

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6656
BILL NUMBER: SB 189

NOTE PREPARED: Jan 7, 2013
BILL AMENDED:

SUBJECT: Performance-Qualified School Districts.

FIRST AUTHOR: Sen. Delph
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State and Local

Summary of Legislation: The bill establishes performance-qualified school districts to provide flexibility in administration and instruction to school corporations that meet certain performance criteria. It provides that a performance-qualified school district is exempt from most statutes, rules, and guidelines applicable to school boards or school corporations. It sets forth the performance criteria that must be met and the statutes and rules with which a performance-qualified school district must continue to comply.

Effective Date: July 1, 2013.

Explanation of State Expenditures: The Department of Education (DOE) is required to establish the data elements for determining if a school corporation is a performance-qualified school district. To qualify, the school corporation must demonstrate that their curriculum and instruction create a high level of academic performance by showing that their students graduate achieving the following:

- (1) At least 25% of the students graduating each year: (a) earn a grade of 3, 4, or 5 on at least one Advanced Placement examination, or (b) graduate with a technical honors diploma.
- (2) The school corporation has a graduation rate of at least 90%.
- (3) The composite SAT scores of the school corporation's graduates are higher than the statewide average SAT scores.
- (4) Other data elements the DOE determines are appropriate.
- (5) Be placed in the highest performance category or designation by the DOE under its school improvement assessment.

The school corporation is certified as a performance-qualified school district for a four-year period. During that period the district must have at least an 85% passing score per school on ISTEP tests or end-of-course assessments and an 85% pass rate in the IREAD assessment for 3rd graders. The DOE must conduct a status review of a district's performance at the end of the third year following certification. If the district continues to meet the performance criteria and benchmarks described above, it must be recertified for an additional four-year period. If not, the district must receive a temporary recertification for the fourth year. If, after the fourth year, the district does not meet the performance criteria and benchmarks, the DOE must remove the school corporation's certification as a district.

Depending on the number of school corporations that apply for performance-qualified status, the DOE should be able to administer this program within its existing resources.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill could potentially reduce school administrative costs and program costs in school corporations certified as performance-qualified school districts. The extent of these savings is unknown.

A school corporation that is certified as a performance-qualified school district would be required to provide 54,000 minutes of instruction per year for Grades 1 through 6 and 64,800 minutes of instruction for Grades 7 through 12. The districts would not be required to have at least 180 student instructional days per year. A school corporation that is certified as a performance-qualified school district would also be exempt from all state statutes or rules except for those relating to the following:

1. Required audits by the State Board of Accounts.
2. School corporation general administrative provisions.
3. School transportation.
4. Teacher contracts.
5. Cancellation of teacher contracts.
6. Contracts with school administrators.
7. Teacher salary and related payments.
8. Conditions of employment.
9. Collective bargaining for teachers.
10. Patriotic commemorative observances.
11. Personal financial responsibility.
12. Accountability for school performance and improvement.
13. Accreditation, assessment, and remediation.
14. Students, general provisions.
15. Health and safety measures.
16. Special education.
17. Accounting procedures.
18. Government funds and accounts.
19. Extracurricular funds and accounts.
20. Allocation of expenditures to student instruction.
21. State tuition support.
22. Property tax levies.
23. General fund levies.

24. Levies other than general fund.
25. Related entities, holding companies, lease agreements.
26. Borrowing and bonds.
27. State management of common school funds; state advances and loans.
28. Homeless children and foster care children.

Explanation of Local Revenues:

State Agencies Affected: Department of Education.

Local Agencies Affected: Local schools.

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.