



**Colorado
Legislative
Council
Staff**

SB17-114

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0597
Prime Sponsor(s): Sen. Moreno

Date: February 14, 2017
Bill Status: Senate Education
Fiscal Analyst: Josh Abram (303-866-3561)

BILL TOPIC: ACCOUNTABILITY FOR SCHOOL DISTRICTS & SCHOOLS

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue		
State Expenditures		\$117,000
General Fund		117,000
Appropriation Required: None.		
Future Year Impacts: None.		

Summary of Legislation

Under current law, the Colorado Department of Education (CDE) evaluates public school performance based on student academic growth, achievement on statewide assessments, and progress made in closing achievement and growth gaps between student groups. The department uses these performance indicators to annually assign an accreditation category. If a school district remains in the lowest two categories for more than five years, the state must take corrective action which can include removing accreditation.

This bill requires that CDE also use a longitudinal growth performance indicator that measures improvement in student achievement levels, and in closing achievement gaps, over a four year span. Under current law, performance indicators are measured annually with static data collected from annual statewide assessments and other sources. This data is then disaggregated for individual students and for student groups. Under this bill, the CDE will calculate four-year longitudinal growth scores in order to allow the department to measure growth for students, by grade level for traditional enrollment models, or by competency level, for districts and schools that use a competency-based enrollment system (see Background section).

The bill requires that the State Board of Education (SBE) place the greatest emphasis on this longitudinal growth indicator when determining the accreditation level of schools and districts. The new and weighted performance indicator will apply to all schools and districts, and allows for comparison of students and student groups in competency-based education systems. If a school or district remains in one of the two lowest accreditation categories for more than five years, this bill requires that the Commissioner of Education assign the State Review Panel to evaluate performance and recommend one of the following corrective actions:

- outside management by a private or public entity;
- conversion to a charter school;
- conversion to innovation status; or
- school closure.

In making its recommendations for corrective action, the review panel must consider if leadership, infrastructure, staff capacity, and other characteristics of a school district or the Charter School Institute (CSI) are adequate to implement changes necessary to improve student achievement.

The bill allows for the removal of a school district's or the CSI's accreditation only if there is substantial noncompliance with required budgetary, accounting, or financial reporting policies, and removal of accreditation is required to protect the interests of students and parents. If the CDE recommends removing accreditation, the State Review Panel is required to evaluate performance and recommend either that the district be reorganized or consolidated, or that management be turned over to a private or public entity. If the CSI loses accreditation, the CSI board must be abolished and the governor must appoint a new board.

Background

Competency-based systems. Competency based systems do not assign students to specific grades; instead, students advance based on their ability to master a skill or competency at their own pace. Currently, only Westminster school district uses a competency based system. All other school districts and the majority of charter and innovation schools use a traditional, grade-based enrollment system to assign students for instruction, for administration of statewide assessments, and for reporting data for accountability.

Accountability clock. Based on preliminary ratings released this fall (subject to appeal) five districts, including Westminster school district, and twelve individual schools have reached the end of the five-year accountability clock and are thus subject to corrective actions by the state, including the loss of accreditation. The CDE will make recommendations to the SBE for each district and school that remains at the end of the clock this winter and spring.

State Expenditures

For FY 2018-19 only, the bill increases state expenditures by \$117,000. Increased state expenses are shown in Table 1 and described below.

Table 1. Expenditures Under SB17-114	
Cost Components	FY 2018-19
Technical Consultant	\$27,000
Information Management Systems	90,000
TOTAL	\$117,000

Assuming that statewide assessments remain consistent and that any transition in assessment use in the next year allows for a four year calculation of growth, the statewide assessment results from the 2018-19 school year will be available for determining accreditation

categories in the following year. For FY 2018-19 only, the CDE will have increased expenditures for a consultant to help determine a method for calculating changes in growth and achievement gaps between student groups, and to upgrade information management systems.

School District Impact

For Westminster school district, and any other district or school that choose to implement a competency based system, the bill increase workload and expenditures to adjust data collection and reporting in order to allow the CDE to measure performance for compliance with state and federal accountability laws.

Districts with competency based systems will be required to demonstrate the alignment between their student's competency levels and the state's grade levels. This could be accomplished either by enrolling students in grades aligned with competency levels (which could mean enrolling students in multiple grades for accountability) or testing students in appropriate grade levels without regard to the student's competency level. Districts will likely need to create data base information on each student's specific competency level(s) if different than a reported enrollment or grade level. Current law does not permit testing students on assessments not aligned with their official grade level of enrollment (off-level testing).

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Education School Districts