for the Charter and Innovation Network School Grant.

Potential Impact on School Grants:

Charter and Innovation Network School Grant: Under current law, nonvirtual charter schools that receive a “D” or “F” grade are not eligible for the Charter and Innovation Network School Grant unless one of the following applies:

1. the school has been operating for fewer than three years,
2. a majority of the school's students have developmental, intellectual, or behavioral challenges, or
3. the school receives the same or better accountability grade as the nearest non-charter public school that teaches the same grades of students as the charter school.

The grant amount is set to \$1,000 per student in FY 2022 and \$1,250 per student each year after. Any fiscal impact related to this grant would depend upon the grades that would be assigned under the updated accountability system. Lower school grades would result in a potential state expenditure decrease related to Charter and Innovation Network School Grants, but any impact would not take place until after the hold harmless period has expired.

Choice Scholarship: This bill eliminates performance-based consequences and makes changes to the accountability grading system for eligible nonpublic schools accepting choice scholarships. Under current law, the eligibility of a choice scholarship school to receive choice funding for new students depends on the school’s academic performance category. This bill eliminates this provision, which may lead to an increase in choice scholarship expenditures. [In FY 2021, the estimated statewide average cost of a choice scholarship is \$4,807 per student.]

Data Dashboard: This bill requires that the SBOE establish a longitudinal data dashboard by July 1, 2024, used to indicate school performance in various program areas. The dashboard must include state, national, and international comparisons for all required indicators, if applicable, and may include additional indicators.

Studies and Reports: This bill requires the DOE and the SBOE to prepare two reports regarding the results of a learning loss study for school years 2020-2021 and 2021-2022 of students in kindergarten through grade 10. In conducting the survey, the DOE has to review the research methodology of the Indiana Technical Advisory Committee. The reports are to be submitted to the office of the Governor, the SBOE, and the Legislative Council, not later than December 1, 2021 and December 1, 2022.

The Legislative Council could assign the study of information in these reports to an existing interim study committee or establish a new interim study committee for the 2022 interim and the 2023 interim. Interim study committees operate on budgets established by the Legislative Council based on committee size. Legislative Council resolutions in the past have established budgets for interim study committees in the amount of \$13,500 per interim for committees with fewer than 16 members and \$17,500 for committees with 16 members or more.

The DOE is also required to prepare a report on benchmark assessment data results as prescribed in the bill. This report is to be submitted three times per year to the office of the Governor, the SBOE, and the Legislative Council, with the first report being due not later than July 1, 2021. The DOE may contract with a third party vendor in conducting the learning loss study and the reports on benchmark assessment data results.

Explanation of State Revenues:

Explanation of Local Expenditures: *Data Dashboard:* School corporations and charter schools, as applicable, would incur the cost of posting the exact same data on their Internet web site that is posted on the SBOE's web site. School corporations and charter schools may also post their own custom data on their Internet web site.

Studies and Reports: School corporations will need to either provide or approve the release of benchmark data required for the benchmark assessment report required of the DOE three times per year.

School Improvement, Assessments, and Repealing of Provisions: Under current law, school corporations that receive "F" accountability grades have certain tasks they must complete, such as holding public hearings, issuing public notices, and revising school plans. The number of tasks that must be completed, and the administrative burden of those tasks, depends on the number of consecutive years the school corporation received an "F" accountability grade. Repealing the interventions for school corporations receiving an "F" grade will result in less administrative work for any school that would otherwise be required to complete such actions.

This bill prohibits the SBOE from using transformation zones as an intervention resulting from school performance but still allows schools to opt into doing so, meaning that any work or costs a school may incur for establishing a transformation zone would depend on local action. If a school is no longer mandated to establish a transformation zone as part of their performance improvement plan, the school would no longer need to complete the associated administrative work.

Additionally, without charter schools being required to close, the charter school authorizer and the SBOE will not need to complete the required petitions and other actions, or hold hearings, which would otherwise be required when a charter school closes due to school performance.

Explanation of Local Revenues: *School Improvement, Assessments, and Repealing of Provisions:* This bill modifies the allowable criteria for formative assessments and allows for level 1 Dyslexia screenings, administered to students by a school, to be covered by the Formative Assessment Grant. This is a

noncompetitive grant that has an appropriation of approximately \$11.7 M per fiscal year and provides schools with per student funding based on need. The grant's per-participating student funding amount in FY 2021 would have been \$7.20 when not accounting for the 15% state-level fund reduction resulting from the COVID-19 pandemic which reduced the actual adjusted per-participating student total to \$6.12. With level 1 Dyslexia screenings becoming eligible under this grant, thus increasing the number of participating students, the per-participating student funding amount will likely be lower in future years.

State Agencies Affected: State Board of Education; Department of Education; Legislative Council; Governor's Office.

Local Agencies Affected: School corporations; charter schools; adult high schools.

Information Sources: Indiana Dept of Education databases; 2020-2021 Formative Assessment Grant: Corporation and School Distributions. September 2, 2020 Memorandum.

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